



# ANNUAL REPORT (2020-2021)



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07**

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With humble beginnings in 1996, Manba Group has over the last 25 years grown to be a leading Financier of Western India known for its sound business practices, accurate industry knowledge and customer centric operations. With over 8 Lakh Happy Customers, Manba takes pride in providing "Wheels To People's Dreams". Mr. Shah's vision for Manba Group is to become a one stop shop for any two wheeler financing needs.

As we celebrate our 25th anniversary, the last 5 years have been the most celebrated ones for Manba Finance Limited. Along with leaping progresses in innovation, technology, products and customer outreach, we ushered in an era of expansion in this half a decade. We extended our footprint with 27 branches and establishing operations in 3 states. We have strengthened the Manba Family with over 800 members dedicated towards making Manba synonymous with 2 Wheeler Finance.





**KIRIT SHAH**  
Chairman



**MANISH SHAH**  
Managing Director



**NIKITA SHAH**  
Director



**MONIL SHAH**  
Director



**ANSHU SHRIVASTAVA**  
Independent Director



**ABHINAV SHARMA**  
Independent Director



## BOARD OF DIRECTORS

**Kirit Shah**  
Chairman

**Manish Shah**  
Managing Director

**Nikita Shah**  
Director

**Monil Shah**  
Director

**Anshu Shrivastava**  
Independent Director

**Abhinav Sharma**  
Independent Director

## KEY MANAGERIAL PERSONNEL

**Jay Mota**  
Chief Financial Officer

**Bhavisha Jain**  
Company Secretary

## CIN

U65923MH1996PLC099938

## SECRETARIAL AUDITOR

M/s **Ronak Jhuthawat and Co**  
Company Secretaries

## DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited

## REGISTERED OFFICE

324, Runwal Heights, L.B.S Marg,  
Opp. Nirmal Lifestyle, Mulund, West,  
Mumbai – 400 080 Maharashtra, India  
Website: [www.manbafinance.com](http://www.manbafinance.com)  
E Mail: [info@manbafinance.com](mailto:info@manbafinance.com)  
Phone : +91 022 662346666

## BANKS AND FINANCIAL INSTITUTIONS:

Axis Bank  
Bank of Baroda Erstwhile Dena Bank  
ICICI Bank  
IDFC First Bank  
Indian Overseas Bank Limited  
Indusind Bank Limited  
Kotak Mahindra Bank Limited  
Saraswat Co-operative Bank Limited  
South Indian Bank Limited  
AU Small Finance Bank Limited  
Fincare Small Finance Bank Limited

## STATUTORY AUDITORS

M/s **ATMS & Co. LLP**  
Chartered Accountants

## REGISTRAR &amp; TRANSFER AGENT

PURVA SHAREGISTRY INDIA PVT. LTD.  
Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt,  
J. R. Boricha Marg, Lower Parel East,  
Mumbai, Maharashtra 400011  
Phone No. 022 2301 6761

## RATING AGENCY

Care Ratings Limited  
Acute Ratings and Research Limited

## CORPORATE OFFICE

MANBA HOUSE, Plot Number A-79,  
Road No. 16, MIDC, Wagle Industrial Estate,  
Thane West Thane 400604, Maharashtra India

Jana Small Finance Bank Limited  
Utkarsh Small Finance Bank  
Ujjivan Small Finance Bank  
A K Capital Finance Limited  
Hinduja Leyland Finance Limited  
Magma Fincorp limited Limited  
Mahindra and Mahindra Financial Services Limited  
Manappuram Finance Limited  
Northern ARC Capital Limited  
Northern Arc Money Market Alpha Trust  
Tata Capital Finance Limited  
Sundaram Finance Limited

## KEY PERFORMANCE HIGHLIGHTS

### Performance highlights: FY 2020-21

#### Demonstrating Reliability

20+

Lenders Trust Manba

▲ 5 new lenders

547

Dealer Network

▲ 24%

11/11

OEMs Funded

100%!

6 OEMs

Preferred Partners

### Demonstrating Stability (Financials)

BBB+ A-

Credit Rating Improved

▲ A Notch Above

₹ 147 Crs

Strong Net Worth

▲ 8%

2.55x

Reduced Leverage

▲ 12%

97.6%

Collection Efficiency

#1 in our location

### Demonstrating Growth (Business)

4

Operational Regions

Rajasthan Launched

5

New Branches

▲ 23%

₹ 70K

Avg. Disbursement

▲ 10%

800+

Employees

▲ 20%

### Demonstrating Progress (Integrated Technology)

- WFH Enabled
- Realtime Reporting
- Launch of MFQ (ERP)
- Customer Interface
- Strategic Partnerships
- Integrated Dashboards enabling Data Analytics

### Demonstrating Sustainability (CSR - Environment)

- LED Electricity Fittings at all Branches
- Energy Management Systems @ Head Office

### B. FY2021 @ MANBA

#### Established

8,00,000+ Valued Customers

4 Regions

27 Branches

#### Valued

800+ Employees

6 OEM's Preferred Financier

500+ Dealer Network

#### Committed

Faster TAT Focused

STP Credit Approvals

Customer Dashboards

#### Updated

Integrated ERP Systems

State of the Art Data Centre

Integrated Security System



*Dear Shareholders,*

I hope you all are safe and healthy.

I present to you the twenty fifth Annual Report for the Financial Year ended 31<sup>st</sup> March 2021.

As we salute the heroes of these trying times, we hope and pray that everybody is safe. While the country still battles through the waves of pandemic. Overall macroeconomic environment was quite muted with the first de-growth in decades in India. The contraction was restricted mainly due to proactive steps taken by the government and industry alike. Business improved and overall consumer sentiment picked up during the third and fourth quarters.

We saw the worst of the pandemic as the year ended, the second wave hit India and had devastating impact on the lives of crores of Indians. However, the quick roll-out of vaccines and cautious actions have helped contain the spread. I am sure we would be stronger on the other side of this pandemic as a country and community as a whole.

During these uncertain times, our primary objectives were:

1. To ensure timely collections
2. To safeguard the lending book through robust credit policy
3. To bring in new strategies for sales and marketing
4. To revisit and improve processes for future growth

The lockdown was like a pit-stop, all rejuvenated and rearing to go. From the get-go, i.e. Q2, we started hitting our stride and team Manba worked with a new vigour. We were soon hitting pre-Covid numbers until we hit the second wave near the end of the year. With gratitude, we acknowledge the dedication and hardwork put in by the heroic team.

As business improves post the second wave, we look ahead with four pronged approach:

#### **1) Geographical Expansion**

Since the last 3 years, we have explored 3 new geographies to expand our reach. We started with Rest of Maharashtra, established Gujarat operations and then launched Rajasthan's first branch. Looking ahead, we are hoping to strengthen our presence in these states by entering the interiors and make the three regions our home.

#### **2) Digital First**

With the launch and integration of MFQ with Sales Force, we have a seamless platform that is tailor-made for our needs. A platform that provides data at fingertips, provides capabilities to make analytical decisions and brings in the possibilities of augmenting the entire lifecycle of a loan – right from deal origination to loan closure. A support tool that enables rather than hinder the team's progress.

#### **3) Incubate Innovation**

We truly believe our attitude towards innovation is the key to our strong market share in the industry. We will continue our emphasis on innovation in products, processes, policies and every functional area that we believe will help us maintain and even extend our competitive edge among our peers.

#### **4) Customer Experience**

Our technology can now enable us to provide a hassle-free experience for our customers. With instant approvals to self-service portals / dashboards, we are looking forward to enrich our customer experience. A consumer centric approach is the only way to build loyalty.

While we work steadily towards creating value for our stakeholders, we also tread cautiously as we are still treading uncertain paths. We cannot overstate the importance of being nimble in our pursuit of excellence.

I and the complete board at Manba finance solicit the continuous support from all our stakeholders' as we move into this new era of business and way of life.

With best wishes,

**Manish K. Shah**  
Managing Director



To:

The Members of Manba Finance Limited

Your Directors are pleased to present the 25th report on the business, operations and state of affairs of the Report together with the audited accounts of your Company for the Financial Year ended 31<sup>st</sup> March, 2021.

The performance highlights and summarised financial results of the Company are given below:

#### FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The financial performance of your Company for the year ended 31<sup>st</sup> March, 2021 is summarised below:

Particulars	Amount in ₹	
	2020-21	2019-20
<b>Total Income</b>	<b>1,08,54,44,008</b>	<b>1,18,50,48,807</b>
Employee Benefit Expenses	18,71,25,409	21,14,75,715
Finance cost	50,65,70,067	50,23,76,901
Depreciation and amortization expense	1,87,88,221	1,93,61,718
Other Expenses	22,20,13,454	212,730,637
<b>Total Expenses</b>	<b>93,44,97,151</b>	<b>945,944,971</b>
Profit Before Tax	<b>15,09,46,857</b>	<b>239,103,836</b>
Tax expense:	3,72,22,188	57,131,293
Profit After Tax	<b>11,37,24,669</b>	<b>18,19,72,542</b>
Statutory Reserve as per Sec 45IC of RBI Act, 1934	2,27,44,934	3,63,94,508

#### THE PROPOSED AMOUNTS TO CARRY TO ANY RESERVES (section 134 (3j))

Reserves and surplus for the company is ₹ 1,34,79,31,697 as on 31-03-2021

#### OPERATIONAL REVIEW

The overall business of the Company, which is primarily two-wheeler finance was impacted by lockdown in first quarter of fiscal 2021 due to the COVID-19 pandemic. The Company enabled WFH for its employees allowing them to work at almost full capacity. Additionally, the Company's digital capabilities built during fiscal 2021 enabled it to perform various activities like customer onboarding and pre/post disbursement and collections processes (Video KYC, Video PD, online fee collection, online disbursements, NACH mandate for EMI collection etc.) online.

During the financial year under review, your Company continued its focus on its business and posted total income and profit after tax of ₹ 108.54 crores and ₹ 11.37 crores against ₹ 118.50 crores and ₹ 18.19 crores, respectively, in the previous year. Your Company transferred an amount of ₹ 2.27 crore to Reserve Fund pursuant to Section 45-IC of the RBI Act, 1934.

#### DIVIDEND

Your Directors have recommended reinvesting the profits into the business of the Company in order to build a strong reserve base for the long-term growth of the Company. Your Company has formulated a Dividend payout policy as per the applicable regulations for bringing transparency in the matter of declaration of dividend and to protect the interest of investors. In line with the Company's dividend payout policy and applicable regulations, your Directors have not recommended any dividend for fiscal 2021 (fiscal 2021: Nil).

#### THE STATE OF COMPANY'S AFFAIRS

The operating and financial performance of the Company has been given in the Management Discussion and Analysis Report which forms part of this Annual Report. During the year under review, there has been no change in the nature of business of the Company.

#### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no amount lying w.r.t unpaid/unclaimed Dividend, the provisions of Section 125 of the Companies Act, 2013 does not apply. Further, there was no amount due to be transferred to IEPF in respect to secured redeemable non-convertible debentures and interest thereon by the Company.

#### SHARE CAPITAL

The issued, subscribed and paid-up Equity Share Capital as on 31<sup>st</sup> March, 2021 was ₹ 12,55,64,700 comprising of 12556470 Equity Shares of the face value of ₹ 10/- each. During the year under review, the Company has neither issued shares with differential rights as to dividend, voting or otherwise, nor has issued sweat equity, as on 31<sup>st</sup> March, 2021, none of the Directors of the Company holds instruments convertible into Equity Shares of the Company.



Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised Share Capital</b>	<b>₹ 15,00,00,000/-</b>	<b>₹ 15,00,00,000/-</b>
Equity Shares	₹ 14,90,00,000/- (1,49,00,000 equity Shares of ₹ 10/- each)	₹ 14,90,00,000/- (1,49,00,000 equity Shares of ₹ 10/- each)
Preferential Shares	₹ 10,00,000/- (1,00,000 preference shares of ₹ 10/- each)	₹ 10,00,000/- (1,00,000 preference shares of ₹ 10/- each)
<b>Total</b>	<b>₹ 15,00,00,000/-</b>	<b>₹ 15,00,00,000/-</b>
Issued, subscribed and fully paid-up	₹ 12,55,64,700/- (1,25,56,470 equity shares of ₹ 10/- each)	₹ 12,55,64,700/- (1,25,56,470 equity shares of ₹ 10/- each)
<b>Total</b>	<b>₹ 12,55,64,700 /-</b>	<b>₹ 12,55,64,700 /-</b>

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The composition of the Board is in compliance with the applicable provisions of the Companies Act, 2013, ("Act") and the rules framed thereunder, guideline(s) issued by the Reserve Bank of India and other applicable laws inter alia with respect to appointment of women director, non-executive director(s) and independent director(s).

**POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

In terms of Section 178 of the Companies Act, 2013 read with rules framed thereunder and the RBI Master Directions, as amended, your Company has adopted, 'Policy on "Fit & Proper" Person Criteria' for appointment of Directors and Senior Management Personnel of the Company which forms part of Nomination & Remuneration Policy of the Company. The said Policy is available on the website of the Company viz. [www.manbafinance.com](http://www.manbafinance.com)

**DIRECTOR(S) DISCLOSURE**

Based on the declarations and confirmations received in terms of the applicable provisions of the Act, circulars, notifications and directions issued by the Reserve Bank of India and other applicable laws, none of the Directors of your Company are disqualified from being appointed as Directors of the Company. The Company has received necessary declarations from the Independent Directors, affirming compliance with the criteria of independence laid under the provisions of Section 149(6) and sub rule 3 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the Act.

