



**Shalibhadra**

FINANCE LIMITED

*Fulfilling Dreams*



**Annual Report**

**2019-20**

## Our Growth Story

Asset under Management

113 crores

Total Income

24 crores

Net Profit after Tax

5.8 crores

Branches

40

Live customers

87,683

Return on Average Net Worth

14.85%

Capital Adequacy Ratio

36.4%

Gross Interest Spread (%)

9.32%

Total assets

125 crores

Net Worth

42 crores

EPS

10.16

Dividend %

0%

Total Income/Average  
Portfolio

21.66%

Expense to Avg. Portfolio  
Ratio

6.19%

PAT / Total Income

24.21%

# Inside the Report

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# Corporate Information

## Board of Directors

Mr Minesh Doshi	Managing Director
Mr Kamalkant Keswani	Independent Director
Dr. Falguni Doshi	Independent Director
Mr. Vatsal Doshi	Director
Mr. Amit Doshi (Appointed on 19/03/2020)	Director
Ms. Ayushi Doshi (Appointed on 19/03/2020)	Director

## Registered Office

3, Kamat Industrial Estate,  
Opp. Siddhi Vinayak Temple,  
396, Veer Savarkar Marg,  
Prabhadevi,  
Mumbai 400 025.

Email: [shalibhadra\\_mum@yahoo.co.in](mailto:shalibhadra_mum@yahoo.co.in)  
Website: [www.shalibhadrafinance.com](http://www.shalibhadrafinance.com)

## Bankers

Bank of Maharashtra  
Dena Bank  
State Bank of India  
AU Small Finance Bank  
IDFC First Bank

## Auditors

M/s. Vora & Associates

Chartered Accountants  
(Firm Registration Number:  
111612W)

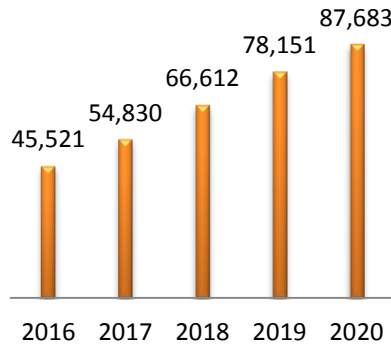
## Share Transfer Service

Link Intime India Pvt. Ltd  
C 101, 247 Park, L.B.S. Marg,  
Vikhroli (West),  
Mumbai, Maharashtra, 400083

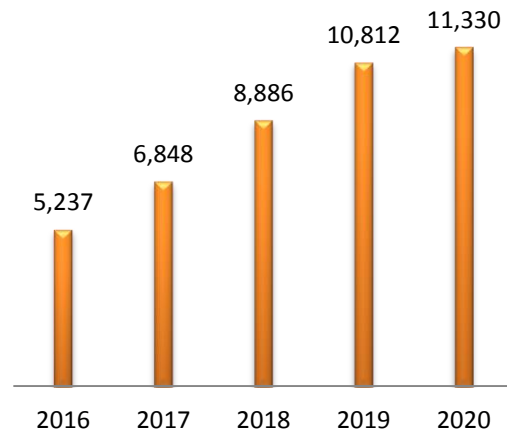
## Key Performance Indicators

During FY 19-20, Total Income was 23.98 crores and Net profit after Tax was 5.81 crores. Company continued to maintain a high capital adequacy of about 36% as against the mandatory regulatory requirement of 15%.

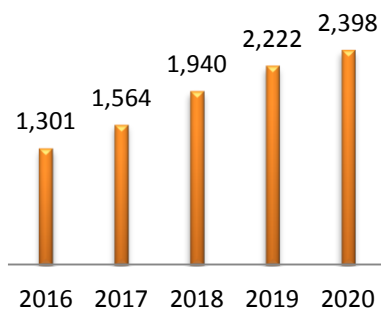
### Number of Live Customers



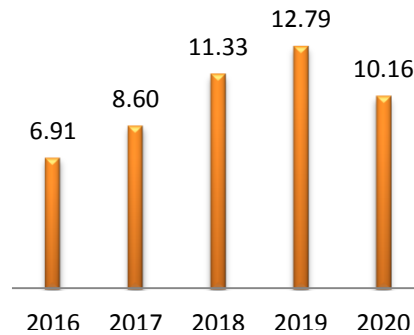
### Asset Under Management (in lacs)



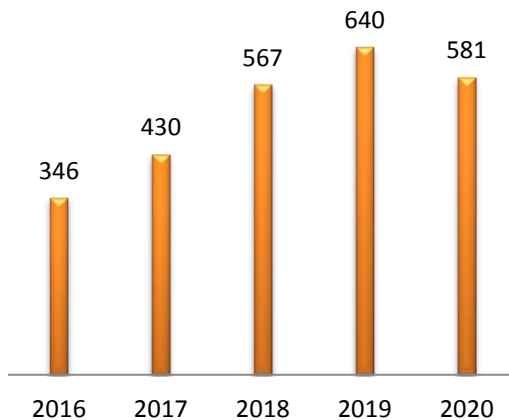
### Total Income (in lacs)



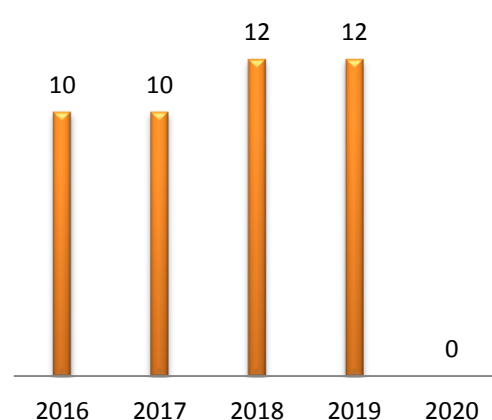
### EPS



### Net Profit After Tax (in lacs)

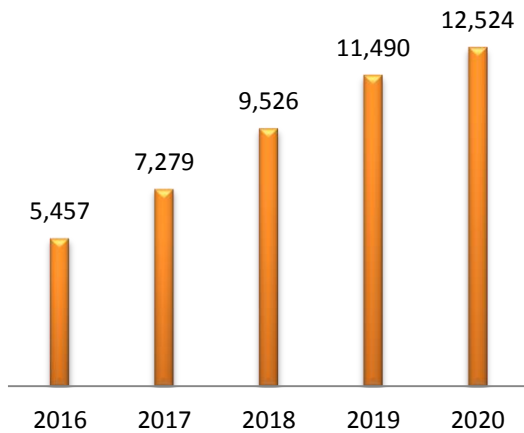


### Dividend %

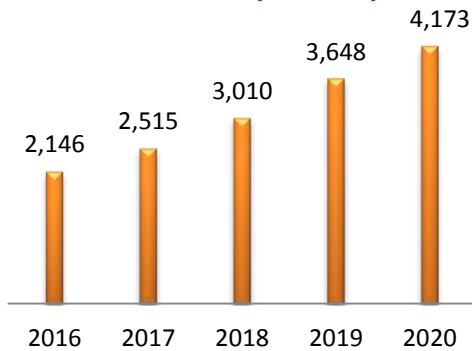


During FY 19-20, the portfolio reached 113 crores mark. Gross Interest spread was maintained at 9.32% and Return on Average Net worth at 14.85%

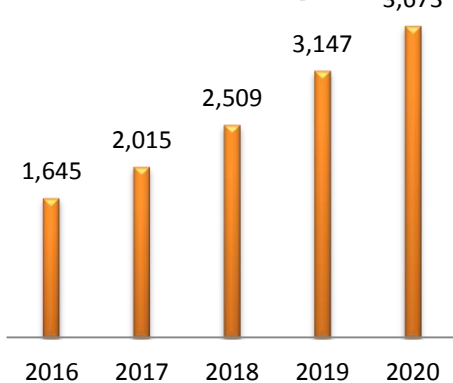
**Total Assets (in lacs)**



**Net Worth (in lacs)**



**Reserves & Surplus (in lacs)**



# The Shalibhadra Advantage

<p><b>Unique business model</b></p> 	<p><b>Quick disbursement</b></p> 	<p><b>Robust Credit assessment</b></p> 
<p><b>Focus on “Difficult to reach areas”</b></p> 	<p><b>Sufficient capital adequacy</b></p> 	<p><b>Leveraging technology</b></p> 
<p><b>Flexible repayment options</b></p> 	<p><b>100% cashless disbursements</b></p> 	<p><b>Strong workforce</b></p> 

## Discovering new geographies

During FY 19-20, company expanded its network into the state of Madhya Pradesh. Number of branches increased from 36 to 40.

With a network of 40 branches, we currently serve a total of 33 districts in the states of Gujarat, Maharashtra & Madhya Pradesh. Such wide rural presence has enabled us to cater the diverse financial needs of our customers.

In FY 20-21, company is considering further expansion into the state of Rajasthan.

### Gujarat

- Ahmedabad
- Ahwa
- Anand
- Bardoli
- Bharuch
- Dabhoi
- Dahod
- Halol
- Himmatnagar
- Mehsana
- Nadiad
- Navsari
- Rajpipla
- Surat
- Vadodara
- Valsad
- Vapi

### Maharashtra

- Ahmednagar
- Alibaug
- Boisar
- Dhule
- Jalgaon
- Kolhapur
- Mahad
- Malegaon
- Nandurbar
- Nashik
- Ratnagiri
- Sangamner
- Sangli
- Satara
- Shahpur
- Surgana

### Madhya Pradesh

- Burhanpur
- Dewas
- Harda
- Khandva
- Khargone
- Ratlam
- Ujjain





Easy and fast appraisal and disbursements makes Shalibhadra the preferred choice of its customers



Live customers

**87,683**

Growth in customer base

**12.20%**

## OUR VISION

To cater to the diverse financial needs of rural India

## OUR MISSION

To become leading NBFC serving rural & semi urban areas of western India by creating a sustainable & innovative business model meeting the needs of all our stakeholders

## 5 years at a glance

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Estimated Assets Financed	11330,72,579	10812,29,636	8886,16,131	6847,94,851	5237,05,234
Number of live contracts	87,683	78,151	66,612	54,830	45,521
Total Assets	12524,83,744	11490,15,104	9526,34,939	7279,20,295	5456,54,054
Total Income	2398,59,127	2222,25,008	1939,63,633	1564,08,179	1300,77,079
Profit before depreciation & tax	810,43,555	901,07,023	799,13,580	653,70,163	550,16,638
Depreciation	6,32,756	7,50,850	6,14,777	4,71,320	3,67,953
Profit Before Tax (PBT)	804,10,799	893,56,173	792,98,803	648,98,843	546,48,685
Profit After Tax (PAT)	580,61,384	639,87,173	566,75,604	430,18,837	345,86,727
Dividend %	0	12	12	10	10
Equity Share Capital	500,31,000	500,31,000	500,31,000	500,31,000	500,31,000
Reserves & Surplus	3673,08,686	3147,48,365	2509,28,043	2015,12,428	1645,21,057
Net Worth	4173,39,686	3647,79,365	3009,59,043	2515,43,428	2145,52,057
Branches	40	36	32	28	24
Earnings Per Share (EPS)	10.16	12.79	11.33	8.60	6.91

# Director's Report

Dear Members,

Your directors are delighted to present the 29<sup>th</sup> Annual Report and the Audited financial statements of the company for the year ended March 31, 2020.