Your Board of Directors is of the Opinion that Independent Directors appointed / re-appointed during the year under review have the required integrity, expertise and experience (including the proficiency) as required under the applicable laws.

**CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY**

**Director(s) retiring by rotation**

In accordance with the provisions of the Companies Act, 2013 read along with the applicable Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Monil M. Shah, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment.

During the year under review no new Director has been appointed on the Board and no resignation took place.

**"Key Managerial Personnel"**

Mr. Manish K. Shah, Managing Director, Mr. Jay K. Mota, Chief Financial Officer and Ms. Bhavisha A. Jain, Company Secretary are the Key Managerial Personnel of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013.

During the year under review, the composition of Key Managerial Personnel remains unchanged.

**BOARD EVALUATION**

Pursuant to provisions of the Companies Act, 2013, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees of the Board of Directors.

A structured questionnaire designed for the performance evaluation of the Board, its Committees, Chairman and individual directors and in accordance with the criteria set and covering various aspects of performance including structure of the board, meetings of the board, functions of the board, role and responsibilities of the board, governance and compliance, conflict of interest, relationship among directors, director competency, board procedures, processes, functioning and effectiveness was circulated to all the directors of the Company for the annual performance evaluation. Based on the assessment of the responses received to the questionnaire from the directors on the annual evaluation of the Board, its Committees, the Chairman and the individual Directors, a summary of the Board Evaluation was placed before the meeting of the Independent Directors for consideration.

Similarly, the Board at its meeting assessed the performance of the Independent Directors. The Directors were satisfied with the results of the performance evaluation of the Board & its Committees, Chairman and individual directors.

The Board has completed the annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee ("NRC"). The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees.

**MEETING OF INDEPENDENT DIRECTORS**

A Separate Meeting of Independent Directors of your Company was held on 08-12-2020 without the presence of the Non-Executive Chairman, the Managing Director, the Whole-time Director and the management team of the Company. The meeting was attended by all the Independent Directors.

**SUBSIDIARIES / JOINT VENTURE / ASSOCIATE COMPANIES:**

Your Company does not have any Subsidiary, Joint Venture or Associate Companies in accordance with the provisions of the Act, and hence, disclosure regarding the same is not applicable. However the Company is associate Company of Manba Investment and Securities Private Limited.

**HUMAN RESOURCE:**

MFL believes it's employees are important pillars of success. It offers them a nurturing environment and a merit-based, rewarding work culture. The Company undertakes various employment engagement initiatives and regular reviews for optimal utilisation of human resources. Knowledge sharing and cross functional industry insights have enabled our staff to meet evolving business environment. With the proposed expansion of retail finance activity, Company has inducted significant industry talent at senior and mid-level into the organization. Talent across diversified business processes have been inducted to strengthen the Organization's Growth, Profitability & Sustainability.

To accelerate the company's growth and agility across locations, your Company has focused on strategic hiring. The company ended the year with a work force strength of employees on its payroll.

The company has undertaken steps for employee's health and safety while ensuring continuous operations during the COVID 19 pandemic. Prior to the lockdown, precautionary measures such as hand sanitizers for all employees at Head Office and branches, discontinuation of group meetings, encouraging use of digital channels for transactions, restriction on non-essential domestic travel were implemented. Post Lockdown, as per the roster system, employees are partly working from the office and partly working from home through VPN access, regular connects. Your Directors place on record the appreciation of effort and dedication of the employees in achieving good results during the year under review.

**COMPLIANCE MONITORING & REPORTING TOOL:**

In terms of provisions of Section 134(5)(f) of the Act, the Company has put in place a Compliance Management System for effectively tracking and managing critical action items related to regulatory and internal compliance requirements.

**FINANCE & CREDIT RATINGS:**

Finance:

During the year under review, Your Company raised funds from various public/private sector banks, and financial institutions. The Company continued to borrow funds inter alia by issue of Commercial Papers and Non-Convertible Debentures, term loan(s) from banks/ financial institutions etc. Details in this regard are stated and more particularly mentioned in the Audited Financial Statements.

**DEBT SECURITIES:**

The Company has issued Listed and Unlisted Secured Rated Redeemable NCDs and redeemed the unlisted NCD's during the year under review.

Sr.No	Particulars	No. of Debentures	Face Value of Debenture	Aggregating Value
1	Bank of Baroda	100	10,00,000	10,00,00,000 (Rs Ten Crore)
2	Axis trustee Services Limited acting in its capacity as trustee of the Northern Arc Money Market Alpha Trust with Northern Arc Money Market Alpha Fund as its scheme	100	10,00,000	10,00,00,000 (Rs Ten Crore)
3	A K Capital Finance Pvt Ltd	2,000	1,00,000	20,00,00,000 (Rs Twenty Crore)

**CREDIT RATING:**

The Company has been assigned A- Outlook Stable by Acute Ratings and Resarch Limited.

**DEPOSITS:**

The Company being a "Non-Deposit Accepting Non-Banking Financial Company", provisions of Section 73 and Section 74 of the Act read with Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

During the year under review, the Company had neither accepted nor held any deposits from the public and shall not accept any deposits from the public without obtaining prior approval from the Reserve Bank of India.

**ANNUAL RETURN:**

Pursuant to the provisions of section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the company as on 31st March, 2021 once prepared shall be disclosed on the Company's website, Annual return as on 31<sup>st</sup> March, 2021 in form MGT-7 is available on the website of the Company viz. [www.manbafinance.com](http://www.manbafinance.com).



**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES AND POLICY ON RELATED PARTY TRANSACTIONS:**

All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. The disclosure in this regard forming part of this report is provided in the financial statement. All the Related Party Transactions as required under AS. Are reported in the Notes to the financial statement.

Relevant Form (AOC-2) for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is given as **Annexure II** to this Report.

During the year, the Company has not entered into any contract/ arrangement/transaction with related parties which may have a potential conflict with the interest of the Company at large. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their review on a periodical basis.

The policy on Related Party Transactions is placed on the website of the Company at [www.manbafinance.com](http://www.manbafinance.com) under policy section.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

During the year under review, the Company had not made any investments in terms of provisions of Section 186(1) of the Act. Except for Section 186(1), the provisions of Section 186 of the Act pertaining to making investments, granting of loans to any persons or body corporate and giving of guarantees or providing security in connection with the loan to any other body corporate or persons are not applicable to the Company, since the Company is a Non-Banking Financial Company, registered with Reserve Bank of India.

**INTERNAL FINANCIAL CONTROL SYSTEMS:**

The Board of Directors confirms that your Company has laid down set of standards, processes and structure which ensures Internal Financial controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company ensures compliance with operating procedures, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit Function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit

**COMMITTEE OF THE BOARD.**

During the year under review, such controls were tested by the Internal Audit Department of the Company and no material weaknesses in the design or operations were observed. The Statutory Auditors have reviewed the said test results and found them to be effective.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars regarding foreign exchange earnings and outgo appear as separate item in the notes to the Financial Statements. Since the Company does not carry any manufacturing activities, particulars to be disclosed with respect to conservation of energy and technology absorption under section 134(3)(m) of the Companies Act, 2013 read with Companies Accounts Rules, 2014 are not applicable.

The Company is however, constantly pursuing its goal of technological up-gradation in a cost effective manner for delivering quality customer service.

**RISK MANAGEMENT:**

Your Company manages a variety of risks that can significantly impact its financial performance and also its ability to meet the expectations of our customers, shareholders, regulators and other stakeholders. The company is exposed to financial risk, such as credit, interest rate, market, liquidity and funding risks, and non-financial, such as operational including compliance and model risks, strategic and reputation risks. Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. Various aspects of risk are taken into account while preparing the annual business plan for the year. MFL's risk appetite is articulated in a statement of risk appetite, which is approved at least annually by the RMC of the Board. MFL continuously monitors its risk appetite, and the RMC as well as the Board reviews periodic risk appetite reports and analysis. The Board is also periodically informed of the business risks and the actions taken to manage them. The Board assesses management's performance, provides credible challenge, and holds management accountable for maintaining an effective risk management program and for adhering to risk management expectations.

The Board carries out its risk oversight responsibilities directly and through its committees. Further, The Risk Management Committee periodically reviews risk levels, portfolio composition, status of impaired credits, etc. Risk is everyone's responsibility and every team member is required to comply with applicable laws, regulations, and Company policies. The Board holds management accountable for establishing and maintaining the right risk culture and effectively managing risk.

**THE REMUNERATION POLICY, DISCLOSURE OF REMUNERATION & PARTICULARS OF EMPLOYEES:**

In terms of Section 178 of the Companies Act, 2013, your Board have adopted a 'Nomination and Remuneration Policy' inter-alia setting out the criteria for deciding remuneration of Executive Directors, Non-Executive Directors, Senior Management Personnel and other Employees of the Company. The said Policy is available on the website of the Company at [www.manbafinance.com](http://www.manbafinance.com)

In terms of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees of the Company have been provided at **Annexure III** to this Report.



In terms of Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement relating to particulars of employees of the Company is available for inspection by the Members at the Registered Office of the Company during business hours on working days. A copy of this statement may be obtained by the Members by writing to the Company Secretary of the Company. The Board hereby confirm that the remuneration paid to the Directors is as per the Remuneration Policy of the Company.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

In accordance with the provisions of Section 135 of the Act and the CSR Policy, the Company has contributed Rs 27,50,000/- (Rupees Twenty Seven Five Hundred Lakhs Only) (being 2 percent of the average net profit of the Company in the immediately three preceding financial years calculated as per Section 198 of the Act) towards CSR expenditure in various projects stipulated under Schedule VII of the Act. The details of the same is enclosed as **Annexure IV** to this Report as mandated under the said Rules. The Policy adopted by the Company on Corporate Social Responsibility (CSR) is placed on the website of the Company at [www.manbafinance.com](http://www.manbafinance.com)

**WHISTLE BLOWER / VIGIL MECHANISM:**

The Company as part of the 'vigil mechanism' has in place a 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy has been placed on the website of the Company at [www.manbafinance.com](http://www.manbafinance.com)

This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate provisions protecting Whistle blowers from unfair termination and other unfair prejudicial and employment practices.

The audit committee of the board reviews the complaints received and resolution thereof under the said policy on a quarterly basis. It is hereby affirmed that the company has not denied any of its personnel, access to the Chairman of the Audit Committee.

During the year under review, the Company has not received any whistle blower complaint.

**MANAGEMENT DISCUSSIONS AND ANALYSIS:**

The Management Discussion and Analysis is annexed herewith as **Annexure I** to this Report.

**CORPORATE GOVERNANCE**

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholder value. In the commitment to practice sound governance principles, Company is guided by its core principles viz. Transparency, Disclosures, Empowerment and Accountability, Compliances and Ethical Conduct.

**BOARD OF DIRECTORS:**

In terms of the Corporate Governance philosophy all statutory and other significant material information is placed before the Board of Directors to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders. The Board currently consists of six Directors. There are, two executive Directors including women director and 3 non-executive directors out of which two are Independent Directors apart from the Managing Director. All the Directors bring a wide range of skills and experience to the board. The Independent Directors have confirmed that they satisfy the criteria prescribed for an Independent Director as stipulated under the provisions of Section 149(6) of the Companies Act, 2013.

List of Director

S No	Name of Director	Designation	DIN
1.	Kirit R. Shah	Chairman	00979608
2.	Manish K. Shah	Managing Director	00979854
3.	Nikita M. Shah	Director	00171306
4.	Monil M. Shah	Director	07054772
5.	Anshu Shrivastava	Independent Director	06594455
6.	Abhinav Sharma	Independent Director	07641980

**DETAILS OF BOARD MEETINGS**

The Board met 23 times in the financial year 2020-21 viz., on 06<sup>th</sup> April, 2020 13<sup>th</sup> April, 2020, 4<sup>th</sup> June, 2020 17<sup>th</sup> July, 2020, 23<sup>rd</sup> July, 2020, 05<sup>th</sup> August, 2020, 17<sup>th</sup> August, 2020, 25<sup>th</sup> August, 2020, 28<sup>th</sup> August, 2020, 25<sup>th</sup> September, 2020, 28<sup>th</sup> September, 2020, 5<sup>th</sup> November, 2020, 24<sup>th</sup> November, 2020, 03<sup>rd</sup> December, 2020, 18<sup>th</sup> December, 2020, 31<sup>st</sup> December, 2020, 8<sup>th</sup> January, 2021, 12<sup>th</sup> January, 2021, 13<sup>th</sup> January, 2021, 25<sup>th</sup> February, 2021, 17<sup>th</sup> March, 2021, 18<sup>th</sup> March, 2021, 26<sup>th</sup> March, 2021. The gap between two Meetings did not exceed one hundred and twenty days.

## COMMITTEES OF BOARD:

In accordance with the applicable provisions of the Act, the circular(s), notification(s) and directions issued by the Reserve Bank of India and the Company's internal corporate governance requirements, the Board has constituted various Committees with specific terms of reference to focus on specific issues and ensure expedient resolution on diverse matters.