## Financial Results:

Rs. in '000

Particulars	2019 - 20	2018 - 19	% Change
Business Income	2,39,859	2,23,141	7%
<b>Profit before Interest, Depreciation &amp; Tax</b>	1,71,991	1,70,293	1%
Less: Interest	90,947	79,271	15%
Depreciation	633	751	-16%
<b>Profit before tax</b>	80,411	90,272	-11%
Less: Provision for Income Tax	22,100	25,100	-12%
Less: Provision for Deferred Tax	249	269	-7%
<b>Profit after tax</b>	58,062	64,903	-11%
Add: Balance brought forward from Previous Year	1,79,534	1,44,058	25%
	2,37,596	2,08,961	15%
<b>Less: Appropriations</b>			
Proposed Dividend	_*	_*	_*
Distribution Tax	_*	_*	_*
Transfer to / (from) General Reserve	10,000	9,000	11%
Transfer to Special Reserve	12,000	13,000	-8%
<b>Balance carried to Balance Sheet</b>	2,15,596	1,86,961	15%

\* Proposed dividend is not included in Annual accounts in compliance with Accounting Standards.

## Operations

During FY 19-20, Total Income was 23.98 crores and Net profit after Tax was 5.81 crores. During FY 19-20, the portfolio reached 113 crores mark.

## Outlook and Prospects:

Outlook & Prospect look very encouraging due to increase sale of new two wheelers.

## Dividend:

Due to uncertainties & hardship related to Pandemic COVID-19, the Board of Directors have decided to conserve resources & not to declare dividend for FY 2019-20 (last year Re. 1.20 per equity share was declared).

## Finance:

Company plans to raise fund Rs. 25 corers from banks/financial institutions during FY 2020-21.

## Corporate Governance & Compliance Certificate:

A separate section on Corporate Governance is included in the Annual Report and the certificate from company secretary confirming the Compliance of the conditions on the Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to this Report.

## Public Fixed Deposits:

The Company has no public deposit as of date and will not accept any deposit without prior approval of the statutory authorities concerned.

## RBI Guidelines:

The Company is consistently complying with all the guidelines issued by the Reserve Bank of India for NBFC's (AFC's) with respect to capital adequacy, asset

classification, provisioning and income recognition on non-performing assets.

The capital adequacy of the Company as on 31st March, 2020 is much higher than the minimum norms stipulated by the RBI for NBFC (AFC's).

### Management's discussion and analysis report:

Management's Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

### Accounts & Accounting Standards:

The Company adheres to the prudential guidelines prescribed by the Reserve Bank of India and to the Accounting Standards issued by the Institute of Chartered Accountant of India in preparation of its financial statements.

The particulars on the related party exposures, non-performing assets and business levels in vehicle loans purchase and other activities, required to be disclosed in the format prescribed by the Reserve Bank of India are contained in the schedules forming part of the accounts.

### Changes in composition of Board of Directors

Mr. Amit M. Doshi was appointed as additional director from 19/03/2020. In the ensuing AGM, Mr, Amit M. Doshi shall be appointed as Director liable to retire by rotation.

Ms. Ayushi M. Doshi was appointed as additional director from 19/03/2020. In the ensuing AGM, Ms, Ayushi M. Doshi shall be appointed as Director liable to retire by rotation.

To comply with the provisions of Section 152 of the Companies Act, 2013 Mr. Vatsal M. Doshi, shall retire by rotation at the ensuing AGM, being eligible, offered for reappointment.

### Declaration by Independent directors:

Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

### Independent directors meeting:

During the year under review, the independent Directors of the Company met thrice inter-alia, to discuss:

- (a) Evaluation of performance of Non-Independent Directors and the Board of Directors of the company as a whole.
- (b) Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non Executive Directors.
- (c) Evaluation of the quantity, content and timelines of flow of information between the Management and the board that is necessary for the Board to effectively and reasonably perform its duties.

### Induction and training of the board members:

Directors are issued a detailed appointment letter which inter alia sets out terms of appointment, duties, responsibilities etc. of such director. Each independent director of the Company on appointment is given such letter of appointment and also briefed by the Managing Director/ Executive Director about the nature of business of the Company, its finances, operations etc. The Compliance Officer of the company also assists the Independent Director in understanding their statutory duties, obligations and responsibilities as a Director/ Independent Director of the Company.

### Evaluation of performance of the board members:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulation, the evaluation of the performance of the Board as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

### Particulars of Loans, Guarantees or Investments in Securities:

Pursuant to section 186(11) of the Companies Act, 2013, the provisions of section 186 (4) of the Act requiring disclosure in the financial statements of the full particulars of the loans made and guarantees given or securities provided by a Non-Banking Financial Company in the ordinary course of its business and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security are exempted from disclosure in the Annual Report. Further, pursuant to the provisions of section 186 (4) of the Act, the details of investments made by the Company are given in the Notes to the Financial Statements.

### Risk management:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & listing regulation, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report. At present the company has not identified any element of risk which may threaten the existence of the company.

### Significant and material orders passed by regulators/courts if any:

There are no significant or material orders passed by the Regulators / courts which would impact the going concern status of the Company and its operations.

### Share Capital:

- The Company has not bought back any of its securities during the year under review.
- The Company has not issued any Sweat Equity Shares during the year under review.
- No Bonus Shares were issued during the year under review.

### Employee stock options:

The Company has not provided any Stock Option Scheme to the employees.

### Disclosure under the Sexual harassment of women at workplace (Prevention, prohibition and redressal) Act, 2013:

The company has in place an Anti-Harassment policy in line with the requirements of the Sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, company has not received any Sexual Harassment Complaints.

### Directors' Responsibility Statement:

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

- In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a 'going concern' basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Material Changes after the date of Balance Sheet:

There has been no material change and commitment affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

### Contracts & arrangements with related parties:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Your Directors draw attention of the members to Notes to the financial statement which sets out related party disclosures.

### Credit Rating:

The Company's financial discipline and prudence is reflected in the credit rating **BBB- (stable)** for bank loans ascribed by rating agency ICRA.

### Particulars of Remuneration and related disclosures:

Mr. Vatsal M. Doshi , director of the company, was paid

remuneration as set out by Nomination & Remuneration committee of the Board.

### Meetings of the Board & its committees:

For further details on meetings of the Board & its committees refer report on Corporate Governance

### Vigil mechanism:

The Company in order to maintain highest standards of ethical, moral and legal conduct, adopted Vigil Mechanism/Whistle Blower policy to provide an avenue to its employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentations of any financial statements and reports, etc. The Audit committee of the company oversees the said mechanism from time to time. None of the Company personnel has been denied access to the Audit Committee.

### Internal Financial Controls:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

### Corporate Social Responsibility (CSR):

The company has identified suitable projects in the field of education that are eligible activities for Corporate Social Responsibility, in terms of provisions of Section 135 of the Companies Act, 2013, and rules framed thereunder.

### Conservation of Energy, Technology Absorption:

Additional information required under the Companies Act, regarding conservation of Energy, Technology Absorption is not applicable as the company is not carrying out any manufacturing operation.

### Foreign Exchange Earnings and Outgo:

During the year under review, the company has neither earned any foreign exchange income nor incurred any expenses.

Place: Mumbai  
Date: July 28, 2020

### Extract of Annual Return:

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is annexed herewith as Annexure to this Report.

### Statutory Auditors:

M/s Vora & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for a period of 5 years, commencing from the conclusion of the 26th AGM till the conclusion of the 31st AGM, subject to ratification of their appointment by Members at the AGM. The Members are requested to ratify their appointment as Statutory Auditors of the Company.

### Secretarial Auditor:

The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith.

### Reporting of Frauds by Auditors:

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### Subsidiary companies:

The Company does not have any Subsidiary.

### Acknowledgments:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, vendors, customers and members during the year. Your Directors wish to place on record their appreciation to all the employees for their hard work, dedication, commitment and rendering impeccable service to every constituent of the company's customer and shareholders.

For & on behalf of the Board

Minesh Doshi  
Managing Director.

# Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2020

**[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,  
Shalibhadra Finance Limited  
3, Kamat Ind. Estate, Opp. Sidhi Vinayak Temple  
Veer Savarkar Marg, Prabhadevi,  
Mumbai-400025.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shalibhadra 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 our opinion thereon.

Based on our verification of the Company's 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder 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:

We 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Reserve bank of India Act, 1934 and rules and regulation made there under from time to time and any other modification enactment issue by RBI which is applicable on Non Banking Financial Companies (NBFC); and prudential norms issued by RBI under the Act and other applicable rules under the Act.
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014 (Not applicable to the Company during the Audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
  - (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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the Audit period).
- (ii) The Listing Agreement entered into by the Company with BSE Limited.



During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- 1) *As per section 108 of Companies Act, 2013, every Listed company needs to give electronic voting facility for its Annual General Meeting. As such the company has not conducted e-voting in its 28<sup>th</sup> Annual General Meeting*

We further report that:

- 1) The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board;
- 2) The Directors have complied with the disclosure requirements in respect of their eligibility of appointments, their being independent and compliance with the Code of Conduct for Directors and Senior Management Personnel;
- 3) The Company has obtained all necessary approvals under the various provisions of the Act.

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

Place: Mumbai  
Date: 30<sup>th</sup> July, 2020

For P. D. Pandya & Associates  
Practising Company Secretary

Sd/-  
(Paresh D. Pandya)  
Proprietor

ACS No. 12123  
C P No.: 4869

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,  
Shalibhadra Finance Limited  
3, Kamat Ind. Estate, Opp. Sidhi Vinayak Temple  
Veer Savarkar Marg, Prabhadevi,  
Mumbai - 400025.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 test basis to ensure that correct facts are reflected in secretarial records.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai  
Date: 30<sup>th</sup> July, 2020

For P. D. Pandya & Associates  
Practising Company Secretary

Sd/-  
(Paresh D. Pandya)  
Proprietor

ACS No. 12123  
C P No.: 4869

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2020 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.									
<b>I. REGISTRATION &amp; OTHER DETAILS:</b>									
1	CIN	L65923MH1992PLC064886							
2	Registration Date	16-01-1992							
3	Name of the Company	SHALIBHADRA FINANCE LTD							
4	Category/Sub-category of the Company	PUBLIC LTD/COMPANY LIMITED BY SHARES							
5	Address of the Registered office & contact details	3, KAMAT INDUSTRIAL ESTATE, 396, SIDDIHI VINAYAK TEMPLE, NEXT TO CHINTAMANI JEWELLERS, PRABHADEVI, MUMBAI - 400 025							
6	Whether listed company	LISTED							
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME SPECTRUM REGISTRY PVT LTD C-13, PANNALAL SILK MILLS, LBS MARG, NEAR SANGRILLA BISCUIT FACTORY, BHANDUP (WEST), MUMBAI - 400 078.							
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)									
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company						
1	Finance & Investment activities	6492	100%						
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>									
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section				
	N.A	N.A	N.A	N.A	N.A				
<b>IV. SHARE HOLDING PATTERN</b> (Equity share capital breakup as percentage of total equity)									
<b>(f) Category-wise Share Holding</b>									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				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	20,03,681	-	20,03,681	40.05	20,03,681	-	20,03,681	40.05	0.00
b) Central Govt			-	0.00			-	0.00	0.00
c) State Govt(s)			-	0.00			-	0.00	0.00
d) Bodies Corp.	5,67,510	-	5,67,510	11.34	5,67,500	-	5,67,500	11.34	0.00
e) Banks / FI			-	0.00			-	0.00	0.00
f) Any other			-	0.00			-	0.00	0.00
<b>Sub Total (A) (1)</b>	<b>2571191</b>	<b>0</b>	<b>2571191</b>	<b>51.39</b>	<b>2571181.00</b>	<b>-</b>	<b>2571181.00</b>	<b>51.39</b>	<b>0.00</b>