The matters pertaining to financial results and auditor's report are taken care of by the Audit Committee and those pertaining to nomination /remuneration of Key Executives and Directors are within the realms of Nomination & Remuneration Committee. The Corporate Social Responsibility (CSR) Committee focuses on compliance of CSR policy and framework by the Company and monitors the expenditure to be incurred by the Company.

The Company Secretary acts as the Secretary for all the aforementioned Committees. The minutes of the meetings of all Committees along with summary of key decision/discussion taken at each Committee, is placed before the Board for discussion / noting /approval.

As at March 31, 2021, the Company has seven Committees of the Board, constituted in accordance with the provisions of the Act viz.,

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Risk Management Committee
5. Internal Compliant Committee
6. Grievance Redressal Committee.
7. Asset Liability Management Committee

The Board at the time of constitution of each committee fixes the terms of reference and also delegates powers from time to time. Various recommendations of the committees are submitted to the Board for approval.

### 1. AUDIT COMMITTEE:

The Members of Committee possess strong accounting and financial management knowledge. The Committee meets the composition requirement pursuant to the provisions of Section 177 of the Companies Act, 2013.

The Composition of Audit Committee and attendance is as mentioned below:-

Name of Members	Designation
Mr. Anshu Shrivastava	Chairman
Mr. Abhinav Sharma	Member
Mr. Manish K. Shah	Member

The audit committee met 4 (Four) times during the year on 24-06-2020, 05-08-2020, 15-12-2020 and 16-03-2021

### NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is formed in compliance with the provisions of Section 178 of the Companies Act, 2013.

The details of composition and attendance at the Nomination and Remuneration Committee

Name of Members	Designation
Mr. Anshu Shrivastava	Chairman
Mr. Abhinav Sharma	Member
Mr. Kirit R. Shah	Member

During the financial year 2020-21, the committee held 2 (two) meetings. These were held on 05-08-2020 and 20-09-2020

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per section 135 of the Companies Act, 2013 the Company had duly constituted a Corporate Social Responsibility (CSR) Committee. The functions of the Committee include review of corporate social responsibility (CSR) initiatives undertaken by the undertaken by Company, formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the Company and recommendation of the amount of expenditure to be incurred on such activities, reviewing and recommending the annual CSR plan to the Board, making recommendations to the Board with respect to the CSR initiatives, monitoring the CSR activities, implementation and compliance with the CSR Policy and reviewing and implementing, if required, any other matter related to CSR initiatives as recommended/suggested by RBI or any other statutory Authority.

The details of attendance at the CSR Committee meeting are as under:

Name of Members	Designation
Mr. Anshu Shrivastava	Chairman
Mr. Abhinav Sharma	Member
Mr. Manish K. Shah	Member
Mrs. Nkita Manish Shah	Member



During the financial year 2020-21, the committee held 2(Two) meeting. These was held on 05-08-2020 to 14-12-2020

### Risk Management Committee

The Risk Management Committee of the Company is formed in Compliance with the Guidelines of Reserve Bank of India on Corporate Governance.

The composition of Risk Management Committee as on March 31, 2021 is as under:

Name of Members	Designation
Abhinav Sharma	Chairperson
Monil M. Shah	Member
Anshu Shrivatava	Member

During the financial year 2020-21, the committee held 2(2) meetings. These were held on 05-08-2020 and 16-03-2021

### Internal Complaints Committee:

In terms of the Sexual Harassment of Women at Workplace(Prevention, Prohibition & Redressal) Act, 2013, ("Sexual Harassment Act") the Board had formulated and adopted a policy on prevention of sexual harassment at work place and takes all necessary measures to ensure a harassment- free workplace and has instituted an Internal Complaints Committee for redressal

of complaints and to prevent sexual harassment. The Company believes that all employees, including other individuals who are dealing with the Company have the right to be treated with dignity. During the year under review, there is no complaint of any sexual harassment.

### Grievance Redressal Committee:

The Grievance Redressal Committee specifically look into the mechanism of redressal of grievances of shareholders, debentures holders and other security holders.

The composition of Grievance Redressal Committee as on March31, 2021 is as under:

Name of Members	Designation
Anshu Shrivastava	Chairperson
Manish K. Shah	Member
Monil M. Shah	Member

During the financial year 2020-21, the committee met three times on 05th August, 2020, 6th November, 2020, and 17th March, 2021.

### Asset Liability Management Committee

The Company had duly constituted an Asset Liability Management Committee inter-alia, to review the ALM profile, set and monitor the market risk limits including limits on liquidity, interest rate and exchange rate positions for the structural balance sheet and the trading book, decide the business strategy on asset and liability side , oversee the implementation of the Asset Liability Management (ALM) system and review its functioning periodically, consider and approve any other matter related to liquidity and market risk management.

The composition of Asset Liability Management Committee as on March 31, 2021 is as under:

Name of Members	Designation
Mr. AnshuShrivatava	Chairman
Mr. Abhinav Sharma	Member
Mr. Manish K. Shah	Member

During the financial year 2020-21, the committee held 2 (Two) meetings. These were held on 05-08-2020 and 16-03-2021

### Annual General Meeting:

The Annual General Meeting of the Company for FY 2020-21 was held on September 29, 2020. It was attended by the Chairperson of Audit Committee, and by the Chairperson of the Board as required under Companies Act, 2013.

Attendance of the Members in The Board and Committee Meetings:

Type of meeting	No of meetings held	NIKITA MANISH SHAH	KIRIT RATANSHI SHAH	MANISH KIRITKUMAR SHAH	ANSHU SHRIVASTAVA	MONIL MANISH SHAH	ABHINAV SHARMA
Board	23	23	18	23	4	23	4
Audit Committee	4	0	0	4	4	0	4
Nomination and Remuneration	2	0	2	0	2	0	1
Corporate Social Responsibility	2	2	0	2	2	0	2
Risk Management	2	0	0	0	2	2	1
Grievance Redressal	3	0	0	3	3	3	0
Asset Liability Management	2	0	0	2	0	0	1
Annual General Meeting	1	1		1	1	1	0



**ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY:**

The Financial Statements of the Company has been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act and the guidelines prescribed by the Reserve Bank of India, as applicable.

**SECRETARIAL STANDARDS:**

The Company has complied with the applicable Secretarial Standards viz. SS-1 and SS-2 during the year issued by the Institute of Company Secretaries of India.

**AUDITORS****I) STATUTORY AUDITORS**

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act), ATMS & CO LLP, Chartered Accountants, [Firm Registration No. W100164] has been appointed as the Auditors of the Company for a term of three years to hold office from the conclusion of 20th Annual General Meeting (held in the calendar year 2016) till the conclusion of the 25th Annual General Meeting to be held in the calendar year 2021.

The Auditor has expressed willingness to be re appointed as Statutory Auditor, hence Board of Directors has proposed to reappoint M/s ATMS & CO LLP, Chartered Accountants, [Firm Registration No. W100164 as Statutory Auditor of the Company for a period of three years from the conclusion of this 25th annual general meeting (held in the calendar year 2021) till the Conclusion of 28th Annual general meeting to be held in year 2024.

During the year under review, the statutory auditors have not reported any incident of fraud to the Audit Committee. Further the statutory auditors have not made any reservation or qualification in their Audit Report. The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

**II) SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ronak Jhuthawat & Co, Practicing Company Secretaries, Udaipur to conduct the secretarial audit for the financial year ended March 31, 2021.

The Report of the Secretarial Auditor is provided as Annexure V to this Report.

There are no qualifications or adverse remarks in the Secretarial Audit Report.

**REGULATORY & STATUTORY COMPLIANCES:**

The Company has put in place adequate systems and processes in place to ensure compliance with the applicable guidelines issued by all regulators

**COMPLIANCES OF RBI GUIDELINES:**

The company continues to comply with the applicable regulations and guidelines of the Reserve Bank of India as applicable to a Non- Banking Non Deposit Taking Company ('NBFC-ND'). The company has submitted returns with RBI on timely basis

**CHANGE IN NATURE OF BUSINESS, IF ANY:**

During the year under review, there was no change in the nature of business of the Company.

**MATERIAL CHANGES, IF ANY, POST FINANCIAL YEAR ENDED MARCH 31, 2021**

The spread of COVID-19 has severely impacted many economies around the globe. Businesses are being forced to cease or limit operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank to ease the burden on the businesses from hardship.

The impact of the COVID-19 pandemic on the financial position of the company will depend on future developments, including among other things, extent and severity of the pandemic, mitigating actions by governments and regulators, time taken for economy to recover, etc.

**MATERIAL ADVERSE ORDERS, IF ANY**

There are no significant and material orders passed by the Reserve Bank of India or the Ministry of Corporate Affairs or Courts or Tribunals or other Regulatory/ Statutory authorities which will have an impact on the going concern status of the Company and Company's operations in future.

**MAINTENANCE OF COST RECORD**

The Company is not required to maintain cost records in terms of Section 148(1) of the Companies Act, 2013.

**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

There is no application made or pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, ('the Act') your Directors confirm that:

- i. In the preparation of the annual accounts for financial year ended 31st March, 2021, the applicable accounting standards have been followed and there are no material departures in adoption of these standards;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2021 and of the profit of the Company for the year ended on that date.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts for financial year ended 31st March, 2021 on a 'going concern' basis.
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.
- vi. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENT**

The Board wishes to place on record their appreciation for the dedication and hard work put in by the employees of the Company at all levels and the support extended by various stakeholders of the Company. The relationships with regulatory authorities and clients remained good during the year under review. The Board is also thankful to the Reserve Bank of India and other regulatory authorities for their cooperation, guidance and support extended by them to the Company in its endeavours.

**For and on behalf of the Board**

**Kirit R. Shah**  
Chairman  
DIN: 00979608

**Manish K. Shah**  
Managing Director  
DIN: 00979854

Place: Mumbai  
Date: 19<sup>th</sup> August 2021



**Annexure-I  
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Manba Finance Limited is a leading NBFC currently present in three states of Western India and is primarily engaged in financing two-wheeler.

While the unprecedented health crises still unfolds across the nation, it was warm to see people, nations, bureaucracy come together and focus on improving lifestyle and the quality of life overall. We too strove towards improving ourselves, our systems and our approach to business. This year brought the best out of us to ensure we are always ready and nimble enough to deal with situations in the future. We evolved from being a business to becoming a family, from chasing profits to attaining excellence.

Our innovative approaches towards experience, schemes, partnerships and products help us gain and strengthen our market share in the industry. We are dedicated towards improving the overall two-wheeler purchase experience for customers through innovative and strategic tie-ups with OEMs, Dealers and other key stakeholders across the purchase cycle. We are dedicated to our customer-focused motto – “Manzilon ko Raftar de”

The two-wheeler industry has seen some tumultuous times in the past, the worst of which the first 3 months of FY2021. Despite these uncertain times, the industry bounced back strong in the company 9 months and ended up outperforming the year before! A strong showing by the industry.

Two-Wheeler Finance Industry too fared better than the previous 12 months overall despite having only 9 months of effective business. A few key reasons for this were:

- Increased Finance Penetration
- Increased Prices of Two Wheelers (Bharat VI, Hike in Insurance and more)
- Lower Disposable Income due to pandemic
- Lower Rate of Interest through RBI support
- Rise in need for Personal Vehicles due to pandemic

**Macroeconomic Outlook**

The Fiscal Year began under some extraordinary circumstances, the world still coming to terms with Covid-19 and India under strict lock-down conditions imposed by both central and state governments. People were witnessing unforeseen challenges and we were adjusting to the new way of living – social distancing and restrictive movement. A contraction in the Indian economy for the first time in well over 2 decades was inevitable. Global trade reduced by 3.3% while the Indian economy contracted by a record 8% during Fiscal 2020-21 (IMF).

To mitigate the sizable contraction and aid MSMEs restart business, the government and RBI took to refining the monetary policy to bring in liquidity and promote trade in the country. Some key changes to macroeconomic factors include:

- 1) A 20 Lakh Crore package stimulus package
- 2) Issue of Credit Guarantee Loans for existing borrowers
- 3) Moratorium on loans for business purposes
- 4) Adoption of Repo Rate regime to reduce cost of borrowings
- 5) Restructuring of loans for managed repayments

These measures along with the phased re-opening of economy helped the country recover its financial hardships and in some aspects, the financial indicators even outperformed their pre-Covid levels too. However, by the end of the year, India saw its second wave of Covid-19 for which the country was not prepared. While the fiscal year ended on with widespread lockdown again, it took till Mid-May for cases to reduce again and the economy to start working again in full flow.

**Industry Outlook**

Growth despite slow start

Déjà vu to the start last year, April and May 2021 again saw severe impact of the pandemic through its second wave that hit India hard. However, since then the industry has shown considerable increase in both two-wheeler sales and finance penetration. We expect this year to fare at least 10-12% better (a conservative estimate adjusting for the poor Q1) in sales numbers as corroborated by CRISIL Ratings in July 2021.



### Rural India drives Growth in Finance

Finance penetration is further expected to increase mainly brought about by increase in financed vehicles in the rural areas. Mainly contributed due to uncertain times and increased footprint of finance companies. During the pandemic, technology has reached nook and corners of the nation and is enabling companies with technical prowess to expand beyond what was possible a few years ago.

### E-evolution

Ola Electric and Hero Electric are poised to take the two wheeler industry by storm with other players such as Okinawa, Ampere (Greaves) and Ather expected to minor market share by the end of 2023. While these may be the first generation of electric two wheelers in India, they are bound to create a dent to the existing petrol two wheeler market. While it starts with scooters and is not expected to impact the motorcycles segment as yet. The response to Ola Electric's pre-bookings / reservation program all but confirms the inevitable once the support structure of such EVs are available to the common man. The e-evolution is more a question of when rather than if.

### Operational Results

Your company recorded ₹ 108.42 Crs in revenues from Operations in FY2021, a 7% decrease compared to last year. The Profit before Tax Margins also reduced from 20% in FY2020 to 14% (₹ 15.09 Crs) in FY2021, which was expected during these uncertain times. The operational EBITDA Margins, however, have only marginally reduced to 62.3% from 64.2%, a fall of only 1.9%, a positive indication of company's operational strengths.

The overall financial portrait has improved significantly, despite the rocky FY2021. The financial indicators have grown from strength to strength. The Networth has increased to ₹ 147 Crs, 8% increase from previous year. More lenders have trusted your company with 5 new lenders on-boarded and number of lenders increasing to 20+ banks and NBFCs. Overall leverage also improved by 12% as the TOL/TNW reduced from 2.90x to 2.55x. These improvements are reflected in the improvement of the company's credit ratings from BBB+ to A-.

Your company also grew its footprint to 5 more locations with new branches, allowing it to strengthen its positioning and reach to the people of 4 regions. Mumbai, Rest of Maharashtra, Gujarat and Rajasthan. The market share of your company also improved considerably in the regions of Gujarat and Rajasthan, further improving the geographical spread of its lending assets.

In summary, operational numbers are encouraging and it gears up for the next few years of progress we expect at the company.

### The Pandemic, the Moratorium, the Resilience

Covid-19 had near-term impact on collections and fresh-loan disbursements for the two wheeler segment. The impact was severe in the first 3 months with negligible business as Showrooms and Dealers were not operational for majority of April and May 2020. In terms of collections, the impact was mainly seen due to ambiguous communications from the Finance ministry.

The government and the RBI, jointly brought about a slew of relief measures for the borrowers, of which, the Moratorium and Emergency Credit Line Guarantee Scheme (ECLGS) were the two biggest announcements. While the announcements seemed to make these relief measures to be more of a blanket cover, the nuances of the measures was not communicated clearly. This caused quite a confusion among borrowers. Both these relief measures were not applicable to the two wheeler loans and therefore, were not applicable to the borrowers of your company. While, this proved to be a challenge explaining, educating, and also in some cases convincing the borrowers that the relief was not for their borrowings, ultimately the company is proud to announce that we attained a **collection ratio of 97.6%** – a true achievement, given the circumstances! Kudos to the collection and recovery team for this feat. Judicious.

The downtime offered by the pandemic, gave the management and the team at Manba to reorganize and bring in strategies for sales, operations and specially collections. A special mention to the other teams also is necessitated:

**Credit & Risk:** New and stricter credit policies were swiftly adopted with the company reducing the STP approvals during the lock-down situation without impacting the TAT. Being ready for the new world with new policies once business resumed was commendable. Sharp.

**Marketing & Sales:** Despite a damp start to the year, the sales and marketing team outperformed the last 3 quarters of FY2021 compared to the corresponding months in FY2020. The sales team were ready for challenges of the new normal. Sales and marketing strategies had radically changed and yet by May-end when business started, the team was rearing to go. Resilience.

**Technology:** Early understanding and farsightedness of the Technology team allowed us to be WFH ready within days of lockdown announcements. Quick training and instant tech support was available to our employees. During this period it also allowed the team to focus on ensuring that internal and outbound tech was streamlined with seamless integration of various tech projects. MFQ was integrated across the organization at each functional level and integrated with Salesforce to ensure entity-level unified reporting system. Future-proof.

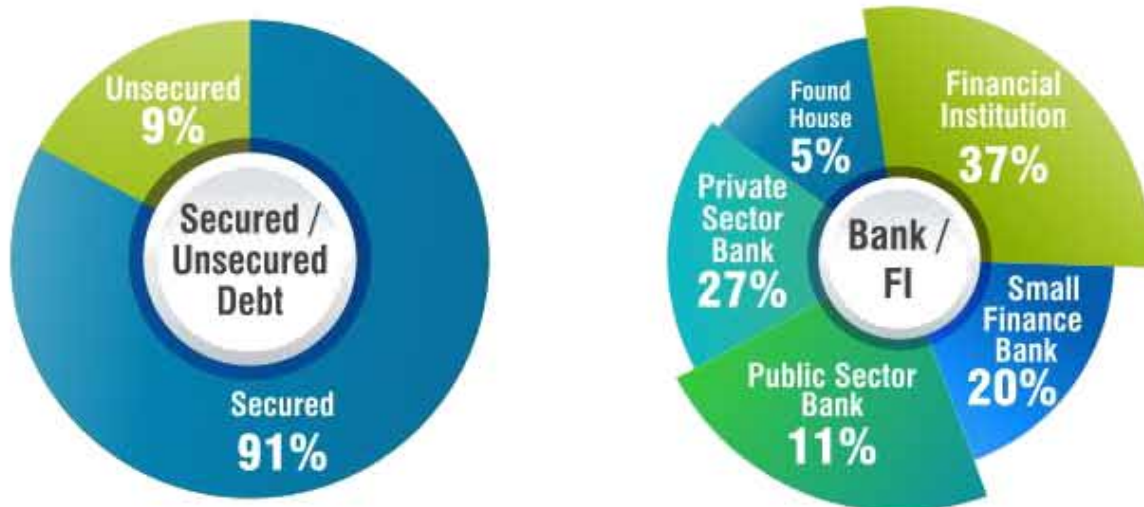
**Support Staff:** Every executive showed up in colours of Manba ready to serve their company. Admin, HR, Safety, Nutrition, Support and every other team contributed in their own way to ensure that every member of Team Manba was safe and felt at home even during the trying times. Committed.

Despite the difficult times and personal hardships faced by everyone due to the pandemic, a heartfelt gratitude goes out to the each and every member of the Manba family.

**Liquidity & Capital Resources**

With delay in collections expected during the start of the year and no real relief provided to NBFCs for their repayment commitments, NBFCs were bracing for liquidity issues, especially during the moratorium period and month following it. While, moratorium was not available to our borrowers, initial month's collections were difficult. However, due to strong efforts from collection, recovery and even sales team joining hands, the company was able to manage decent collections even during peak pandemic period. Coupled with resourcefulness of promoters (infusion of capital) and undisbursed limits available to be utilised, your company made every single committed payment and was in fact able to reduce its overall debt obligations.

**Distribution of Lending Book:**



**Distribution of Book**

We have made a cautious approach to distribute our lending assets and diversify our book in both aspects – OEMs and Geography. Disbursements were also well distributed among regions and OEMs:

Sr	Region	% of Book	% of Disbursement
1	Mumbai	64.9%	51.4%
2	Rest of Maharashtra	23.9%	29.7%
3	Gujarat	9.9%	16.1%
4	Rajasthan	1.3%	2.8%

Sr	OEM	% of Distribution
1	Honda	41.25%
2	Suzuki	16.68%
3	Hero Motocorp	16.03%
4	TVS	15.38%
5	Yamaha	4.56%
6	Bajaj Auto	2.27%
7	Vespa	2.18%
8	Royal Enfield	0.81%
9	Aprilla	0.80%
10	KTM	0.02%
11	Jawa	0.01%



## Information Security

Your Company has invested in the best-in-class IT infrastructure that ensures that all critical matrix recommended by RBI are covered and goes beyond to support the growth prospects of the company. Various new initiatives have been implemented in the area of information and cyber security to ensure gold standard even in times where data sharing has increased multi-fold. Processes are in place to audit, monitor and manage the effectiveness of data security.

## Health & Safety

The safety and well-being of our members and customers is the priority. With new norms of safety and sanitization being meticulously followed by every team member at every location, whether at the branch, head-office, dealer showrooms or even client place. While relaxations are being provided by the Governments, in a phased manner, we ensure compliance with all local and central laws and guidelines issued by the authorities.

## Manba at its Core

**Strong Vintage:** Over 2.5 decades of presence in the two wheeler finance industry.

**Resourceful Promoters:** The promoters have historically and are ready to bring in the funds required to foster business.

**Well-experienced leadership team:** AFL is spearheaded by a team comprising of experts across various sub-segments of the NBFC sector. Under their guidance, the Company has demonstrated strong execution capabilities.

## Look Ahead

**Geographical Expansions:** With current presence in 3 states, there is tremendous scope for Manba to expand its territorial spread. Also deeper penetration in the newer states will also fuel the growth for the ongoing year.

**Product Innovations:** With new and innovative approaches to products and book development, we expect to strengthen the existing dealer network.

**Digitisation:** We aim to implement automation across the entire loan process to help reduce TAT and improve process accuracies

## Risk Management

The business of lending is by nature a risk taking venture, however, our credit, risk and other functional areas have procedures and policies in place to ensure controls and mitigation of risk. Your Company is exposed to various risks that are an inherent part of any financial service business.

Your company complies with the guidelines laid down by the RBI and relevant authorities to monitor and manage risks. Our policies includes identification, assessment, measurement and mitigation practises with its main objective to minimize the negative impact on profitability and capital.

## Processes

Policies and guidelines for process are documented as manuals and provided to each employee and are regularly updated. The internal controls to assist an independent process audit team is also established and frequent third party checks are undertaken to prevent, detect, correct and monitor any lacuna in the processes.

## FOR MANBA FINANCE LIMITED

**Manish K. Shah**  
**Managing Director**  
**DIN: 00979854**

**Annexure-II**  
**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

Details of contract or arrangements or transaction not at arm's length basis :

(a) Name(s) of the related party and nature of relationship:	NIL
(b) Nature of contracts/arrangements/transactions:	NIL
(c) Duration of the contracts / arrangements/transactions:	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
(e) Justification for entering into such contracts or arrangements or transactions	NIL
(f) Date(s) of approval by the Board:	NIL
(g) Amount paid as advances, if any:	NIL
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

i	Name (s) of the related party and nature of relationship	Celebrity Lifespace Private Limited Theme Infotech Private Limited Celebrity Project Private Limited Riders Auto services Private Limited Aaramabh Properties LLP.
ii	Nature of contracts / arrangements / transactions	Term Loan
iii	Duration of the contracts / arrangements / transactions	As per agreement
iv	Salient terms of the contracts or arrangements or transactions including the value	Transaction at arm's length and in ordinary course of business
v	If any Date (s) of approval by the Board	NA
vi	If an Amount paid as advances, if any	NIL

**FOR MANBA FINANCE LIMITED**

**Manish K. Shah**  
**Managing Director**  
**DIN: 00979854**



### ANNEXURE III

(Disclosures in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2021.

(I) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the fiscal:

Sr.No	Name of Directors	Ratio
1.	Manish K. Shah	109.85
2.	Nikita M. Shah	41.19
3.	Monil M. Shah	42.85

(II) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year

Sr.No	Name of Directors	% increase in remuneration
1.	Jay K. Mota	9.55%
2.	Bhavisha Jain	7.55%

(I) The percentage increase in the median remuneration of employees in the fiscal – 0%

(ii) The number of permanent employees on the rolls of Company – 623 Employees as on March 31, 2021.

(iii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last fiscal and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : Average remuneration increase for Non-managerial personnel of the company during the financial year was 0% and the average remuneration increase for the said managerial personnel of the company was 8.55%.

(iv) Affirmation that the remuneration is as per the remuneration policy of the Company: The remuneration is as per the Remuneration Policy of the Company.

**FOR MANBA FINANCE LIMITED**

**Manish K. Shah**  
**Managing Director**  
**DIN: 00979854**

## Annexure- IV

**Annual Report on Corporate Social Responsibility Activities as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :

**CSR POLICY**

At Manba Finance Limited (MFL or 'the Company') we sincerely believe that the actions of the organization and its community are highly inter-dependent. Both on its own and as part of the MFL Group, through constant and collaborative interactions with our external stakeholders, MFL strives to become an asset in the communities where it operates. As part of our Corporate Social Responsibility (CSR), we actively implement projects and initiatives for the betterment of society, communities and the environment.

The Company has already constituted a Corporate Social Responsibility Committee on 29th January, 2016 and has aligned its CSR Policy in accordance with the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 to make it compliant with the provisions of the Act and the Rules and to undertake the admissible CSR activities notified by the Ministry of Corporate Affairs in Schedule VII to the Act.