<b>(2) Foreign</b>										
a) NRI Individuals			-	0.00			-	0.00	0.00	
b) Other Individuals			-	0.00			-	0.00	0.00	
c) Bodies Corp.			-	0.00			-	0.00	0.00	
d) Any other			-	0.00			-	0.00	0.00	
<b>Sub Total (A) (2)</b>	-	-	-	0.00	-	-	-	0.00	0.00	
<b>TOTAL (A)</b>	2571191	0	2571191	51.39	2571181	0	2571181	51.39	0.00	
<b>B. Public</b>										
<b>1. Institutions</b>										
a) Mutual Funds			-	0.00			-	0.00	0.00	
b) Banks / FI			-	0.00			-	0.00	0.00	
c) Central Govt			-	0.00			-	0.00	0.00	
d) State Govt(s)			-	0.00			-	0.00	0.00	
e) Venture Capital Funds			-	0.00			-	0.00	0.00	
f) Insurance			-	0.00			-	0.00	0.00	
g) FIIs			-	0.00			-	0.00	0.00	
h) Foreign Venture Capital Funds			-	0.00			-	0.00	0.00	
i) Others (specify)			-	0.00			-	0.00	0.00	
<b>Sub-total (B)(1):-</b>	-	-	-	0.00	-	-	-	0.00	0.00	
<b>2. Non-Institutions</b>										
a) Bodies Corp.	6,42,983	1,02,300	7,45,283	14.90	7,04,740	1,02,300	8,07,040	16.13	1.23	
i) Indian			-	0.00				0.00	0.00	
ii) Overseas			-	0.00				0.00	0.00	
b) Individuals	71,380		71,380	1.43	72,514	-	72,514	1.45	0.02	
i) Individual shareholders holding nominal share capital upto Rs. 2	6,27,874	2,37,100	8,64,974	17.29	6,80,742	2,28,500	9,09,242	18.17	0.88	
ii) Individual shareholders holding nominal share capital in excess of	5,83,001	-	5,83,001	11.65	2,83,707	-	2,83,707	5.67	-5.98	
c) Others (specify)	8400		8,400	0.17	8400		8,400	0.17		
<b>Non Resident</b>	147038	4103	1,51,141	3.02	350851	0	3,50,851	7.01	3.99	
Overseas Corporate Bodies			-	0.00			-	0.00	0.00	
Foreign Nationals	0		-	0.00	0	0	-	0.00	0.00	
Clearing Members	7730		7,730	0.15	165	0	165	0.00	-0.98	
Trusts			-	0.00			-	0.00	0.00	
Foreign Bodies - D			-	0.00			-	0.00	0.00	
<b>Sub-total (B)(2):-</b>	2088406	343503	2431909	48.61	2101119	330800	2431919	48.61	0.00	
<b>Total Public (B)</b>	2088406	343503	2431909	48.61	2101119	330800	2431919	48.61	0.00	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			-	0.00				0.00	0.00	
<b>Grand Total</b>	46,59,597	3,43,503	50,03,100	100.00	46,72,300	3,30,800	50,03,100	100.00	0.00	

(ii) 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	Sheetal M Doshi	7,92,172	15.83	6,80,000	7,92,172	15.83	-	0.00
2	Heena A Doshi	40,319	0.81	-	40,319	0.81	-	0.00
3	Amit M Doshi HUF	61,000	1.22	-	61,000	1.22	-	0.00
4	Amit M Doshi	1,70,580	3.41	-	1,70,580	3.41	-	0.00
5	Minesh M Doshi	6,72,710	13.45	-	6,72,710	13.45	-	0.00
6	Mukund H Doshi HUF	35,000	0.70	-	35,000	0.70	-	0.00
7	Minesh M Doshi HUF	31,900	0.64	-	31,900	0.64	-	0.00
8	Vatsal M Doshi	2,00,000	4.00	-	2,00,000	4.00	-	0.00
9	Ramkrishna Climatisers Pvt Ltd	2,45,300	4.90	-	2,45,300	4.90	-	0.00
10	Financial Analysts Investment Rating Ltd	1,87,200	3.74	-	1,87,200	3.74	-	0.00
11	Vatsal Financial Services Pvt Ltd	1,35,000	2.70	-	1,35,000	2.70	-	0.00
12	Shalibhadra Capital Market Limited	10	0.00	-	-	0.00	-	0.00

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Shalibhadra Capital Market	05-03-2020	NIL	10	0.00	-	0.00
2	NIL	Nil	NIL	-	0.00	-	0.00
3	NIL	Nil	NIL	-	0.00	-	0.00

## (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of the shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Vijaya Pabhati	01-04-2019	At the beginning of the year	74,867	1.50	74,867	1.50
		31-03-2020	At the end of the year			74,867	1.50
2	Amidhara Agencies Pvt Ltd	01-04-2019	At the beginning of the year	2,49,200	4.98	2,49,200	4.98
		31-03-2020	At the end of the year			2,49,200	4.98
3	Amrut Credit Corporation Ltd	01-04-2019	At the beginning of the year	1,01,900	2.04	1,01,900	2.04
		31-03-2020	At the end of the year			1,01,900	2.04
4	Proxcel Management Agencies Private Limited	01-04-2019	At the beginning of the year	1,56,400	3.13	1,56,400	3.13
		31-03-2020	At the end of the year			1,56,400	3.13
5	Hemant Pratapbhai Kotak	01-04-2019	At the beginning of the year	1,28,000	2.56	1,28,000	2.56
			Transfer			1,28,000	2.56
		31-03-2020	At the end of the year			-	0.00

6	Vikram Pratapbhai Kotak	01-04-2019	At the beginning of the year	1,73,000	3.46	1,73,000	3.46
			Transfer			1,73,000	3.46
		31-03-2020	At the end of the year			-	0.00
7	Princy Dayakrishna Goyal	01-04-2019	At the beginning of the year	51,667	1.03	51,667	1.03
			Transfer			51,667	1.03
		31-03-2020	At the end of the year			-	0.00
8	Advani Pvt Ltd	01-04-2019	At the beginning of the year	1,61,062	3.22	1,61,062	3.22
			Transfer	-	-	(68,441)	-1.37
		31-03-2020	At the end of the year	-	-	2,29,503	4.59
9	Vijaykumar Patel	01-04-2019	At the beginning of the year	-	0.00	-	0.00
			Transfer	-	-	(2,58,600)	-5.17
		31-03-2020	At the end of the year	-	-	2,58,600	5.17
10	Bhikhu Chhotabhai Patel	01-04-2019	At the beginning of the year	-	0.00	-	0.00
			Transfer	-	-	(86,200)	-1.72
		31-03-2020	At the end of the year	-	-	86,200	1.72

## (v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	<b>Directors</b>						
1	M inesh M Doshi			6,72,710	13.45	6,72,710	13.45
2	Vatsal M Doshi			2,00,000	4.00	2,00,000	4.00
3	A mit M Doshi			1,70,580	3.41	1,70,580	3.41
4	A yushi M Doshi			-	0.00	-	0.00
5	Palak Patani			15,000	0.30	15,000	0.30
	<b>Key Managerial Personnel</b>			8,72,710	21.15	8,72,710	21.15

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(A m t. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	47,32,16,883	24,13,19,425	Nil	71,45,36,308
ii) Interest due but not paid	Nil	Nil	Nil	-
iii) Interest accrued but not due	Nil	Nil	Nil	-
<b>Total (i+ii+iii)</b>	<b>47,32,16,883</b>	<b>24,13,19,425</b>	<b>-</b>	<b>71,45,36,308</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	5,06,25,058	Nil	Nil	5,06,25,058
* Reduction	Nil	58,39,761	Nil	58,39,761
<b>Net Change</b>	<b>5,06,25,058</b>	<b>58,39,761</b>	<b>-</b>	<b>5,64,64,819</b>

Indebtedness at the end of the financial year				
i) Principal Amount	52,38,41,941	23,54,79,664	Nil	75,93,21,605
ii) Interest due but not paid	Nil	Nil	Nil	-
iii) Interest accrued but not due	Nil	Nil	Nil	-
Total (i+ii+iii)	52,38,41,941	23,54,79,664	-	75,93,21,605

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs/Lac)
		Name	Designation	
		Minesh M Doshi	Vatsal M Doshi	
		Managing Director	Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	12,00,000.00	12,00,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	12,00,000.00	12,00,000.00
	Ceiling as per the Act			

##### B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1	Independent Directors				
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	-	-	-	-
	Total Managerial Remuneration				12,00,000.00
	Overall Ceiling as per the Act				

## C. Remuneration to Key Managerial Personnel other than M D/M anager/W TD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name Designation	Palak Patani CEO	Miss. Darshana Chauhan CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		8,35,000	86,000	9,21,000
	(b) Value of perquisites u/s 17(2) Income-tax		-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-		-
2	Stock Option		-		-
3	Sweat Equity		-		-
4	Commission				
	- as % of profit		-		-
	- others, specify		-		-
5	Others, please specify				-
	Total		8,35,000	86,000	9,21,000

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

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			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



# Management Discussion and Analysis

## Company Overview:

The Company is asset finance company focusing on rural, semi-urban & other under banked geographies of Gujarat, Maharashtra & Madhya Pradesh.

Company has conceptualized simple, speedy, small ticket asset financing products with high yields.

With a network of 40 branches, we offer wide range of customized retail products such as financing two wheelers, auto rickshaw, cars & consumer durables.

## Key Competitive Advantages:

- Robust and comprehensive Credit assessment and Risk management framework.
- Significant presence in Rural and Semi-urban markets with focus on low and middle income customers.
- Deep customer insight and strong business model.
- Strong Balance sheet.
- Easy and fast appraisal and disbursements makes Shalibhadra the preferred choice for many of its customers.
- Flexible repayment options aligned to the unique needs of customers.

## Risk Management:

- The Company is exposed to high credit risk given the unbanked rural customer base. The Company manages credit risk through customized credit norms established through adequate experience in this line of business. Deep insight about the nature of borrowers and a strong business model reduces the risk of default significantly. Moreover, the advances being retail loans are spread over a large customer and geographic base.
- There may be drastic economic slowdown in demand for the two wheelers. However, company is confident to growing business due to withdrawal of NBFC's /Bank from this sector coupled with company's diversified business portfolio and customer reach.
- There is always a greater difficulty of seizing NPA assets from rural area due to non-co-operation of customers and local community pressure. Company has mitigated this risk to a great degree by keeping average loan size small, financing a maximum of 75% of vehicle cost, adapting a robust hypothecation policy and collaborating with local business partners.

- Shortage of skilled manpower in the local areas of operation poses a considerable risk. To counter this, the company strives to attract and retain the best talent from local markets, adopts a robust performance management system, employee engagement and training practices to create an inspiring and rewarding work environment.
- However, a major slowdown in economy, fluctuation in interest rates, liquidity availability, extra-ordinary increase in fuel prices or vehicle taxes, floods or such calamities can drastically affect growth and asset portfolio in non-urban segments.

## Operations & Control Systems:

Shalibhadra Finance Limited has a very good presence in Gujarat and Maharashtra, being *"the dominant player"* in its segment of financing 2 wheelers in rural, semi-rural and under banked areas. Company operates in small towns, villages and city outskirts where the customer is not very literate and highly unorganized. With its grip on the right pulse of the market segment in question, the Company has mastered the art of keeping excellent relations with its clients without compromising on growth and bottom-line, resulting in return business and word of mouth publicity.

The Company has tie up's with various dealers, brokers and service station spread around 50 km range of each branch from where regular business is generated.

Company also believes that normal collection through post dated cheques / ECS / NACH will not work in rural areas due to poor banking habits & less banking penetration. Therefore the company has tied up with various Co-operative banks to collect on behalf of company which has received good response from customers.

Company does not operate on franchise or DSA model but put up its own branches in owned premises. The company thinks that this small loan business is highly service oriented & requires physical presence & cannot be done from a long distance. We have to be physically present & be face-to-face to give service to rural borrower. Company covers up to 50 km. of area from each branch to keep its high standard of service & be in touch with customers directly.

Company employs local rural people who know local market well, know local language properly & can easily establish good relationship with local customers. This

also helps in keeping employee cost down and attrition rate low.

Shalibhadra Finance Limited have a reasonably de-centralized decision making system with the first contact employee empowered to initiate sanction of loans under supervision of branch heads upto certain amounts. All disbursements of loan are done from head office. All branches are fully computerized and are linked on line.

Once loan is sanctioned there is strong MIS system which is centralized at head office. Monthly reporting system of all overdues and follow-ups with customers are in place. All documents pertaining to hypothecation are kept at branches. NOC are sent from Head office. The company has also got all its documents digitized by an outside agency.

People having extremely low income are served by Microfinance institutions. The company does not target them as they usually do not have means / income to buy any vehicles. The company wants to finance people who are in slightly higher income bracket.

Company has started financing white goods in rural areas. Due to heavy competition from large NBFCs, company will not be able to grow this business. Company has also started financing old 3/4 wheelers.

The company has got rating renewal of BBB- (Stable) from ICRA. This will help in raising funds at cheaper rate.

Company successfully expanded in the state of Madhya Pradesh this year. Company is trying to increase geographical presence. It is planning to open new branches in Maharashtra & further expand in Madhya Pradesh this year.

Company has also recently implemented new software which has improved efficiency.

## Future Outlook:

Due to withdrawal by Banks /NBFC from Two wheelers financing business we have great opportunity to tap this market

The Indian rural landscape is rapidly changing, presenting various growth opportunities. The rural customer (>75% of the population) is becoming more market savvy, and aspires for a higher life quality. Objective of the company is to grow its customer base to over 1,00,000 customers, 50 branches and a vehicle finance portfolio of Rs 125 crores by March 2021.

Shalibhadra Finance Limited plans to concentrate further on smaller but upcoming towns to avoid margin

competition. Customers of the company are generally salaried class, agriculturist and self-employed. This industry is growing in double figure rates and competition from other NBFC's and banks is practically non-existent due to relatively small & wide market and high service oriented business.

## Human Resource

Company believes in taking care of its employees and ensuring that their career aspirations are met through professional growth, personal development and fair economic rewards.

With a very low attrition rates, company is focused in creating a happy & engaged workforce

## Information Technology

Investments have been made in state-of-the-art IT infrastructure to enable collection campaigns, asset recovery, better communication & service to customers. Outsourced services are deployed to leverage specialized skills and better service levels.

## Internal Control

The Company has put in place an adequate internal control system to safeguard all assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance.

Reputed audit firms also ensure that all transactions are correctly authorised and reported. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened and corrective actions initiated

## Cautionary Statement:

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties.

## Financial Performance

During the year the operations have been satisfactory and profitable insofar as the Company has generated revenue of Rs.23.8 crores (Previous year Rs. 22.2 crores) and a profit after tax of Rs.5.8 crores (Previous Year Rs 6.4 crores).

# Corporate Governance Report

The Company is in compliance with the requirements mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“the Listing Regulations”]. A Report on compliance with the Code of Corporate Governance as stipulated in the Listing Regulations is set out below:

## 1. Company’s Philosophy on Code of Governance:

The company is committed to good corporate governance and has started implementing corporate governance norms as prescribed by SEBI. The company respects the rights of not only its shareholders but also of general public to the information on the performance of the company and considers itself a trustee of its shareholders.

## 2. Board Of Directors:

The Company is fully compliant with the Corporate Governance Norms in terms of constitution of the Board with a good combination of Executive and Non – Executive Directors. The board has complete access to any information within the Company and to any employee of the Company.

### Composition and Category

The Board comprised four directors. The Chairman of the Company is an Independent Director. Composition of the Board of Directors is given below:

- 1 Managing Director
- 4 Promoter Directors
- 2 Independent Directors

### Attendance of Each Director at the Board Meetings and the Last Annual General Meeting

The Board met at least once in a calendar quarter and the maximum time gap between any two Meetings was not more than one hundred and twenty days. These Meetings were well attended.

During the financial year ended March 31, 2020 Twelve Board Meetings were held on 25<sup>th</sup> April 2019, 31<sup>st</sup> May 2019, 27<sup>th</sup> June 2019, 25<sup>th</sup> July 2019, 29<sup>th</sup> August 2019, 30<sup>th</sup> September 2019, 25<sup>th</sup> October 2019, 14<sup>th</sup> November 2019, 27<sup>th</sup> December 2019, 23<sup>rd</sup> January 2020, 27<sup>th</sup> February 2020, 19<sup>th</sup> March 2020. The requisite quorum was present for all the Meetings.

Name of Director	No. of Board Meetings attended	Attendance at last AGM held on 4 <sup>h</sup> September 2020
Shri Minesh M.Doshi	12	Present
Shri Narotanmal Rampuria	6	Present
Dr. Falguni S. Doshi (Chairperson)	12	Present
Shri Vatsal M. Doshi	12	Present
Shri Kamalkant A. Keswani	6	Present
Shri Amit M. Doshi	0	Present
Ms Ayushi M Doshi	0	Present

### Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Act and the Listing Regulations, three Meetings of Independent Directors were held during the year. These Meetings were conducted without the presence of Non-Independent Directors and members of the Management.

## 3. Audit Committee :

Company has formed Audit Committee comprising 3 Directors of the Company. Five Meetings were held during the year on 25<sup>th</sup> April 2019, 25<sup>th</sup> July 2019, 25<sup>th</sup> October 2019, 23<sup>rd</sup> January 2020 and 19<sup>th</sup> March 2020 to consider the periodical financial statements and discussion on internal control system of the Company.

Name of the Director	Meetings attended
Dr. Falguni S. Doshi (Chairperson)	5
Shri Minesh M.Doshi	5
Shri Noratan Mal Rampuria	2
Mr Kamalkant A Keswani	3

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the act and the Listing Regulations. Terms of reference broadly are as under:

- To hold periodic discussions with the Statutory Auditors of the Company concerning the financial reports of the Company, internal control systems, scope of audit and observations of the Auditors/ Internal Auditors;
- To review compliance with internal control systems;
- To review the quarterly, half yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- Recommending the appointment/reappointment of statutory auditors and fixation of their remuneration.

#### 4. Remuneration Committee :

Company has formed Remuneration committee comprising 3 Directors of the Company. The Committee has met on 25<sup>th</sup> April 2019.

Name of the Director	Meetings attended
Shri Noratan Mal Rampuria	1
Dr. Falguni Doshi	1
Shri Vatsal M.Doshi	1
Mr Kamalkant A Keswani	0

The terms of reference of the Committee broadly are as under:

- Formulate the criteria for evaluation of Independent Directors and the Board
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal
- Administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme
- Review human resources policies and overall human resources of the Company & perform such other functions as may be necessary or appropriate for the performance of its duties

#### 5. Remuneration to Directors :

As approved by the members in Twenty Seventh Annual General Meeting held on 28<sup>th</sup> September 2018, a remuneration of Rs 12 Lakhs was paid to Mr. Vatsal M Doshi for FY 2019-20.

#### 6. Shareholders Committee/ Investors Grievances Committee:

Six Meetings were held during the year on 25<sup>th</sup> April 2019, 27<sup>th</sup> June 2019, 29<sup>th</sup> August 2019, 25<sup>th</sup> October 2019, 27<sup>th</sup> December 2019 and 27<sup>th</sup> February 2020.

Name of the Director	Meetings attended
Dr. Falguni S. Doshi (Chairperson)	6
Shri Noratan Mal Rampuria	3
Shri Minesh M.Doshi	6
Mr Kamalkant A Keswani	3

The committee reviews all matters connected with the securities transfer. The committee also looks into redressal of shareholders complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and issue of share certificates on account of bonus, split or any other matter related to securities of the Company. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for

overall improvement in the quality of investor services. The committee meets as and when required, depending upon grievances and /or request for physical transfer of securities received by the Company. Details of shares transfers / transmission approved by the Committee and Shareholders/Investors grievances are placed at the Board Meetings from time to time.

Company has attended the Investors Grievances / Correspondence promptly. There is no pending complaint as on 31<sup>st</sup> March 2020. There is no outstanding request for Share Transfer and dematerialization as on 31<sup>st</sup> March 2020.

## 7. Corporate Social Responsibility and Governance Committee :

Company has formed the Committee comprising 3 Directors. Two Meetings were held during the year on 25<sup>th</sup> October 2019 and 27<sup>th</sup> February 2020.

Name of Director	Meetings attended
Shri Minesh M.Doshi	2
Dr. Falguni S. Doshi	2
Shri Noratan Mal Rampuria	1
Mr. Kamalkant A Keswani	1

## 8. General Body Meetings:

The last three Annual General Meeting of the Company were held as under:

Financial Year	Date	Time	Venue	Special Resolution passed
2016- 17	28 <sup>th</sup> September 2017	3.30 p.m.	3, Kamat Industrial Estate, 396, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025	To appoint Mr. Vatsal M. Doshi as Director liable to retire by rotation. To approve Borrowing limits & creation of charge on the assets of the Company.
2017- 18	28 <sup>th</sup> September 2018	11 a.m.	3, Kamat Industrial Estate, 396, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025	To appoint Mr. Vatsal M. Doshi as Whole Time Director To approve Borrowing limits & creation of charge on the assets of the Company.
2018- 19	30 <sup>th</sup> September 2019	11 a.m.	3, Kamat Industrial Estate, 396, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025	To appoint Ms. Falguni S. Doshi as Independent Director for 5 years To appoint Mr. Kamalkant A. Keswani as Independent Director for 5 years To approve Borrowing limits & creation of charge on the assets of the Company.

During the period under report the Company has not called any Extra Ordinary General Meeting. Further no resolutions have been passed through postal ballot.

## 9. Means Of Communication:

The quarterly and half-yearly results are forthwith communicated to Mumbai Stock Exchange after they are approved and taken on record by Board of the Directors of the Company. Company's Management Discussion and Analysis for the year ended March 31<sup>st</sup>, 2020 forms a part of and this Annual Report and is given under the section so captioned.