The CSR Policy and details of the projects undertaken by the Company are available at the link [www.manbafinance.com](http://www.manbafinance.com)

**2. The Composition of the CSR Committee:**

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Anshu Shrivastava	Chairperson	2	2
2	Manish K. Shah	Member	2	2
3	Abhinav Sharma	Member	2	1
4	Nikita Manish Shah	Member	2	2

**3. Weblink for the CSR committee , CSR policy and CSR Projects : [www.manba finance.com](http://www.manba finance.com)****4. Impact assessment of CSR Projects : Not Applicable****5. Details of the amount available for set off and amount required for set off for the financial year , if any:**

Sr. No.	Financial Year	Amount available for set off from proceeding financial years (in Rs.)	Amount required to be set off from proceeding financial years (in Rs.)
		NIL	

**6. Average net profit of the Company for last three financial years: ₹ .1359.04 lakhs****7. a. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 27.18 lakhs**

b. Surplus arising out of the CSR projects or program or activities of the previous financial year: Nil

c. Amount required to be set off from proceeding financial year, if any: Nil

d. Total CSR obligation for the financial year (7a+7b+7c): ₹ 27.18 lakhs

**8. Details of CSR spent during the financial year.**

(a) Total amount spent for the financial year: ₹ 27.50 Lakhs

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

Total amount spent for the financial year(in ₹)	Amount unspent				
	Total Amount transferred to unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
₹ 27,50,000/-	NIL		NIL		



S. No.	CSR Project or Activity identified	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the projects (in Rs.)	Mode of implementation - Direct (Yes/no)	Mode of implementation - (Through implementing agency)	
				State	District			Name	CSR Registration No.
1	Medical and Education	Item no (ii): promoting education, employment enhancing vocation skills and livelihood enhancement projects	Yes	Maharashtra	Solapur	₹ 27,50,000/-	Yes	NA	

- d. Amount spent in Administrative Overheads: Nil  
 e. Amount spent on Impact Assessment, if applicable: Nil  
 f. Total amount spent for the fiscal 2021: ₹ 27.50 lakhs  
 g. Excess amount for set off, if any: Nil

Sr.No	Particulars	Amount (in ₹ lakhs)
i	Two percent of average net profit of the company as per section 135(5)	27.18
ii	Total amount spent for the Financial Year	27.50
iii	Excess amount spent for the financial year [(ii)-(i)]	0.32
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
v	If any Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil  
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding fiscal(s): Nil
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).  
 (a) Date of creation or acquisition of the capital asset(s): NA  
 (b) Amount of CSR spent for creation or acquisition of capital asset: NA  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: NA  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

**For Manba Finance Limited**

**Nikita M. Shah**  
 Director  
 DIN:00171306

**Anshu Shrivastava**  
 Chairman CSR Committee  
 DIN : 06594455

**Annexure- V**  
**Form No MR-3**  
**Secretarial Audit Report**  
**(For the Financial Year ended on 31.03.2021)**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**To**  
**The Members**  
**MANBA FINANCE LIMITED**  
**324, RUNWAL HEIGHTS COMMERCIAL**  
**COMPLEX, L.B.S MARG, OPP. NIRMAL**  
**LIFESTYLE, MULUND (WEST) MUMBAI**  
**CITY MH 400080 IN**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence of good corporate practices by MANBA FINANCE LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period 01.04.2020 to 31.03.2021, complied with the statutory provisions listed hereunder to this Report and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under; Not Applicable during the Audit period
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under; Not Applicable during the Audit period
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not Applicable during the Audit period
  - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- Not Applicable during the Audit period
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable during the Audit period;
  - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable during the Audit period;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable during the Audit period;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable during the Audit period; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not Applicable during the Audit period.
6. Manba Finance Limited is RBI registered NBFC based in Mumbai, Maharashtra. It is engaged in vehicle Finance, the following Major Industry specific Acts and Rules are applicable to the Company, in the view of the Management:
  1. Reserve Bank of India Act, 1934
  2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.



### We further report that

Ø The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, and Non-Executive Independent Directors except one Non-Executive Director. No changes in the composition of the Board of Directors that took place during the period under review.

Ø Adequate notice is given to all Directors to schedule the Board Meetings, and agenda were sent in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Ø All decision at Board Meetings and Committee Meetings are carried by majority as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with its size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

I further report that during the review period following major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

I further report that during the audit period the company has:

During the audit period company has allotted Secured, Rated, Listed/unlisted, Redeemable, Non- Convertible Debentures on a private placement basis as per below

Sr.No	Particulars	No. of Debentures	Face Value of Debenture	Aggregating Value
1	Bank of Baroda	100	10,00,000	10,00,00,000 (Rs Ten Crore)
2	Axis trustee Services Limited acting in its capacity as trustee of the Northern Arc Money Market Alpha Trust with Northern Arc Money Market Alpha Fund as its scheme	100	10,00,000	10,00,00,000 (Rs Ten Crore)
3	A K Capital Finance Pvt Ltd	2,000	1,00,000	20,00,00,000 (Rs Twenty Crore)

**For Ronak Jhuthawat & Co**  
(Company Secretaries)

**Ronak Jhuthawat**  
Proprietor  
FCS: 9738CP: 12094

Place: Udaipur  
Date: 18.08.2021  
Peer Review No: S2013RJ222900  
UDIN: F009738C000798561

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

**ANNEXURE A**

**To**  
**The Members**  
**MANBA FINANCE LIMITED**  
**324, RUNWAL HEIGHTS COMMERCIAL**  
**COMPLEX, L.B.S MARG, OPP. NIRMAL**  
**LIFESTYLE, MULUND (WEST) MUMBAI**  
**CITY MH 400080 IN**

My report of even date is to be read along with this letter.

- A. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- B. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- C. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- D. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- E. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
- F. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Ronak Jhuthawat & Co**  
**(Company Secretaries)**

**Ronak Jhuthawat**  
**Proprietor**  
**FCS: 9738CP: 12094**

**Place: Udaipur**  
**Date: 18/08/2021**  
**Peer Review No: S2013RJ222900**  
**UDIN: F009738C000798561**



**Annexure-VI**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON FINANCIAL YEAR ENDED ON 31ST MARCH, 2021**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U65923MH1996PLC099938
2.	Registration Date	31.05.1996
3.	Name of the Company	Manba Finance Limited
4.	Category/Sub-category of the Company	Public Company, Limited by shares, NBFC
5.	Address of the Registered office & contact details	324, Runwal Heights Commercial Complex, L.B.S. Marg, Mulund (West), Mumbai- 400080
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry India Pvt. Ltd. Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Lower Parel East, Mumbai, Maharashtra 400011 Phone No. 022 2301 6761

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Non-Banking Finance Company engaged in lending and allied activities	65923	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES: NA**

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	51,92,971	0.00	51,92,971	41.35	51,32,971	0.00	51,32,971	40.88	0.47
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	73,63,499	0.00	73,63,499	58.64	74,23,499	0.00	74,23,499	59.12	0.48
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	<b>12,55,6470</b>	<b>0.00</b>	<b>12,55,6470</b>	<b>100</b>	<b>1,25,56,470</b>	<b>0.00</b>	<b>1,25,56,470</b>	<b>100</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (HUF)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Trusts									
ForeignBodies-DR									
Sub-total(B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	1,25,56,470	0.00	125,56,470	100	1,25,56,470	0.00	1,25,56,470	100	0.00

**B) Shareholding of Promoter -**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manish K. Shah	21,46,616	17.10	0.00	21,86,616	17.41	0.00	0.31
2	Nakita M. Shah	16,48,090	13.13	0.00	16,68,090	13.28	0.00	0.15
3	Manish Kirit Shah (HUF)	7,38,282	5.88	0.00	7,38,282	5.88	0.00	0.00
4	Mansi M. Shah	1,800	0.01	0.00	1,800	0.01	0.00	0.00
5	Monil M. Shah	5,98,183	4.76	0.00	5,98,183	4.76	0.00	0.00
6	Manba Investments and securities Private Limited	46,35,346	36.92	0.00	46,35,346	36.92	0.00	0.00
7	Manba Broking Services Pvt. Ltd.	8,91,900	7.10	0.00	8,31,900	6.63	0.00	0.47
8	Manba Fincorp Pvt. Ltd.	6,95,902	5.54	0.00	6,95,902	5.54	0.00	0.00
9	Manba Infotech LLP	12,00,351	9.56	0.00	12,00,351	9.56	0.00	0.00
	<b>TOTAL</b>	<b>12,55,6470</b>	<b>100</b>	<b>0.00</b>	<b>12,55,6470</b>	<b>100</b>	<b>0.00</b>	<b>0.00</b>

**C) Change in Promoters' Shareholding (please specify, if there is no change):**

SN	Particulars	Shareholding at the beginning of the year		Increase and Decrease in Shareholding with (Reasons)	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	Manish K. Shah, Managing Director	21,46,616	17.10	40,000 (Transfer)	21,86,616	17.41
2	Nakita M Shah, Director	16,48,090	13.13	20,000 (Transfer)	16,68,090	13.28
7	Manba Broking Services Pvt. Ltd.	8,91,900	7.10	6,00,000 (Transfer)	8,31,900	6.63

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-		
	At the end of the year	0	0	0	0

## E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Increase and Decrease in Shareholding with (Reasons)	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Manish K. Shah, Managing Director	21,46,616	17.10	40000 (Transfer)	21,86,616	17.41
2	Nikita M Shah, Director	16,48,090	13.13	20000 (Transfer)	16,68,090	13.28
3	Monil M. Shah	5,98,183	4.76	0.00	5,98,183	4.76
	<b>Total</b>	<b>43,92,889</b>	<b>34.99%</b>		<b>44,52,889</b>	<b>35.46%</b>

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,30,60,91,570	62,51,05,939	Nil	3,93,11,97,509
ii) Interest	8,15,076	92,53,014	Nil	1,00,68,090
<b>Total (i+ii)</b>	<b>3,30,69,06,646</b>	<b>63,43,58,953</b>	<b>Nil</b>	<b>3,94,12,65,599</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,43,12,67,921	33,74,60,388	Nil	3,76,87,28,309
ii) Interest	10,82,877	0	Nil	10,82,877
<b>Total (i+ii)</b>	<b>3,43,23,50,798</b>	<b>33,74,60,388</b>	<b>Nil</b>	<b>3,76,98,11,186</b>
<b>Net Change (B-A)</b>	<b>12,54,44,152</b>	<b>-29,68,98,565</b>	<b>Nil</b>	<b>-17,14,54,413</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole time director and/or Manager:

SR.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount in Lacs
		Manish K. Shah, Managing Director	Nikita M. Shah, Executive Director	Monil M. Shah, Executive Director	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,16,66,669	43,75,000	45,50,000	2,05,91,669
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	-as % of profit	Nil	Nil	Nil	Nil
	-others (specify)	Nil	Nil	Nil	Nil
5	Others, please specify				
	<b>Total (A)</b>	<b>1,16,66,669</b>	<b>45,50,000</b>	<b>3,93,00,000</b>	<b>2,05,91,669</b>
	<b>CEILING AS PER THE ACT</b>	*Ceiling limit is fixed pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act 2013 ("the act"), and companies (Appointment & Remuneration of Managerial Remuneration) Rules, 2014 and the Special resolution passed by member of MFL in the Annual General Meeting dt. 24.09.2019			

**B. Remuneration to other directors: NA****C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

SR. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
1	Gross Salary	31,59,550	3,37,868	34,97,418
2	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Nil	Nil	Nil
3	Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	1,78,890	21,754	2,00,644
4	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
5	Stock Option	Nil	Nil	Nil
6	Sweat Equity	Nil	Nil	Nil
7	Commission	Nil	Nil	Nil
8	-as % of profit	Nil	Nil	Nil
9	-others, specify	Nil	Nil	Nil
10	Others, please specify	Nil	Nil	Nil
11	<b>Total</b>	<b>33,38,440</b>	<b>3,59,622</b>	<b>36,98,062</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

During the Financial year 2021, there were no penalties/punishments/compounding of offences under the Companies Act, 2013

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Kirit R. Shah  
Chairman  
DIN: 00979608

Manish K. Shah  
Managing Director  
DIN: 00979854

Place: Mumbai  
Date: 19<sup>th</sup> August 2021



**TO THE MEMBERS OF  
MANBA FINANCE LIMITED****REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS****OPINION**

We have audited the standalone financial statements of Manba Finance Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2021, and the statement of Profit and Loss, and the statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid -standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup>, 2021, and profit/loss and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**EMPHASIS OF MATTER - ASSESSMENT OF COVID 19 IMPACT**

We draw attention to Note 13 to the financial statement, which describes the uncertainty arising from COVID 19 pandemic and impacting the Company's operations and estimates related to recovery of loans, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined, depending on the fact and the circumstances and explanations given to us, that there are no key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures provide the basis for our audit opinion on the accompanying standalone financial statements.

**MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations other than as disclosed in Clause 7(b) of Annexure A which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M/s ATMS & Co LLP**  
**Chartered Accountants**  
**Firm Registration No. W1001464**

**SUHAS SHIVAJI SHINDE**  
Partner  
Membership No. 117107  
Place: Thane Date: 14<sup>th</sup> August, 2021  
UDIN: 21117107AAAAJS1419



**"ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in our Independent Auditor's report to the members of Manba Finance Limited for the year Ended on 31<sup>st</sup> March 2021. We report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
 (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner. We are also informed that a physical verification of the fixed assets has been carried out by management during the year and there is no material discrepancies observed between assets physically verified and book balances.  
 (c) According to the information and explanations provided to us, the Title Deeds of the immovable properties are held in the name of the Company.
2. The nature of the business of the company is of NBFC activities which do not require it to have any inventory. Thus paragraph 3 (ii) of the Order is not applicable to the company.
3. (a) Company has granted loans to Companies or firms or parties covered in the register maintained under section 189 of the Companies Act 2013.  
 (b) Receipt of the principal amount and interest are regular for those loans.  
 (c) Overdue amount of loans is not more than 1 lakh rupees which remain overdue for more than ninety days, so company need not take any actions against those companies.
4. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 & 186 of the companies Act, 2013 in respect of loans, investments, guarantees & security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 with regard to the deposits accepted from the public are not applicable.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company.
7. (a) According to information & explanations given to us and on the basis of our examination of the records, the company has been generally regular in depositing undisputed statutory dues.  
 (b) The dues outstanding in respect of income-tax on account of any dispute, are as follows:

Year	About	DUE I.R.O	Forum in which dispute is pending
FY-2008-09	1,16,171	Income Tax	Jurisdictional AO
FY-2009-10	19,168	Income Tax	CPC
FY-2015-16	8,43,460	Income Tax	CPC
FY-2016-17	44,17,970	Income Tax	Assistant Commissioner of Income Tax
FY-2017-18	1,35,25,990	Income Tax	Additional/Joint/Deputy/ Assistant Commissioner of Income Tax
FY-2018-19	17,08,820	Income Tax	CPC
FY-2017-18	7,61,500	TDS	CPC
FY-2018-19	40,640	TDS	CPC
FY-2019-20	4,33,647	TDS	CPC
FY-2020-21	51,30,225	TDS	CPC

(\* Note: For FY 2017-18 the matter is in dispute due to amount of TDS credit of Rs. 85,73,552/- is not considered by the Assessing Office while determining tax liability)



8. On the basis of records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
9. According to the information & explanation provided to us, The Company has not raised any money by way of IPO or FPO but has obtained term loans during the year and was utilized for the purpose for which the said loans were obtained.
10. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company by its officers or employees was noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the provisions of section 197 read with schedule V of the Act
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to information & explanations given to us and on the basis of our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and the records examined by us, the company has made private placement of shares and non-convertible debentures in compliance with the provisions of section 42 of the Companies Act, 2013 and the amount raised has been used for the purposes for which the funds were raised.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non Deposit taking NBFC (Non-Banking Financial Company).

**For M/s ATMS & Co LLP**  
**Chartered Accountants**  
**Firm Registration No. WI00164**

**SUHAS SHIVAJI SHINDE**  
Partner  
**Membership No. 117107**  
**Place: Thane**  
**Date: 14th August, 2021**  
**UDIN: 21117107AAAAJS1419**

**"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT****Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the companies act, 2013 ("the act")**

We have audited the internal financial controls over financial reporting of MANBA FINANCE LIMITED ("the Company") as of 31<sup>st</sup> March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. .

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s ATMS & Co LLP**  
**Chartered Accountants**  
**Firm Registration No. W100164**

**SUHAS SHIVAJI SHINDE**  
Partner  
**Membership No. 117107**  
**Place: Thane**  
**Date: 14th August, 2021**  
**UDIN: 21117107AAAAJS1419**

**MANBA FINANCE LIMITED**  
(CIN - U65923MH1996PLC099938)  
Balance Sheet as at 31<sup>st</sup> March, 2021

Particulars	Note No	31st March, 2021	31st March, 2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	1	12,55,64,700	12,55,64,700
(b) Reserves and Surplus	2	1,34,79,31,697	1,23,42,07,028
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	3	3,76,98,11,186	3,94,12,65,600
(b) Deferred tax liabilities (Net)	4	41,16,452	48,84,569
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
<b>Current Liabilities</b>			
Short-term borrowings		-	-
Trade payables	5	4,00,13,827	4,40,59,259
Other current liabilities	6	62,77,474	1,03,22,779
Short-term provisions	7	5,52,75,109	4,87,04,254
<b>Total</b>		<b>5,34,89,90,445</b>	<b>5,40,90,08,189</b>
<b>II.Assets</b>			
<b>Non-current assets</b>			
(i) Tangible assets			
(ii) Intangible assets	8	13,20,73,525	13,78,36,993
(b) Non-current investments	9	5,00,000	5,00,000
(c) Deferred tax assets (net)		-	-
(e) Other non-current assets		-	-
<b>Current assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	10	13,75,45,768	10,81,38,459
(e) Loans and advances	11	5,02,17,09,564	5,11,59,32,251
(e) Other advances	12	17,46,658	7,34,462
(f) Other current assets	13	5,54,14,930	4,58,66,024
<b>Total</b>		<b>5,34,89,90,445</b>	<b>5,40,90,08,189</b>

Significant accounting policies and notes attached thereto form an integral part of the Balance Sheet.

For M/s ATMS & Co LLP  
Chartered Accountants  
Firm No : W100164

For and on behalf of the Board  
For Manba Finance Limited

SUHAS S SHINDE  
(Partner)  
M.No 117107

Sd/-  
KIRIT R. SHAH  
(CHAIRMAN)

Sd/-  
MANISH K. SHAH  
(MANAGING DIRECTOR)

Place : Thane

Sd/-  
JAY K. MOTA  
(CHIEF FINANCIAL OFFICER))

Sd/-  
BHAVISHA A. JAIN  
(COMPANY SECRETARY)

Date : 19<sup>th</sup> August 2021  
Annual Report 2020-21



**MANBA FINANCE LIMITED**  
(CIN - U65923MH1996PLC099938)

**Profit and Loss statement for the year ended 31<sup>st</sup> March, 2021**

Particulars	Note No	31st March, 2021	31st March, 2020
I. Revenue from operations	14	1,08,41,56,789	1,17,82,17,248
II. Other Income	15	12,87,219	68,31,559
<b>III. Total Revenue (I +II)</b>		<b>1,08,54,44,008</b>	<b>1,18,50,48,807</b>
IV. Expenses:			
Employee benefit expense	16	18,71,25,409	21,14,75,715
Financial costs	17	50,65,70,067	50,23,76,901
Depreciation and amortization expense	18	1,87,88,221	1,93,61,718
Other expenses	19	22,20,13,454	21,27,30,637
<b>Total Expenses</b>		<b>93,44,97,151</b>	<b>94,59,44,971</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		15,09,46,857	23,91,03,836
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		15,09,46,857	23,91,03,836
VIII. Extraordinary Items			
IX. Profit before Tax (VII - VIII)		<b>15,09,46,857</b>	<b>23,91,03,836</b>
X. Tax expense:			
(1) Current Tax		3,79,90,305	6,01,77,653
(2) Deferred Tax		(7,68,117)	(34,84,921)
(3) Short provision for Tax			4,38,561
XI. Profit(Loss) from the period from continuing operations	(IX - X)	11,37,24,669	18,19,72,542
		<b>11,37,24,669</b>	<b>18,19,72,542</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<b>11,37,24,669</b>	<b>18,19,72,542</b>
XVI. Earning per equity share:			
(1) Basic - Reported		<b>9.06</b>	<b>19.28</b>
Basic - Adjusted			
(2) Diluted		<b>9.06</b>	<b>19.28</b>

Significant accounting policies and notes attached thereto form an integral part of the Balance Sheet.

**For M/s ATMS & Co LLP**  
**Chartered Accountants**  
**Firm No : W100164**

**For and on behalf of the Board**  
**For Manba Finance Limited**

**SUHAS S SHINDE**  
(Partner)  
**M.No 117107**

**KIRIT R. SHAH**  
(CHAIRMAN)

**MANISH K. SHAH**  
(MANAGING DIRECTOR)

**Place : Thane**  
**Date : 14<sup>th</sup> August 2021**

**JAY K. MOTA**  
(CHIEF FINANCIAL OFFICER))

**BHAVISHA A. JAIN**  
(COMPANY SECRETARY)

**Notes to accounts**

	31st March, 2021	31st March, 2020
	Rupees	Rupees
<b>1. SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
1,49,00,000 (1,49,00,000) Equity Shares of Rs. 10 Each	14,90,00,000	14,90,00,000
1,00,000 (1,00,000) Preference Shares of Rs. 10 Each	10,00,000	10,00,000
	<b>15,00,00,000</b>	<b>15,00,00,000</b>
<b>Issued, Subscribed &amp; Paid-up</b>	12,55,64,700	12,55,64,700
<b>Total</b>	<b>12,55,64,700</b>	<b>12,55,64,700</b>

SHARE CAPITAL- The company does not have any division in class of shares.

A list of share holders having more than 5% share holding is given below

Particulars	% holding
Manba Inv & Sec P.Ltd	36.92
Manish K. Shah	17.41
Nikita M. Shah	13.28
Manba Infotech LLP	9.56
Manba Broking Services Pvt. Ltd.	6.63
Manish K. Shah HUF	5.88
Manba Fincorp Private Limited	5.54
<b>Grand Total</b>	<b>95.22</b>

2.RESERVES AND SURPLUS	31st March, 2021	31st March, 2020
<b>Securities Premium</b>		
Opening Balance	58,79,18,773	45,15,84,647
(Less) Reduction during the year		(13,70,770)
Add:- Addition During the year		13,77,04,896
<b>Total</b>	<b>58,79,18,773</b>	<b>58,79,18,773</b>
<b>Capital Reserve</b>		
Opening Balance	-	1,75,07,500
(Less) Reduction during the year	-	(1,75,07,500)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Revaluation Reserve</b>		
Opening Balance	-	94,66,507
(Less) Reduction during the year	-	(24,10,835)
(Less) Profit on Sale	-	(70,55,672)
<b>Total</b>	<b>-</b>	<b>(0)</b>

<b>Profit &amp; Loss Account</b>		
Opening Balance	51,93,97,421	37,38,19,387
Add:- Addition During the year	11,37,24,669	18,19,72,542
Less: Proposed Dividend	-	-
Less: Provision for DDT	-	-
Less: Statutory reserve	(2,27,44,934)	(3,63,94,508)
<b>Total</b>	<b>61,03,77,156</b>	<b>51,93,97,421</b>

<b>Statutory reserve</b>		
Opening Balance	12,68,90,834	9,04,96,326
Add:- Addition During the year	2,27,44,934	3,63,94,508
<b>Total</b>	<b>14,96,35,768</b>	<b>12,68,90,834</b>
<b>Total of Reserves &amp; Surplus</b>	<b>1,34,79,31,697</b>	<b>1,23,42,07,028</b>

<b>3. Long-term borrowings</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
<b>Secured</b>		
Banks (Secured against portfolio)	2,07,50,58,699	2,086,550,590
Financial Institutions	96,67,61,902	1,149,853,232
Car Loans	71,96,863	10,502,824
Non convertible Debentures- Series III (secured against portfolio)	38,33,33,334	-
	-	6,00,00,000
<b>Total</b>	<b>3,43,23,50,798</b>	<b>3,30,69,06,646</b>
<b>Unsecured Loan</b>		
Loan from Companies	-	10,91,08,382
From Financial Institutions	33,74,60,388	36,52,50,572
<b>Debentures:</b>		
Non convertible Debentures- Series II	-	10,00,00,000
Non convertible Debentures- Series IV	-	1,00,00,000
Non convertible Debentures- Series I	-	5,00,00,000
<b>Total</b>	<b>33,74,60,388</b>	<b>63,43,58,954</b>
<b>Total of Long Term Borrowings</b>	<b>3,76,98,11,186</b>	<b>3,94,12,65,600</b>

**Debenture- Disclosure requirement in accordance to schedule III of Companies ACT,2013 with respect to Debentures are disclosed in Note No.14**

<b>4. Deferred tax liability</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Deferred tax liability	4,116,452	4,884,569
<b>Total</b>	<b>4,116,452</b>	<b>4,884,569</b>



<b>5. Trade payables</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Disbursement Payable	2,86,06,035	3,51,41,845
Creditors	1,14,07,792	89,17,414
<b>Total</b>	<b>4,00,13,827</b>	<b>4,40,59,259</b>

<b>6. Other current liabilities</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
TDS payable	53,30,021	1,03,22,779
Others	9,47,453	-
<b>Total</b>	<b>62,77,474</b>	<b>1,03,22,779</b>

<b>7. Short-term provisions</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Provision for Expenses	1,19,01,196	1,47,84,424
Provision for standard assets	1,95,66,212	2,01,46,779
Provision for sub standard assets	1,58,50,566	1,13,17,725
Moratorium Provision	19,88,860	-
Provisions for Gratuity	59,68,275	24,55,326
<b>Total</b>	<b>5,52,75,109</b>	<b>4,87,04,254</b>

<b>8. Fixed assets</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
<b>(i) Tangible assets</b>	21,97,80,990	20,70,57,605
<b>(ii) Intangible assets</b>	45,84,473	45,84,473
Less-Provision for depreciation	(9,22,91,937)	(7,38,05,084)
<b>Net Block</b>	13,20,73,525	13,78,36,993
<b>Total</b>	<b>13,20,73,525</b>	<b>13,78,36,993</b>

<b>9. Non-current investments</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Shares of progressive bank (50000 equity shares of Rs.10 each)	5,00,000	5,00,000
<b>Total</b>	<b>5,00,000</b>	<b>5,00,000</b>

INVESTMENTS- The company has invested in unquoted shares which are valued at cost

<b>10. Cash and cash equivalents</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Cash & Bank	4,53,92,844	5,20,42,895
Fixed Deposits with Bank	9,21,52,924	5,60,95,564
<b>Total</b>	<b>13,75,45,768</b>	<b>10,81,38,459</b>

<b>11. Loans and advances</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Loans and advances	5,03,96,22,296	5,12,63,68,617
Less: Provision for Interest	(1,79,12,732)	(1,04,36,366)
<b>Total</b>	<b>5,02,17,09,564</b>	<b>5,11,59,32,251</b>

<b>12. Other Advances</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Advance to Employees	17,46,658	7,34,462
<b>Total</b>	<b>17,46,658</b>	<b>7,34,462</b>