## 10. General Shareholder Information:

- a. **Annual General Meeting:** 28th September, 2020 at 1 p.m. through Video Conferencing
- b. **Date of Book Closure:** 22<sup>nd</sup> September 2020 to 28<sup>th</sup> September 2020

- c. **Listing on Stock Exchange:** Shares of the Company are listed on Mumbai Stock Exchange. Annual listing fees as prescribed has been paid for the FY 2019 – 20
- d. **Stock Code:** BSE, Mumbai (Physical) – 11754  
BSE, Mumbai (Demat Segment) – 511754
- e. **ISIN:** INE861D01011
- f. **Stock Market Data:**

**Monthly High and Low of Company's shares for the Financial Year 2019 - 20 at BSE**

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	Deliverable Quantity	% Deli. Qty to Traded Qty	Spread High-Low	Spread Close-Open
Apr-19	87.00	93.35	78.75	84.00	7518.00	89.00	633999.00	6322.00	84.09	14.60	-3.00
May-19	82.00	90.40	75.00	85.00	99722.00	274.00	8045851.00	85418.00	85.66	15.40	3.00
Jun-19	85.00	89.40	67.50	80.00	83353.00	256.00	7071142.00	80726.00	96.85	21.90	-5.00
Jul-19	66.40	90.00	64.00	72.55	20128.00	144.00	1566077.00	18890.00	93.85	26.00	6.15
Aug-19	72.00	87.00	54.85	65.00	13076.00	220.00	875782.00	10024.00	76.66	32.15	-7.00
Sep-19	65.05	81.80	61.60	70.00	22829.00	208.00	1543086.00	19393.00	84.95	20.20	4.95
Oct-19	69.00	78.25	62.35	72.00	94910.00	234.00	6340665.00	84356.00	88.88	15.90	3.00
Nov-19	68.00	87.95	63.00	75.00	120326.00	243.00	9012025.00	110981.00	92.23	24.95	7.00
Dec-19	84.95	86.00	58.40	79.00	7949.00	85.00	582845.00	5106.00	64.23	27.60	-5.95
Jan-20	78.50	80.00	66.40	72.00	38207.00	198.00	2799591.00	34097.00	89.24	13.60	-6.50
Feb-20	74.75	76.00	62.80	68.00	21034.00	187.00	1455808.00	17581.00	83.58	13.20	-6.75
Mar-20	66.05	71.00	50.55	50.55	11349.00	78.00	754974.00	8913.00	78.54	20.45	-15.50
<b>Total</b>					<b>5,40,401</b>	<b>2,216</b>	<b>6,06,81,845</b>	<b>4,81,807</b>			

**g. Share Transfer System:**

Share transfer application received in physical form and Demat requests found in order are normally confirmed within reasonable time and posted /informed to the agencies within the requisite time.

**h. Share Holding Pattern as on 31<sup>st</sup> March, 2020**

Sr No.	Category	No. of Shares held	% age of Shareholding
1.	Indian Promoters	20,03,681	40.05
2.	Persons acting in concern	5,67,510	11.34
3.	Private Corporate Bodies	8,07,040	16.13
4.	Indian Public	16,24,869	32.48
	<b>Grand Total</b>	<b>50,03,100</b>	<b>100</b>

**i. Dematerialization of shares:**

93.05% of the Company's paid up equity share capital has been Dematerialized up to March 31, 2020. Trading in the equity shares of the Company at Bombay Stock Exchange is permitted only in dematerialized form. The details of Demat shares:

Depository	No. of Shares	% of Capital
NSDL	21,29,079	42.56
CDSL	25,34,821	50.66
<b>Total</b>	<b>43,75,600</b>	<b>93.22</b>

Request for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. Shares of the Company are regularly traded on BSE.

**j. Shares under Lock-In:**

There are no shares under lock in as on 31<sup>st</sup> March, 2020.

**k. Address for Correspondence for Shareholders / Registered Office:**

Shalibhadra Finance Limited,  
3, Kamat Industrial Estate,  
396, V.S.Marg,  
Opp. Siddivinayak Temple,  
Prabhadevi, Mumbai – 400 025.  
Email: shalibhadra\_mum@yahoo.co.in

**11. Other Disclosures:**

SEBI has initiated penalty proceedings against the company for late filing of certain documents. Matter is still under consideration by SEBI.

Other than above Stock Exchange or SEBI has not imposed any fine, penalty or restriction for non-compliance of any matters relating to capital market during last three years.

## Declaration by the Managing Director under Regulation 34(3) read with Schedule V of the Listing Regulations

To,  
The Members  
Shalibhadra Finance Limited

I, Minesh Doshi, Managing Director of Shalibhadra Finance Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2020.

Place: Mumbai  
Date: July 28, 2020

For Shalibhadra Finance Limited

Minesh Doshi  
Managing Director



## CEO/CFO Certification

To,  
The Board of Directors  
Shalibhadra Finance Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of the Company, to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2020 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
  - (i) there have been no significant changes in internal control over financial reporting during this year;
  - (ii) there have been no significant changes in accounting policies during this year; and
  - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Minesh Doshi  
Managing Director

Palak Patani  
Chief Financial Officer

Place: Mumbai  
Date: July 28, 2020

## Certificate on compliance with conditions of Corporate Governance

To,  
The Members,  
Shalibhadra Finance Limited

We have examined the compliance of conditions of Corporate Governance by Shalibhadra Finance Limited, for the year ended 31st March 2020 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation.

Based on the representation received from the Company and certified by the Share Transfer Agent of the Company, no investor grievance is pending for a period exceeding one month as on 31st March, 2020 against the Company and the Share Transfer Agent have reported to the Shareholders / Investors Grievances Committee on the status of the grievances.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulation.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For P. D. Pandya & Associates,  
Company Secretaries

Paresh D. Pandya  
Proprietor  
C.P. No.4869

Place: Mumbai  
Date: 30th July, 2020

# Independent Auditors' Report

To,  
The Members Of,  
**SHALIBHADRA FINANCE LIMITED**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying Financial statements of **SHALIBHADRA FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2020, the Profit and total comprehensive income, changes in equity 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 Act. 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provision of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How the matter was addressed in our report
<p><u>Adoption of new accounting framework (Ind AS)</u></p> <p>Effective April 01, 2019, the Company adopted the Ind AS notified by the Ministry of Corporate Affairs with the transition date of April 01, 2018</p> <p>The following are the major impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> <li>Fair Value of Investments Classification and measurement of financial</li> </ul> <p>Transition to the new financial reporting framework is an intricate process involving multiple decision points for management i.e. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</p>	<p>Ind AS 101.</p> <p>We understood the methodology implemented by management to give impact on the transition;</p> <p>We assessed areas of significant estimates and management judgement in line with principles under Ind AS;</p> <p>We compared the reasonableness of management assumptions in respect of recognition and measurement of financial instruments, allowance for expected credit losses etc.</p> <p>We performed the audit procedures on transition adjustments and subsequent measurements and</p>

We identified the transition date accounting as a key audit matter because of the significant degree of management judgement in the first-time application of Ind AS principles as at the transition date particularly in the areas noted above and the additional disclosures associated with transition to Ind AS.	found management's assessment to be reasonable and the disclosures are appropriate
<p><u>Revenue Recognition:</u></p> <p>Income/ Interest from vehicle loan are accounted for on an accrual basis and are recognized so as to produce a constant periodic return on the amount financed.</p>	We have verified the income / interest on the loans sanctioned on a quarterly basis and it is accounted regularly on mercantile basis
<p><u>Sanctioning of Loans:</u></p> <p>The Company is mainly in the business of Auto finance to Customers for personal use, wherein grant of loan is based on personal evaluation of the borrower by the management and security given by hypothecation of the vehicle with RTO registration authority.</p> <p>Bank Finance is availed on the stock in trade of receivables from the Customers in regular course of business</p>	<p>We have checked the control system of authorization, sanction of loans, the security offered to the Company and down payment made by the Customer.</p> <p>There is no excess amount availed from the banks against eligible stock in trade.</p>

**Information Other than the Financial Statements and Auditors Report thereon** The Company's Board of Directors is responsible for the other information. The Other information comprises the information included in the Directors Report Management discussion & Analysis and Business responsibility report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility 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 SA's, 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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) Rule, 2014, as amended in our opinion and to the best of our information and according to the explanation given to us:
    - i. The Company does not have any pending litigations which shall impact its financial positions.
    - ii. The Company does not have any long terms contracts for which provisions are required to be made.
    - iii. The Company is not liable to transfer any amount to the Investor Education and Protection Fund.

For VORA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(ICAI Firm Reg. No.: 111612W)

BHAKTI M. VORA  
PARTNER  
(Membership No.: 148837)

UDIN: 20148837AAAAAO5637  
PLACE: MUMBAI  
DATED: July 28, 2020

## Annexure A to the Auditors' Report

The Annexure referred to in paragraph 1 under "Report on Other legal and Regulatory Requirements" section of our Report to the members of the Company on the Financial Statements for the year ended 31<sup>st</sup> March 2020.

- (i) In respect of its Fixed Assets
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us and according to the practice generally followed by the Company, all the fixed assets have been verified in a periodical manner by the management during the year and no material discrepancies were noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on physical verification.
  - (c) The title deeds of immovable properties are held in the name of the Company.

- (ii) In respect of inventories  
In our opinion and according to the information and explanation given to us, The Company's inventory is the Vehicle Loan Stock.

- (iii) In respect of loans granted, secured or unsecured, by the Company to firms or other parties covered in the register maintained u/s 189 of the Act;

The Company has not granted any secured / unsecured loan to any of the parties covered in the register maintained under section 189 of the Act. Accordingly, sub clauses (a), (b) and (c) are not applicable.

- (iv) In our Opinion and according to the information and explanation given to us, The Company has complied with the provisions of section 185 and 186 of the Act in respect of granting of loans, making investments, providing guarantees and securities, as applicable.

- (v) The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable.

- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148 (1) of the Act for the business activities carried out by the Company. Thus, reporting under clause 3 (vi) of the Order is not applicable to the Company.

- (vii) According to information and explanation given to us, In respect to statutory dues
- (a) The Company has generally been regular in depositing undisputed statutory dues under Income tax, Goods & Service Tax and other Statutory Dues as applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were outstanding as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date on when they became payable.

- (b) According to the information and explanations given to us, the following dues in respect of Income Tax are outstanding on account appeal filed with CIT (A):

Assessment Year	Amount under Dispute	Authority with whom Appeal is filed
2017-2018	7,39,46,650/-	CIT (A)

- (viii) The Company has taken loans and borrowings from financial institutions and banks, the company has not defaulted in repayment any dues to the financial institutions and banks.
- (ix) The Company has not raised any moneys by way of Initial Public Offer or further public offer or obtained term loans during the year. Hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during this year.
- (xi) In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration within the limits prescribed under the Company's Act 2013 during the year under review.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with section 177 and section 188 of the Act, as applicable, and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence reporting under clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

For VORA & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 (ICAI Firm Reg. No.: 111612W)

BHAKTI M. VORA  
 PARTNER  
 (Membership No.: 148837)

PLACE: MUMBAI  
 DATED: July 28, 2020



## Annexure B to the Auditors' Report

### Independent Auditors Report on Internal Financial Control over Financial Reporting 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 **SHALIBHADRA FINANCE LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS 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. 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.

#### Auditors' 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**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 March 31, 2020, 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 VORA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(ICAI Firm Reg. No.: 111612W)

BHAKTI M. VORA  
PARTNER  
(Membership No.: 148837)

PLACE: MUMBAI  
DATED: July 28, 2020

**SHALIBHADRA FINANCE LIMITED**  
 CIN : L65923MH1992PLC064886  
**Balance Sheet at at 31st March 2020**

Amounts in INR

	Particulars	Note No	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	<b>ASSETS</b>				
1	<b>Financial Assets</b>				
a	Cash and cash equivalents	2	8,40,718	19,41,227	6,79,084
b	Bank Balance other than above	3	526,48,466	246,26,029	312,70,390
c	Trade Receivables	4	6,79,929	59,343	5,152
d	Loans	5	11330,72,579	10812,29,636	8886,16,131
e	Investment	6	151,21,754	142,36,739	133,21,009
f	Other Financial assets	7	24,61,626	21,44,383	20,92,956
2	<b>Non - Financial Assets</b>				
a	Current Tax Assets	8	254,20,850	53,63,980	83,48,687
b	Property, Equipments etc.	9	222,37,822	211,50,506	198,14,842
	<b>Total Assets</b>		<b>12524,83,744</b>	<b>11507,51,843</b>	<b>9641,48,251</b>
	<b>LIABILITIES &amp; EQUITY</b>				
1	<b>Liabilities</b>				
1.1	<b>Financial Liabilities</b>				
	Borrowings (Other than Debt Securities)				
a	Securities)	10	7593,21,605	7145,36,308	5949,54,473
b	Other Financial Liabilities	11	362,80,604	301,61,997	265,04,206
1.2	<b>Non Financial Liabilities</b>				
	Provision	12	371,50,000	373,95,000	317,76,098
	Deferred tax liabilities	13	23,91,849	21,42,434	18,73,434
2	<b>Equity</b>				
a	Equity Share capital	14	500,31,000	500,31,000	500,31,000
b	Other Equity	15	3673,08,687	3164,85,105	2590,09,040
	<b>Total Equity And Liabilities</b>		<b>12524,83,745</b>	<b>11507,51,844</b>	<b>9641,48,251</b>

Significant accounting policies and notes: 1  
 As per our report of even date

**For VORA AND ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 (ICAI Firm Reg. Number: 111612W)

BHAKTI M. VORA  
 PARTNER  
 (Membership Number: 148837)

Place: Mumbai  
 Date: 28th July, 2020.

**For and on behalf of Board of Directors of  
 Shalibhadra Finance Limited**

Minesh.M.Doshi  
 Managing Director

Palak V Patani  
 CFO

Vatsal M. Doshi  
 Director

**Profit and Loss** for the year ended 31st March,2020

(Amounts in INR)

Particulars	Note No	Year ending 31st Mar 2020	Year ending 31st Mar 2019
Revenue from operations	16	237,985,030	221,810,311
Other income	17	1,874,097	414,697
<b>Total Revenue</b>		<b>239,859,127</b>	<b>222,225,008</b>
<b>Expenses</b>			
Employee benefits expense	18	23,803,663	20,853,004
Finance costs	19	90,947,008	79,270,573
Depreciation and amortization expenses	9	632,756	750,850
Provisions & Write Off	21	17,509,402	9,823,559
Other expenses	22	26,555,500	22,170,850
<b>Total expenses</b>		<b>159,448,329</b>	<b>132,868,836</b>
<b>Profit before exceptional items, extraordinary items and tax</b>		<b>80,410,799</b>	<b>89,356,173</b>
<b>Tax expenses:</b>			
1. Current tax		22,100,000	25,100,000
2. Deferred tax expense / (credit)		249,415	269,000
<b>Profit for the year from continuing operations</b>		<b>58,061,384</b>	<b>63,987,173</b>
Profit for the year from discontinuing operations		-	-
<b>Profit for the year</b>		<b>58,061,384</b>	<b>63,987,173</b>
<b>Dividend &amp; Dividend Distribution Tax</b>		<b>7,237,802</b>	<b>7,426,838</b>
<b>Profit for the year after Dividend</b>		<b>50,823,582</b>	<b>56,560,335</b>
<b>Earnings per share:</b>			
1. Basic		10.16	12.79
2. Diluted		10.16	12.79
Significant accounting policies and notes on accounts	1		

As per our report of even date

**For Vora & Associates**

Chartered Accountants

Firm Registration Number: 111612W

**Bhakti M. Vora**

Partner

Membership Number: 148837

Place: Mumbai

Date: 28th July, 2020

**For and on behalf of Board of Directors****Shalibhadra Finance Limited****Minesh.M.Doshi**

Managing Director

**Vatsal.M.Doshi**

Director

**Palak V Patani**

Chief Financial Officer

# Cash Flow Statement for the year ended March 31, 2020

	2019-20	2018-19
<b>(A) Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary items	8,04,10,799	9,02,71,903
<b>Adjustment for:</b>		
Add : Depreciation	6,32,756	7,50,850
Less : Fair Value of Investments	-8,85,015	-9,15,730
<b>Adjustment for Working Capital Changes :</b>		
Trade and other receivables	-6,20,586	-54,191
Inventories	-5,18,42,943	-19,26,13,505
Other Financial Assets	-3,17,243	-51,427
Other Financial Liabilities	61,18,606	36,57,790
	-4,66,62,166	18,90,61,333
<b>Less : Taxes Paid</b>		
Direct Tax Paid	-3,98,64,160	-1,95,50,144
<b>Net Cash From Operating Activities</b>	<b>-63,67,786</b>	<b>-11,85,04,454</b>
<b>(B) Cash Flow From Investing Activities</b>		
Dividend Paid	-60,03,720	-60,03,720
Dividend Distribution Tax	-12,34,082	-14,23,118
Purchase of fixed assets	-17,20,072	-20,86,514
Movement in advances	-25,37,709	30,53,753
<b>Net Cash Used In Investing Activities</b>	<b>-1,14,95,583</b>	<b>-64,59,599</b>
<b>(C) Cash Flow From Financing Activities</b>		
Borrowings	4,47,85,297	11,95,81,835
<b>Net Cash Used In Financing Activities</b>	<b>4,47,85,297</b>	<b>11,95,81,835</b>
<b>Net Increase/(Decrease)In Cash &amp; Cash Equivalents</b>	<b>2,69,21,928</b>	<b>-53,82,218</b>
<b>Cash And Cash Equivalents :</b>		
Opening Balance at the beginning of the year	2,65,67,256	3,19,49,474
Closing Balance at the end of the year	5,34,89,184	2,65,67,256
<b>Net Increase/(Decrease)In Cash &amp; Cash Equivalents</b>	<b>2,69,21,928</b>	<b>-53,82,218</b>

Notes:

1. Cash & Cash Equivalents includes Cash & Bank Balance.
2. Figures of Previous years have been regrouped and rearranged wherever necessary to confirm with Current Years classification.
3. Negative Figures indicates cash outflow.

As per our report of even date

**For Vora & Associates**

Chartered Accountants

Firm Registration Number: 111612W

**Bhakti M. Vora**

Partner

Membership Number: 148837

Place: Mumbai

Date: 28th July, 2020

**For and on behalf of Board of Directors of  
Shalibhadra Finance Limited**

**Minesh M.Doshi**

Managing Director

**Vatsal M.Doshi**

Director

**Palak V Patani**

Chief Financial Officer

Place: Mumbai

Date: 28th July, 2020

# Notes on Ind AS Financial Statements

## for the year ended 31st March, 2020

### NOTE 1 - Significant Accounting Policies

#### A) Background

SHALIBHADRA FINANCE LIMITED (“the Company”) is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is incorporated with an object to carry on the business of Financing. The Company’s shares are listed on Bombay Stock Exchange (BSE) in India. The Company is registered as NBFC with The Reserve Bank of India (Asset Finance Company)

#### B) Basis of Preparation

##### **I. Statement of compliance with Ind AS**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. For all periods up to and including the year ended 31<sup>st</sup> March 2018, the Company had prepared its financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules 2014 (referred as “Indian GAAP”).

These are the Company’s first annual financial statements prepared complying in all material respects with the Ind AS notified under Section 133 of the Companies Act, 2013.

The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1<sup>st</sup> April 2018 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 “First-time adoption of Indian Accounting Standards”.

In accordance with Ind AS 101, “First time adoption of Indian Accounting Standard”, the Company has presented three year figures for balance sheet, two years figures for statement of profit and loss, two years figures for statement of cash flows and two years figures for statement of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1, ‘Presentation of Financial Statements’ requires two comparative periods to be presented for the balance sheet only in certain circumstances

The transition was carried out from Indian GAAP which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at 1<sup>st</sup> April 2018 and 31<sup>st</sup> March 2019 and on the net profit and cash flows for the year ended 31<sup>st</sup> March 2020 is disclosed in notes to these financial statements.

##### **II. Going concern**

These financials are prepared on going concern as the Company has earned profits during the year and in the preceding previous years;

##### **III. Fair value measurement**

Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values, as applicable, have been determined for measurement and / or disclosure purpose using methods as prescribed in “Ind AS 113 Fair Value Measurement”.

#### IV. Use of significant accounting estimates, judgement and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

##### Estimates and Assumptions

In preparing these financial statements, the management has made judgments, estimates and assumptions which are prudent and reasonable.

Key assumptions concerning the future and key sources of estimation at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### V. Presentation and disclosure of financial statement

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months, however for the purpose of current/ non- current classification of assets and liabilities, period of 12 months have been considered as its normal operating cycle.

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

##### An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

##### A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

#### VI. Property, Plant and Equipment and Depreciation

##### Recognition and measurement

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1<sup>st</sup> April 2018 as the deemed cost of the property, plant & equipment under Ind AS.



Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

### **Depreciation and useful lives**

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013. Depreciation in respect of fixed assets put to use during the year is provided on a pro-rata basis with reference to the date of installation of assets

## **VII. Inventories**

Inventory for the Company is the total Loan Outstanding on Vehicle Loan. In the opinion of the management, 2/3<sup>rd</sup> of the loan stock is classified as current & 1/3<sup>rd</sup> is classified as non-current.

## **VIII. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discounts given to the customers. The Company has applied the guidelines mentioned in Ind AS 18 for Revenue Recognition.

### **Interest on Vehicle Loans**

Income / Interest from vehicle loan is accounted for on an accrual basis and is recognized so as to produce a constant periodic return on the amount financed. Interest on fixed deposits with Bank on cash basis

### **Other Income**

In respect of other heads of income the Company follows the practice of accounting for such income on accrual basis except for interest income on delayed payment charges which are accounted on the basis of the certainty of collection and /or receipt basis.

## **IX. Taxes on income**

Tax expense comprises current and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

The deferred tax resulting from timing difference between taxable and accounting income is accounted using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred Tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

#### **X. Investments in equity instruments at FVTOCI**

The quoted and unquoted Equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

There are no equity investments which are held for trading.

#### **XI. Cash and cash equivalent**

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **XII. Cash flow statement**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

#### **XIII. Provisions, contingent liabilities, contingent assets**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

#### **XIV. Earnings per share**

Basic earnings per share are computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential

equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

### Prudential Norms

In terms of guidelines issued by Reserve Bank of India to Non Banking Financial Companies on prudential norms for income recognition, assets classification, provisioning for Bad Debts etc., the following additional information is given. No new provisions for non-performing assets are required in current year.

Contingent Provision is made against standard Assets at the rate of 0.25% of standard assets made as per RBI Circular No. DNBS. PD. CC. No. 207/03.02.002/2010-11 dated 17 January, 2011.

### Other additional information forming part of Financial statements

#### 1) Impact of Covid-19 pandemic on operations of the company pursuant to SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020:

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 relating to 'COVID-19 - Regulatory Package', the Company has granted moratorium up to three months on the payment of installments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers.

Majority of company's customers are agriculturists and farmers in rural areas. The pandemic has not materially impacted the cash flows of these customers. Based on assessment by the Company, this moratorium will not significantly increase the credit risk faced by the company.

During the initial period of lockdown, offices of the company were shut in line with government directives. During this period, no disbursements were done however collections continued as the banks remained functional throughout the period. With recent relaxations given by government, offices of the company have resumed work with limited staff.

#### 2) Contingent Liability :

During the year Income Tax authorities have raised demand of Rs. 7.79 crores for AY 2017-18 by making addition to our income of Rs. 7.78 crores being total amount of EMI deposited by our 26,376 customers (Average deposit per customer Rs. 2,954) directly in our various bank accounts in normal course of business at various bank branches during demonetization period assuming that they are all unexplained deposit of SBNs (500/1000 notes). Company has preferred an appeal against the order which is pending with CIT (Appeals). Company has also got order from income tax department for abeyance of demand till final outcome of appeal. Company has paid Rs 40 lacs on account. Company is advised by our consultant that it has very strong case and is confident of getting favorable order. As per advice of our consultant we will not make any provision in the books till final outcome of appeal.