<b>13. Other current assets</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Taxes Paid (Advance tax + SA tax + TDS)	1,24,49,507	1,32,62,720
Prepaid expenses	1,33,22,665	95,72,482
Deposits with M.S.E.B	1,16,690	1,78,620
Telephone deposit	4,473	2,774
Deposit for courier services	5,000	5,000
Rent Deposit	1,58,41,500	1,51,29,199
IGST Credit	-	95,570
GST Credit	1,02,66,470	76,19,659
Others	34,08,625	-
<b>Total</b>	<b>5,54,14,930</b>	<b>4,58,66,024</b>

<b>14.Revenue from operations</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
	<b>Rupees</b>	<b>Rupees</b>
Finance & Other Charges	1,07,90,07,548	1,17,52,47,278
Interest on FD	51,49,241	29,69,970
<b>Total</b>	<b>1,08,41,56,789</b>	<b>1,17,82,17,248</b>

<b>15.Other Income</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Discount received	1,99,261	8,006
Profit on sale of Fixed Assets	98,672	68,23,553
Short Term Capital Gain	26,617	-
Short Term Capital Gain	9,62,669	-
<b>Total</b>	<b>12,87,219</b>	<b>68,31,559</b>

<b>16.Employee benefit expense</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Salaries & Bonus	14,99,57,179	15,03,40,268
E.S.I.C	17,77,173	25,33,259
Director's Remuneration	2,06,91,669	4,67,62,599
Gratuity	35,40,641	4,22,736
Professional Tax	(1,51,970)	(61,860)
Provident Fund	50,37,440	51,60,913
Staff Incentive	45,54,355	30,43,108
Staff Welfare	17,32,627	26,05,917
Keyman Insurance Policy	-	6,23,644
Maharashtra Labour Welfare Fund	(13,705)	39,931
Training exp.	-	5,200
<b>Total</b>	<b>18,71,25,409</b>	<b>21,14,75,715</b>

<b>17.Financial costs</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Bank Charges	99,10,546	73,41,822
Interest Expenses	47,97,26,419	47,85,81,582
Processing Fees CC	1,69,33,102	1,64,53,497
<b>Total</b>	<b>50,65,70,067</b>	<b>50,23,76,901</b>

<b>18.Depreciation</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Depreciation	1,87,88,221	1,93,61,718
<b>Total</b>	<b>1,87,88,221</b>	<b>1,93,61,718</b>

<b>19. Other expenses</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
<b>Other Direct Expenses</b>		
Advertisement Expenses	38,786	1,08,958
Audit Fees	2,61,550	2,89,444
Bad Debts	1,94,33,756	1,57,76,674
Business Promotion	2,19,55,107	1,71,31,133
CIBIL Charges	34,02,290	42,27,675
Computer & Software Charges	25,86,583	19,08,115
Commission	2,54,62,433	1,98,32,231
Conveyance Expenses	14,90,154	46,89,638
CSR Expenses	27,50,000	20,00,000
Document & Stamping Charges	46,40,314	65,78,478
Diwali Exp	34,100	5,42,485
Donations	20,98,601	10,66,565
Electricity Charges	45,65,411	49,44,170
FIR Charges	35,67,621	54,19,542
GST Credits	79,37,372	1,26,27,299
House Keeping Chgs	11,23,045	12,50,218
Insurance	6,72,722	11,49,095
Internet Expenses	10,34,639	17,26,474
Legal Expenses	26,322	2,25,515
Loss on sale of Seized Vehicles	5,28,18,448	3,92,16,411
Office Expenses	41,80,692	18,64,378
Personnel Expenses	2,20,000	2,38,500
Petrol Charges	4,77,602	7,51,086
Postage & Telegram	13,79,217	9,87,366
Printing & Stationery	28,14,282	37,86,532
Professional & Consultancy Fees	41,64,861	58,91,579
Provision for Moratorium	19,88,860	-
Provision for standard assets	(5,80,567)	21,78,743
Provision for substandard & Doubtful Assets	45,32,841	43,32,362
Reimbursement of Processing Charges	1,81,50,299	2,55,25,351
Rent, Rates & Taxes	2,22,32,026	2,05,52,357
Repairs & Maintenance	18,84,992	16,78,269
Security Chgs	12,38,492	11,40,449
Society Maintenance	5,50,642	6,11,051
Telephone Expenses	20,31,362	16,50,058
Transport Charges	36,193	60,596
Water Charges	3,88,842	3,86,206
Other Miscellaneous Expenses	4,23,564	3,85,635
<b>Total</b>	<b>22,20,13,454</b>	<b>21,27,30,637</b>



**NOTE-8 FIXED ASSETS**

Block	As on 01-04-17	Additions	Written Off	Total Gross Block as on 31.03.2021	Opening Provision for depreciation	Dep for current year	Written off	Excess /Short Provision Adjusted	Rate of Depn	Total provision for depreciation	Net Block as on 31.03.2021
Air Conditioner	1,04,91,330	1,08,043	-	1,05,99,373	33,46,850	5,93,690	-	(1,399)	6.33%	39,39,141	66,60,232
Motor Cars	3,24,13,737	5,04,481	4,28,935	3,24,89,283	84,54,417	36,95,623	2,77,072	(66,816)	11.88%	1,18,06,153	2,06,83,130
Office Equipment	45,13,153	3,75,310	1,400	48,85,563	40,82,864	6,58,651	-	(17,19,599)	19.00%	30,21,916	18,63,646
Furniture & Fixtures	8,89,44,792	12,25,562	-	9,01,70,354	2,39,68,301	79,06,998	-	-	9.50%	3,18,75,299	5,82,95,054
Plant & Machinery	1,48,49,972	9,36,557	-	1,57,86,528	56,57,624	6,86,874	-	10,69,288	6.33%	74,13,786	83,72,742
Office Premises	-	-	-	-	-	-	-	-	1.58%	-	-
Capital WIP	1,76,72,013	1,98,792	-	1,78,70,805	6,00,862	2,80,004	-	-	1.58%	8,80,866	1,69,89,940
Electrical Fittings	32,73,639	8,85,092	-	41,58,731	10,75,310	3,13,189	-	262	9.50%	13,88,760	27,69,971
Computer System	3,15,82,515	67,60,666	-	3,83,43,181	2,27,34,804	50,35,067	-	(2,76,637)	31.67%	2,74,93,233	1,08,49,948
Computer Software	72,61,577	16,24,918	-	88,86,495	34,83,035	5,86,578	24,296	(21,036)	9.50%	40,48,577	48,37,918
Scooters	6,40,749	5,90,434	56,034	11,75,149	4,01,015	50,620	-	(3,137)	9.50%	4,24,201	7,50,948
<b>Total</b>	<b>21,16,43,477</b>	<b>1,32,09,854</b>	<b>4,86,369</b>	<b>22,43,65,462</b>	<b>7,38,05,081</b>	<b>1,98,07,294</b>	<b>3,01,368</b>	<b>(10,19,073)</b>		<b>9,22,91,934</b>	<b>13,20,73,529</b>

**MANBA FINANCE LIMITED**  
**(CIN - U65923MH1996PLC099938)**  
**Cash Flow Statement for the year ended on 31<sup>st</sup> March 2021**

Particulars	31st March, 2021	31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary items	15,09,46,857	23,91,03,836
Adjustments for:		
(+) Depreciation	1,87,88,221	1,93,61,718
(+) Exceptional Items		
(+) Interest paid to Banks and Financial Institutions	50,65,70,067	50,23,76,901
(-) Profit on sale of fixed assets	(98,672)	(68,23,553)
(-) Other Income	(1,99,261)	(8,006)
(-) Profit on sale of investment	(9,89,286)	
	67,50,17,926	75,40,10,896
(-) Dividend Received		
(-) Income Tax Paid	3,79,90,305	6,06,16,214
Operating Profit before Working Capital Changes	63,70,27,621	69,33,94,681
(Increase)/Decrease in Current Assets	(1,05,61,102)	13,96,97,860
(Increase)/(Decrease) in Current Liabilities & Trade Payables	(15,19,882)	(19,56,02,117)
(Increase)/Decrease in Loans given	9,42,22,687	(57,16,52,070)
Net Cash Flow from Operating activities	71,91,69,324	6,58,38,354
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Asset	(1,32,09,854)	(1,52,30,861)
Sale of fixed assets	2,83,773	88,07,801
Purchase of Investments	(6,40,29,989)	-
Sales of Investments	6,50,19,275	-
Other Income	1,99,261	8,006
Net Cash used in investing activities	(1,17,37,534)	(64,15,054)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid to Banks and Financial Institutions	(50,65,70,067)	(50,23,76,901)
Proceeds from issue of shares		14,99,99,976
Proceeds from Borrowings	(17,14,54,414)	22,06,43,384
Loans and Advances Given		
Net Cash from Financing Activities	(67,80,24,481)	(13,17,33,541)
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	2,94,07,309	(7,23,10,241)
Cash and cash equivalents at the beginning of the year	10,81,38,459	18,04,48,700
Cash and cash equivalents at the close of the year	13,75,45,768	10,81,38,459

**For M/s ATMS & Co LLP**  
**Chartered Accountants**  
**Firm No : W100164**

**SUHAS S SHINDE**  
 (Partner)  
**M.No 117107**

**Place : Thane**  
**Date : 14<sup>th</sup> August 2021**

**For and on behalf of the Board**  
**For Manba Finance Limited**

**KIRIT R. SHAH**  
 (CHAIRMAN)

**MANISH K. SHAH**  
 (MANAGING DIRECTOR)

**JAY K. MOTA**  
 (CHIEF FINANCIAL OFFICER))

**BHAVISHA A. JAIN**  
 (COMPANY SECRETARY)

**MANBA FINANCE LIMITED****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021****A. Significant Accounting Policies:****1. General:**

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards (AS) under Companies Accounting Standard Rules, 2015, as amended, the relevant provisions of the Companies Act, 2013 (the Act) and the guidelines issued by the Reserve Bank of India (RBI) as applicable to a Non-Banking Finance Company (NBFC). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**2. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates were based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

**3. Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income on Non-Performing Assets where interest/principal has become overdue for more than 3 months is recognized as and when received and appropriated. Any such income recognized before the asset becomes non-performing and remaining unrealized is reversed.

Additional finance charges/additional interest are treated to accrue only on realization, due to uncertainty of realizations and are accounted accordingly.

**4. Fixed Assets:**

Fixed Assets are stated at acquisition cost plus revalued amount (if any) less accumulated depreciation.

**5. Depreciation:**

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as per Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use as per AS 26 Intangible Assets.

The carrying value of the asset is depreciated over the remaining useful of the asset as per Schedule II of the Companies Act, 2013.

The carrying value of the asset after retaining the residual value is recognized in the opening balance of retained earnings where the remaining useful life of the asset is 'Nil'.

**6. Investments:**

Investments are valued at cost.

**7. Provisioning / Write off of Assets**

Nonperforming loans are written off/ provided for, as per management estimates, subject to the minimum provision required as per non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 & amendments therein.

**8. Current Assets, Loans & Advances**

Loans and Advances are stated at the value if realized in the ordinary course of business. Irrecoverable amounts, if any are accounted and \ or provided for as per management's judgment or only upon final settlement of accounts with the parties.

Repossessed Assets (Seized vehicles) are valued at the amount outstanding against respective loan account in the books of accounts due to the unavailability of fair market value.



**9. Retirement Benefits**

The Company's gratuity benefit scheme is a defined benefit plan and the provision with respect to gratuity liability has made according to the actuarial report.

**10. Provision for taxation**

a) Provision for Income Tax is made on the basis of the estimated taxable Income for the current year in accordance with the provisions of the Income Tax Act, 1961

b) Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax asset, if any, is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

**11. Provisions, Contingent Liabilities and Contingent Assets:**

The company recognize a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimate can be made.

Contingent assets are neither recognized nor disclosed.

**B. Notes on Accounts:****1. In the Opinion of the directors;**

a) The current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.

b) The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

	Current Year (Rupees)	Previous year (Rupees)
<b>2. Contingent Liabilities not provided for</b>	Nil	Nil
<b>3. Payments to Directors &amp; Auditors:</b>		
Director's remuneration including perquisites	2,06,91,669	4,67,62,599
Key Managerial Personnel's Remuneration	36,98,062	25,75,073
<b>4. Payment to auditors:</b>		
a) Audit fees	2,42,000	2,50,000
b) Income tax and other matters	3,28,973	1,79,738
<b>5. As per requirement of section 135 of the Companies Act 2013, The company was required to spend an amount of Rs.27,18,076/- on Corporate Social Responsibility Expenditure based on the average net profits of the three immediately preceding financial years. The company has spent an amount of Rs. 27,50,000/- against corporate social responsibility expenditure.</b>		

**6. Related party Disclosure:**

Disclosure in respect of AS-18 'Related Party Disclosure' as notified by the companies Accounting Standard Rules, 2006 and Institute of Chartered Accounts of India are given below

**Names and Relationships of the related parties:****i. Concerns under same Management:**

1 Theme Infotech Private Limited	2 Celebrity Project Private Limited
3 Aarambh Properties LLP	4 Nirvan Vastu Developers LLP
5 Celebrity Buildcon LLP	6 Manba Fincorp Private Limited
7 Manba Investment and Securities Private Limited	8 Manba Infotech LLP
9 Aastha Construction	10 Ride Choice Ltd
11 Innovative Automobiles Pvt Ltd	12 Celebrity Lifespace Pvt Ltd

**ii) Key Management Personnel:**

- a) Manish K. Shah.
- b) Nikita M. Shah.
- c) Kirit R. Shah.
- d) Jay Mota
- e) Bhavisha Jain.