- 3) The Company is having many bank accounts of various branch offices of the Company wherein customers deposit their EMI directly in the closest bank branch. There is a delay in receiving the customer-wise details from the banks. Thus, bank reconciliation of bank accounts is under progress since it is carried out by the account staff manually and there is high volume of transaction. The net difference in Bank Balance is unascertainable at the end of financial year with books of account. Thus, after due reconciliation with bank statements the necessary effect shall be recorded in the customer accounts and bank accounts in books of accounts.
- 4) Deferred Tax Asset, other than unabsorbed depreciation and brought forward losses, is recognized only if there is reasonable certainty that will be realized in future and are reviewed for their appropriateness
- 5) In the opinion of the Board of Directors the current assets, loans and advances have a value of realization in the ordinary course of business at least equal to the amount of which these are stated in the Balance Sheet.
- 6) Other information required by relating to exports, imports and earning in foreign currency, remittances in foreign currency transaction are not applicable.
- 7) The company considers it's financing business as single segment hence IND-AS 108 on segment reporting is not applicable to the company.

## 8) Related parties disclosures under Ind-AS 24:

## a) Particulars of Party where control exists/Relative of parties where control exists:

Name of the Related Party	Nature of Relationship
(i) M/s Shalibhadra Capital Market Ltd.	Party where control exists
(ii) M/s Financial Analysts And Investment Rating Limited	Party where control exists
(iii) Mr. Amit M.Doshi	Relative Party where control exist
(iv) Mr. Amit M.Doshi HUF	Relative Party where control exist
(v) Mrs.Heena A.Doshi	Relative Party where control exist
(vi) Mrs.Kala M.Doshi	Relative Party where control exist
(vii) Mr. Minesh M.Doshi HUF	Relative Party where control exist
(viii) Mr. Minesh M. Doshi	Relative Party where control exist
(ix) Mr. Mukund H.Doshi	Relative Party where control exist
(x) Mr. Mukund H .Doshi HUF	Relative Party where control exist
(xi) Mrs. Sheetal M Doshi	Relative Party where control exist
(xii) Mrs. Darshana V Patani	Relative Party where control exist
(xiii) Mr. Kantilal D Patani	Relative Party where control exist
(xiv) Mr. Palak V Patani	Relative Party where control exist
(xv) Mr. Vatsal M Doshi	Relative Party where control exist
(xvi) Ms. Nishita A Doshi	Relative Party where control exist

## b) Key Management Personnel:

Name of the Related Party	Nature of Relationship
(i) Mr. Minesh M.Doshi	Managing Director
(ii) Mr. Vatsal M Doshi	Director
(iii) Mr. Palak V Patani	Chief Financial Officer
(iv) Mrs. Darshana Chauhan	Company Secretary

## c) Transactions with Party where control exists/Relative of parties where control exists:

Particulars	31.03.2020	31.03.2019
	Relative of Party where control Exists	Relative of Party where control Exists
(i) Loans taken during the year		
Balance at year end	13,80,90,689	14,40,38,363
(ii) Interest	1,30,50,459	1,53,52,847
	Party where control Exists	Party where control Exists
(i) Due to Related parties		
Balance at year end	9,73,88,975	9,72,81,062
(ii) Interest	1,41,59,929	1,38,85,729

## d) Details of Transaction relating to persons referred to in item (b) above:

Particulars	31.03.2020	31.03.2019
	Value of Transaction	Value of Transaction
<b>(A) Remuneration to Directors &amp; Employees</b>		
(i) Vatsal M Doshi	12,00,000	6,00,000
(j) Palak V Patani	8,35,000	7,80,000
(k) Darshana Chauhan	86,000	-

## e) Earnings Per Share:

Particulars	31 Mar 2020	31 Mar 2019
Profit after tax	5,80,61,384	6,39,87,173
Less: Preference dividend, if any	-	-
<b>Adjusted profit after tax</b>	<b>5,80,61,384</b>	<b>6,39,87,173</b>
Weighted average number of equity shares outstanding	50,03,100	50,03,100

<b>Earnings Per Share</b>	<b>10.16</b>	<b>11.33</b>
Face Value Per Share	10	10

9) Previous year's figures have been regrouped, re-casted and rearranged wherever necessary.

FOR VORA AND ASSOCIATES.  
CHARTERED ACCOUNTANTS  
(ICAI Firm Reg. No. 111612W)

BHAKTI M. VORA  
PARTNER  
Membership No.: 148837

Place: Mumbai  
Date: 28<sup>th</sup> July, 2020

FOR AND ON BEHALF OF THE BOARD

MINESH DOSHI	VATSAL DOSHI
DIRECTOR	DIRECTOR
DIN: 01032705	DIN: 07950770

PALAK V. PATANI  
CHIEF FINANCIAL OFFICER

Place: Mumbai  
Date: 28<sup>th</sup> July, 2020

## Statement of Changes in Equity for the year ended 31st March 2020

	Equity Share Capital	Other Equity			
		Retained Earnings	General Reserve	Special Reserve	Total
Balance as at 31/03/2018	1 April 2018	8,21,009	-	90,00,000	98,21,009
Add: Revaluation of Investments	-	8,21,009	-	-	8,21,009
Balance as at 01/04/2018	1 April 2018	16,42,018	-	90,00,000	106,42,018
Add: Additions during the year	-	824,05,000	-	574,76,065	1398,81,065
Less : Transfer to General Reserve		(1440,58,377)	-	-	(1440,58,377)
Less: Transfer to Special Reserve		(574,76,065)	-	-	(574,76,065)
<b>Balance as at 31/03/2019</b>	-	<b>(1174,87,424)</b>	-	<b>664,76,065</b>	<b>(510,11,359)</b>
	Equity Share Capital	Other Equity			
		Retained Earnings	General Reserve	Special Reserve	Total
Balance as at 31/03/2019	-	(1174,87,424)	-	664,76,065	(510,11,359)
Add: Additions during the year	-	944,05,000	1795,34,442	508,23,582	3247,63,024
Less : Transfer to General Reserve		(1795,34,442)	-	-	(1795,34,442)
Less: Transfer to Special Reserve		(508,23,582)	-	-	(508,23,582)
<b>Balance as at 31/03/2020</b>	-	<b>(2534,40,448)</b>	<b>1795,34,442</b>	<b>1172,99,647</b>	<b>433,93,641</b>

**For VORA AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 (ICAI Firm Reg. Number: 111612W)

**BHAKTI M. VORA**  
**PARTNER**  
 (Membership Number: 148837)

Place: Mumbai  
 Date: 28th July, 2020.

**For and on behalf of Board of Directors of**  
**Shalibhadra Finance Limited**

Minesh.M.Doshi  
**Managing Director**

Vatsal.M.Doshi  
**Director**

Palak V Patani  
**Chief Financial Officer**

Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amounts in INR)

<b>Note 2 - Cash &amp; Cash Equivalents</b>	<b>As at 31-Mar-20</b>	<b>As at 31 Mar 2019</b>	<b>As at 01-Apr-18</b>
Cash on hand	8,40,718	19,41,227	6,79,084
<b>Total</b>	<b>8,40,718</b>	<b>19,41,227</b>	<b>6,79,084</b>
<b>Note 3 - Bank Balance</b>	<b>As at 31-Mar-20</b>	<b>As at 31 Mar 2019</b>	<b>As at 01-Apr-18</b>
Current Accounts	421,14,357	174,73,325	238,80,021
Fixed deposits maturing within 12 months	105,34,109	71,52,704	73,90,369
<b>Total</b>	<b>526,48,466</b>	<b>246,26,029</b>	<b>312,70,390</b>
Point 1: The fixed deposits are placed with the bank as a margin money for availing the working capital facilities from the bank.			
<b>Note 4 - Trade Receivables</b>	<b>As at 31-Mar-20</b>	<b>As at 31 Mar 2019</b>	<b>As at 01-Apr-18</b>
<b>Sundry Debtors (Less than 6 months)</b>			
Sundry Debtors	6,79,929	59,343	5,152
<b>Total Sundry Debtors</b>	<b>6,79,929</b>	<b>59,343</b>	<b>5,152</b>
<b>Note 5 - Loans</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>	<b>As at 01-Apr-18</b>
Loan Stock (Current)	7599,73,237	7228,45,020	5939,01,860
<b>Total Loan Stock (Current)</b>	<b>7599,73,237</b>	<b>7228,45,020</b>	<b>5939,01,860</b>
Loan Stock (Non Current)	3799,86,618	3614,22,510	2969,50,930
Less NPA Provisions	68,87,276	30,37,894	22,36,659
<b>Total Loan Stock (Non Current)</b>	<b>3730,99,342</b>	<b>3583,84,616</b>	<b>2947,14,271</b>
<b>Total Loan Stock</b>	<b>11330,72,579</b>	<b>10812,29,636</b>	<b>8886,16,131</b>
<b>Note 6 - Investment</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>	<b>As at 01-Apr-18</b>
Investment in 476943 units of SBI Corporate Bond Fund Regular Plan - Growth (Market Value Rs.1,51,21,754/- P.Y. Rs.1,45,65,830/-)	151,21,754	142,36,739	125,00,000
Add : Fair Valur Through OCI			8,21,009
<b>Total investment</b>	<b>151,21,754</b>	<b>142,36,739</b>	<b>133,21,009</b>
Points 1. SBI is having lien on above units against their term loan & CC facility			

<b>Note 7 - Other Financial Assests</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>	<b>As at 01-Apr-18</b>
Loans to employees (Non-Current)	24,61,626	21,44,383	20,92,956
<b>Total Other Financial Assests</b>	<b>24,61,626</b>	<b>21,44,383</b>	<b>20,92,956</b>

<b>Note 8 - Current Tax Assests</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>	<b>As at 01-Apr-18</b>
Long term loans and advances			
<b>Unsecured, considered good:</b>			
Loans to employees (Current)	24,61,627	21,44,383	20,92,956
Advances recoverable in cash or kind or for value to be received	229,59,223	32,19,597	62,55,731
<b>Total long term loans and advances</b>	<b>254,20,850</b>	<b>53,63,980</b>	<b>83,48,687</b>

<b>Note 10 - Borrowings</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>	<b>As at 01-Apr-18</b>
<b>Secured</b>			
<b>Term loan from banks (Refer Point No.1)</b>	<b>1031,45,986</b>	<b>978,15,850</b>	<b>428,48,551</b>
Cash Credit from Bank (Refer Point No.2)	1966,87,206	2257,91,777	1939,50,749
Term loan from others (Refer Point No. 1)	2240,08,749	1496,09,256	1137,95,493
<b>Unsecured</b>			
Loans from Bodies Corporates	1380,90,689	1440,38,363	1400,58,680
Loans from Directors & Relatives	973,88,975	972,81,062	1043,01,000
<b>Total long term borrowings</b>	<b>7593,21,605</b>	<b>7145,36,308</b>	<b>5949,54,473</b>

Points:

**1. Term loan Repayable within one year Rs. 20,78,65,039 P.Y.Rs.146,901,177**

2. Secured by first charge on loan stock & equitable mortgage of immoveable properties & personal guarantee of two directors  
(Total limit Rs.17.50 Crore (P.Y.21.50 Crore))