## iii) Transactions with the related parties during the year (figures in rupees) are as follows:

Transaction with related parties	Company under same management	Key Management Personnel and Relatives
Remuneration	NIL (NIL)	2,41,89,087 (4,93,37,672)
Loan taken	4144 (77,42,370)	NIL (NIL)
Loan given	11,72,15,849 (26,95,90,491)	5,12,75,872 (25,76,659)
Share Application Money paid	NIL (14,99,99,976)	NIL (NIL)

## 7. Deferred Tax:

Major components of deferred tax assets and liabilities arising on account of timing differences are as below:

Particulars	As at 31/03/2021		As at 31/03/2020	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Depreciation	-	64,95,855	-	65,58,820
Expenses O/S under section 43B	8,84,139	-	35,536	-
Expenses Disallowed for Non Deduction of TDS	-	-	-	-
Provision for Non-performing Assets	14,95,265	-	16,38,715	-
<b>Total</b>	<b>23,79,404</b>	<b>64,94,855</b>	<b>16,74,251</b>	<b>65,58,820</b>
Deferred tax assets/(liabilities)(Net)	41,16,452		48,84,568	
Amount adjusted in P&L a/c	(7,68,117)		(34,84,922)	

## 8. Disclosure in respect of Micro and Small Enterprises:

The concern is in process of compiling relevant information from its supplier about their coverage under the Micro, Small & Medium Enterprises Development Act, 2006. As the concern has not received any information from its supplier as on date regarding their status under the above said Act and hence no disclosure has been made.

## 9. Earnings per share (EPS)

## (i) Basic EPS

Particulars	Current Year	Previous Year
Net profit/(loss) for equity share holders before Extra ordinary items (Numerator used for calculation)	11,37,24,669	18,19,72,542
No of equity shares of Rs 10/- each	1,25,56,470	1,25,56,470
Weighted Average Number of equity shares * (Denominator used for calculation)	94,39,135	94,39,135
Earnings per share of Rs 10/- each	9.06	19.28

## (ii) Diluted EPS

Particulars	Current Year	Previous Year
Adjusted Net profit/(loss) for equity share holders before Extra-ordinary items (Numerator used for calculation)	11,37,24,669	18,19,72,542
No. of Equity Shares to Issue to Convertible Debenture Holders	-	-
No of equity shares of Rs. 10/- each (After Conversion)	1,25,56,470	1,25,56,470
Weighted Average Number of equity shares * (Denominator used for calculation)	94,39,135	94,39,135
Earnings per share of Rs 10/- each	9.06	19.28

10. Additional information as per Schedule III of the Companies Act, 2013 to the extent applicable are as under:  
(As certified by the managing director and relied upon by the Auditors)

	Current Year	Previous Year
a) Value of Import on CIF Basis	Nil	Nil
b) Expenditure in the foreign Currency	27,81,386	23,71,742
c) Earning in Foreign Exchange	Nil	Nil

11. Previous Year figures have been rearranged and regrouped wherever necessary to make them comparable with the current year figures.

12. Employee Benefits:

The Company has defined benefit gratuity plan. The method and basis to be used for the calculations is prescribed by AS15 Revised 2005. Actuarial valuation has been carried out as per the Projected Unit Credit Method (PUCM) to determine liabilities and service cost as at 31<sup>st</sup> March, 2021.

Amounts in Balance Sheet at Period-End	31-03-2021	31-03-2020
Defined Benefit Obligation	59,68,275	49,36,230
Fair value of Plan Assets	-	-
Funded Status - (Surplus)/Deficit	59,68,275	49,36,230
Past Service Cost not yet Recognised	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>59,68,275</b>	<b>49,36,230</b>

Amounts Recognised in Statement of Profit & Loss at Period-End	31-03-2020 to 31-03-2021	31-03-2019 to 31-03-2020
Service Cost	27,79,191	31,75,699
Interest Cost	4,14,262	4,57,665
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	21,33,716	29,64,517
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
<b>Total Expense/(Income) included in "Employee Benefit Expense"</b>	<b>10,59,737</b>	<b>6,68,847</b>

Current / Non-Current Bifurcation	31-03-2021	31-03-2020
Current Benefit Obligation	3,04,590	2,30,013
Non- Current Benefit Obligation	56,63,685	47,06,217
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>59,68,275</b>	<b>49,36,230</b>

Change in Defined Benefit Obligation during the Period	31-03-2020 to 31-03-2021	31-03-2019 to 31-03-2020
Defined Benefit Obligation, Beginning of Period	49,36,230	45,48,921
Service Cost	27,79,191	31,75,699
Interest Cost	4,14,262	4,57,665
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	21,33,716	29,64,517
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	27,692	2,81,538
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>59,68,275</b>	<b>49,36,230</b>



Change in Fair value of Plan Assets during the Period	31-03-2020 to 31-03-2021	31-03-2020 to 31-03-2021
Fair value of Plan Assets, Beginning of Period	-	-
Expected Return on Plan Assets	-	-
Actual Company Contributions	-	-
Actual Plan Participants' Contributions	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	-
Benefit Paid	-	-
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>

Asset Category	31-03-2021	31-03-2020
Government of India Securities (Central and State)	0%	0%
High quality corporate bonds (including Public Sector Bonds)	0%	0%
Equity shares of listed companies	0%	0%
Real Estate / Property	0%	0%
Cash (including Special Deposits)	0%	0%
Other (including assets under Schemes of Insurance)	0%	0%
<b>Total</b>	<b>0%</b>	<b>0%</b>

Actual Return on Plan Assets	31-03-2021	31-03-2020
Expected Return on Plan Assets	-	-
Actuarial Gains/(Losses) on Plan Assets	-	-
<b>Actual Return on Plan Assets</b>	<b>-</b>	<b>-</b>

Expected Contributions for the Next Financial Year	31-03-2021	31-03-2020
Expected Contributions	-	-

Reconciliation of Amounts recognised in Balance Sheet	31-03-2021	31-03-2020
Balance Sheet (Asset)/Liability, Beginning of Period	49,36,230	45,48,921
Total Expense/(Income) Recognised in Profit & Loss	10,59,737	6,68,847
Acquisition/Business Combination/Divestiture	-	-
Benefit Payouts	27,692	2,81,538
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>59,68,275</b>	<b>49,36,230</b>

Date of Valuation	31-03-2021	31-03-2020	31-03-2019	31-03-2018	31-03-2017
Defined Benefit Obligation	59,68,275	49,36,230	45,48,921	35,96,589	27,16,868
Fair value of Plan Assets	-	-	-	-	-
(Surplus)/Deficit	59,68,275	49,36,230	5,48,921	35,96,589	27,16,868
Experience Adjustments on Plan Assets	-	-	-	-	-
(Gains)/losses due to change in Assumptions	6,21,378	41,642	34,003	1,71,911	2,05,608
Experience (Gains)/Losses on DBO	15,12,338	30,06,159	15,49,586	6,47,530	2,13,922
Total Actuarial (Gain)/Loss on DBO	21,33,716	29,64,517	15,83,589	8,19,441	4,19,530
Experience (Gains)/Losses as a % of DBO	-25.34%	-60.90%	-34.06%	-18.00%	-7.87%
% Return on Plan Assets	0.00%	0.00%	0.00%	0.00%	0.00%

**13. Impact of Covid-19:**

A national lockdown was declared by Government of India with effect from March 24, 2020 as a result of the outbreak of Novel Corona Virus (COVID-19), which was further extended in phases up to May 31, 2020. The COVID-19 pandemic has resulted in significant decrease in the economic activities across the country and has also affected the Company's business operations due to such lockdown. Further in accordance with RBI guidelines relating to "COVID-19 Regulatory Package" dated March 27, 2020 and May 23, 2020 ("RBI notifications"), the Company offered moratorium on payment of installments and/or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to its eligible customers based on requests as well as on suo moto basis.

**14. Disclosure requirement in accordance to Schedule III of Companies Act, 2013 with respect to Debentures:**

Particulars	No. of Debentures	Face Value of Debenture	Bal as on 31/03/2021	Bal as on 31/03/2020	Redemption Date	Rate of Interest
NCD Series - I	50,000	1,000	-	5,00,00,000	Nov-20	13.75%
NCD Series - II	200	5,00,000	-	10,00,00,000	Jan-21	11.00%
NCD Series - III	120	5,00,000	-	6,00,00,000	Jan-21	11.00%
NCD Series - IV	20	5,00,000	-	1,00,00,000	Jan-21	11.00%
Bank of Baroda	100	10,00,000	8,33,33,334	-	Aug-23	10.60%
Axis trustee Services Limited acting in its capacity as trustee of the Northern Arc Money Market Alpha Trust with Northern Arc Money Market Alpha Fund as its scheme	100	10,00,000	10,00,00,000	-	Sep-21	13.25%
A K Capital Finance Pvt Ltd	2,000	1,00,000	20,00,00,000	-	Mar-23	13.50%
<b>Total</b>			<b>38,33,33,334</b>	<b>22,00,00,000</b>		

**14 As required in terms of paragraph 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions), 2007), following is as disclosed.**

Particulars	Amount Outstanding	Amount Due
<b>1. Liabilities Side:</b>		
Loans and advances availed by the Non-Banking Financial		
a. Debentures:		
Secured	-	38,33,33,334
Unsecured	-	-
b. Deferred Credits:	-	39,60,78,856
c. Term Loans:	-	2,98,32,02,133
d. Inter Corporate loans and borrowings:	-	-
e. Commercial Paper:	-	-
f. Other Loans:	-	71,96,863
<b>Total</b>		<b>3,76,98,11,186</b>

Particulars	Amount Outstanding
<b>2. Asset Side:</b>	
Breakup of Loans & Advances including Bills Receivables (Other Than those included in (4) below)	
a) Secured	4,44,59,35,735
b) Unsecured	57,57,73,829
<b>3. Break Up of leased Assets and Stock on Hire and Other Assets counting towards AFC activity</b>	
(i) Lease Assets including lease rentals under Sundry Debtors:	
a. Finance Lease	-
b. Operating Lease	-
(ii) Stock on Hire including Hire Charges under Sundry Debtors:	
a. Assets on Hire	-
b. Repossessed Assets	-
(iii) Other Loans counting towards AFC activities:	
a. Loans where assets have been repossessed	-
b. Loans other than (a) above:	-

4. Break up of Investments	
Current Investments	
Long Term Investments:	
1. Quoted:	
i) Equity Shares	-
ii) Debentures and Bonds	-
2. Unquoted	
i) Equity Shares	5,00,000
ii) Preference Shares	-
iii) Debentures and Bonds	-

5. Borrower Group wise classification of Assets financed as in (2) and (3) above			
Category	Amount Net of Provisions		
	Secured	Unsecured	Total
1. Related Parties	11,54,40,386	5,30,51,135	16,84,91,521
(a) Subsidiaries	-	-	-
(b) Companies in the same group	11,54,40,386	17,75,263	11,72,15,649
(c) Other related parties	-	5,12,75,872	5,12,75,872
2. Other than Related Parties	4,33,04,95,349	52,27,22,694	4,85,32,18,043
<b>TOTAL</b>	<b>4,44,59,35,735</b>	<b>57,57,73,829</b>	<b>5,02,17,09,564</b>

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market value/Breakup or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than Related Parties	-	5,00,000
<b>TOTAL</b>	<b>-</b>	<b>5,00,000</b>

7. Other Information	
Particulars	Amount
<b>(I) Gross Non-Performing assets</b>	<b>13,01,56,678</b>
(a) Related parties	
(b) Other than related parties	13,01,56,678
<b>(ii) Net Non-Performing assets</b>	<b>11,43,06,112</b>
(a) Related parties	-
(b) Other than related parties	11,43,06,112
<b>(iii) Assets acquired in satisfaction of debt</b>	<b>-</b>

16. Disclosures pursuant to RBI Notification – RBI/2019-20/220 DOR. No. BP.BC. 63/21.04.048/2019-20 dated 17 April 2020 SMA/overdue categories, where the moratorium /deferment was extended

Particulars	As at March, 2021	As at March, 2020
Amount in SMA/Overdue categories	87,94,71,280	0
Respective amounts where asset classification benefit was extended	51,43,29,434	0
Provision made in terms of paragraph 5 of the circular (As per paragraph 4, applicable to NBFC's covered under Ind AS) (as of March 31, 2021/March 31, 2020)**	19,88,860	0
Provision adjusted against slippages in terms of paragraph 6 of the circular	19,88,860	0

As per our report of even date attached

For M/s ATMS & Co LLP  
Chartered Accountants  
Firm No : W100164

SUHAS S SHINDE  
(Partner)

M.No 117107

Place : Thane

Date : 14<sup>th</sup> August 2021

For and on behalf of the Board  
For Manba Finance Limited

KIRIT R. SHAH  
(CHAIRMAN)

JAY K. MOTA  
(CHIEF FINANCIAL OFFICER))

MANISH K. SHAH  
(MANAGING DIRECTOR)

BHAVISHA A. JAIN  
(COMPANY SECRETARY)





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