<b>Note 11 - Other Financial Liabilities</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>	<b>As at 01-Apr-18</b>
Security Deposits (Non Current)	84,38,754	85,77,000	84,14,792
Security Deposits (Current)	168,77,507	171,54,001	168,29,583
Trade payables	20,87,633	8,92,892	5,65,543
Other Current liabilities	88,76,708	35,38,103	6,94,288
<b>Total</b>	<b>362,80,602</b>	<b>301,61,996</b>	<b>265,04,206</b>



<b>Note 12 - Provision</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>	<b>As at 01-Apr-18</b>
<b>Short Term Provision</b>			
Contingent Provision against Standard Assets (As per RBI Circular No.DBNS.PD.CC.No.207/03.02.002/2010-11 17 January 2011)	150,50,000	122,95,000	96,77,000
Provision for taxes	221,00,000	251,00,000	223,00,000
Distribution tax on dividend	-	-	(2,00,902)
<b>Total short term provisions</b>	<b>371,50,000</b>	<b>373,95,000</b>	<b>317,76,098</b>
<b>Note 13 Deffered Tax Liabilities</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>	<b>As at 01-Apr-18</b>
Deffered Tax Liabilities (Net)			
Deffered tax liability on depreciation	23,91,849	21,42,434	18,73,434
<b>Total deffered tax liability</b>	<b>23,91,849</b>	<b>21,42,434</b>	<b>18,73,434</b>
<b>Note 14 - Equity Share Capital</b>	<b>As at 31-Mar-20</b>	<b>As at 31 Mar 2019</b>	<b>As at 01-Apr-18</b>
<b>Authorized:</b>			
68,00,000 Equity shares of Rs 10 each	680,00,000	680,00,000	680,00,000
2,00,000 10% Preference Shares of Rs.10 each (Redeemable after two years from date of issue at the option of the company by giving a notice of not less than 48 hours)	20,00,000	20,00,000	20,00,000
<b>Issued, subscribed and paid up:</b>			
5003100 Equity shares (Previous year 5003100 Equity Shares) of Rs 10 each, fully paid.	500,31,000	500,31,000	500,31,000
<b>Total share capital</b>	<b>500,31,000</b>	<b>500,31,000</b>	<b>500,31,000</b>
<b>Issued, subscribed and paid up share capital includes:</b>			
a. Equity shareholders holding more than 5% of the equity shares alongwith the number of equity shares held is given below:			
As at	<b>31-Mar-20</b>	<b>31-Mar-19</b>	<b>01-Apr-18</b>
Sheetal Doshi (792172 Equity Shares as at 31.03.2020 and P.Y. 792172)	15.83%	15.83%	19.83%
Minesh Doshi (672710 Equity Shares as at 31.03.2020 and P.Y. 672710)	13.45%	13.45%	12.07%
b. Reconciliation of the number of shares at the beginning of the year and at the end of the year	<b>31-Mar-20</b>	<b>31-Mar-19</b>	<b>01-Apr-18</b>
Opening balance	500,31,000	500,31,000	500,31,000
Add: Share issued during the year	-	-	-
Less: Bonus issues / redemption / buyback of shares during the year	-	-	-
Closing balance	500,31,000	500,31,000	500,31,000

(Amounts in INR)

<b>Note 15 - Other Equity Reserve &amp; Surplus</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>	<b>As at 01-Apr-18</b>
<b>General Reserve</b>			
Opening Balance	545,45,663	455,45,663	385,45,663
Add: Transefered from Profit & Loss Account	100,00,000	90,00,000	70,00,000
	645,45,663	545,45,663	455,45,663
<b>Special Reserve</b>			
(As per RBI [Ammendment] Act, 1997)			
Opening Balance	824,05,000	694,05,000	579,05,000
Add: Transefered from Profit & Loss Account	120,00,000	130,00,000	115,00,000
	944,05,000	824,05,000	694,05,000
<b>Profit and Loss Account</b>			
Balance at the beginning	1795,34,441	1440,58,377	1050,61,764
Add: Net profit / (loss) for the period	508,23,582	574,76,065	566,75,604
Add: Fair Vale			8,21,009
<b>Less: Appropriations / adjustments</b>			
Transfer to General Reserve	100,00,000	90,00,000	70,00,000
Transfer to Special Reserve	120,00,000	130,00,000	115,00,000
Equity Dividend	-	-	1440,58,377
Disribution Tax thereon	-	-	
Balance at the end	2083,58,023	1795,34,442	1440,58,377
<b>Total Reserves and Suplus</b>	<b>3673,08,686</b>	<b>3164,85,105</b>	<b>2590,09,040</b>

<b>Note 16 - Revenue from operations</b>	<b>Year ending 31-Mar-20</b>	<b>Year ending 31-Mar-19</b>
Income from assets financing	2379,85,030	2218,10,311
<b>Total revenue from operations</b>	<b>2379,85,030</b>	<b>2218,10,311</b>

<b>Note 17 - Other income</b>	<b>Year ending 31-Mar-20</b>	<b>Year ending 31-Mar-19</b>
Interest on Fixed Deposit with bank	9,89,082	4,11,111
Other Income	8,85,015	3,586
Fair Vale of Investment	8,85,015	9,15,730
<b>Total other income</b>	<b>18,74,097</b>	<b>13,30,427</b>

(Amounts in INR)

<b>Note 18 - Employees benefit expenses</b>	<b>Year ending 31-Mar-20</b>	<b>Year ending 31-Mar-19</b>
Salary, Provident fund etc.	222,29,534	198,76,606
Directors Remuneration	12,00,000	6,00,000
Staff welfare expenses	3,74,129	3,58,398
Gratuity	-	18,000
<b>Total employees benefits expenses</b>	<b>238,03,663</b>	<b>208,53,004</b>
<b>Note 19 - Finance costs</b>	<b>Year ending 31-Mar-20</b>	<b>Year ending 31-Mar-19</b>
Interest paid to Bank	348,58,244	284,60,339
Interest on other Loans	560,88,764	508,10,234
<b>Total finance costs</b>	<b>909,47,008</b>	<b>792,70,573</b>
<b>Note 21 - Provisions &amp; Write Off</b>	<b>Year ending 31-Mar-20</b>	<b>Year ending 31-Mar-19</b>
Bad debts written off	109,05,020	64,04,324
Provision for NPA	38,49,382	8,01,235
Contingent Provision for Standard Assets	27,55,000	26,18,000
<b>Total Provisions &amp; Write Off</b>	<b>175,09,402</b>	<b>98,23,559</b>
<b>Note 22 - Other expenses</b>	<b>Year ending 31-Mar-20</b>	<b>Year ending 31-Mar-19</b>
Advertisement & Brokerage Expenses	20,89,523	20,38,249
Audit fees	1,20,000	70,000
Books & Periodicals	4,62,228	4,33,290
Bank Charges	23,89,069	16,33,921
Conveyance	6,07,876	5,86,677
Filing Fees	63,865	2,697
Listing fees	3,85,000	2,50,000
Membership & subscriptions	1,09,815	79,837
Miscellaneous expenses	5,59,033	5,16,258
Office Expenses	29,95,075	25,77,599
Postage & Telegraph	12,85,778	12,60,123
Printing & Stationary	10,21,129	9,98,228
Professional & other legal charges	61,07,724	36,90,695
Rent	6,50,893	5,47,800
Rates & Taxes	83,220	1,58,193
Repairs & Maintainance	6,40,587	6,31,212
Service Tax, Service charges & other fees	3,36,000	3,36,000
GST tax paid	7,41,989	3,64,093
CGST Tax Paid	9,76,966	9,92,244
SGST Tax paid	9,62,233	9,89,059
Travelling expenses	8,93,725	8,94,021
Telephone Charges,Fax & Internet	10,87,971	13,12,490
Vehicle Expenses	14,40,121	12,66,333
Xerox & Copy Charges	5,45,680	5,41,831
<b>Total other expenses</b>	<b>265,55,500</b>	<b>221,70,850</b>

## Note 9 - Property, Equipments etc,

(Amounts in INR)

Nature of asset	Gross Block				Depreciation				Net Block		
	Opening balance	Additions	Deletions	Closing balance	Opening balance	Additions	Deletions	Closing balance	31 Mar 2020	31 Mar 2019	31 Mar 2018
Premises	226,57,132	16,09,442	-	242,66,574	21,83,101	3,58,781		25,41,882	217,24,692	204,74,031	192,00,712
Computers	39,20,149	1,10,630	-	40,30,779	35,40,888	2,58,175	-	37,99,063	2,31,716	3,79,261	6,14,126
Office Equipments	3,02,128	-	-	3,02,128	4,918	15,800		20,718	2,81,410	2,97,210	-
Vehicles	8,67,665	-	-	8,67,665	8,67,665	-	-	8,67,665	-	-	-
<b>Current Year</b>	<b>277,47,074</b>	<b>17,20,072</b>	<b>-</b>	<b>294,67,146</b>	<b>65,96,572</b>	<b>6,32,756</b>	<b>-</b>	<b>72,29,328</b>	<b>222,37,822</b>	<b>211,50,506</b>	<b>198,14,842</b>
Previous Year	256,60,560	20,86,514	-	277,47,074	58,45,722	7,50,850		65,96,572	211,50,506	198,14,842	159,31,460

## Note:

a) The addition to fixed assets have been classified in accordance with the classification normally adopted by the Management.

## FOR AND ON BEHALF OF THE BOARD

Minesh M Doshi                      Managing Director  
Vatsal M Doshi                      Director

Place: Mumbai  
Date: 28th July, 2020

Palak V Patani  
Chief Financial Officer

## Schedule to Balance Sheet *(as required in terms of Paragraph 13 of "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015")*

(Rs. in '000)

	March 2020		March 2019	
	Amount Outstanding	Amount Overdue (unclaimed)	Amount Outstanding	Amount Overdue (unclaimed)
<b>LIABILITIES SIDE</b>				
(1) Loans and advance availed by the NBFC's inclusive of interest accrued thereon but not paid:				
(a) Debenture : Secured	0	0	0	0
Unsecured	0	0	0	0
<i>(other than falling within the meaning of public deposits)</i>				
(b) Deferred Credits	0	0	0	0
(c) Term Loan	1,03,146	0	97,815	0
(d) Inter-corporate loans and borrowing	0	0	0	0
(e) Commercial Paper/other loans	0	0	0	0
(f) Public Deposits ****	2,35,480	0	2,41,319	0
(g) FCNR Loan	0	0	0	0
(h) Subordinated debt	0	0	0	0
(2) Break-up of (l)(F) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)				
(a) In the form of Unsecured debentures	0	0	0	0
(b) In the form of party secured debentures i.e. debentures where there is a shortfall in the value of security.	0	0	0	0
(c) Other public deposits***	0	0	0	0
		<b>Amount Outstanding</b>	<b>Amount Outstanding</b>	
<b>ASSET SIDE</b>				
(3) Break-up of Loans and Advance including bills receivables [other than those included in (4) below]				
(a) Secured		0		0
(b) Unsecured		0		0

<p>(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities.</p> <p>(i) Lease assets including lease rentals under sundry debtors:</p> <p>(a) Financial lease 0 0</p> <p>(b) Operating lease 0 0</p> <p>(ii) Stock on hire including hire changes Under sundry debtors:</p> <p>(a) Assets on hire 0 0</p> <p>(b) Repossessed Assets 0 0</p> <p>(iii) Hypothecation loans counting towards EL/HP activities</p> <p>(a) Loans where assets have been repossessed 0 0</p> <p>(b) Loans other than (a) above 11,33,072 10,81,229</p>						
<p><b>(5) Break-up of Investments:</b></p> <p><u>Current Investments:</u></p> <p>1. Quoted:</p> <p>a. Shares: (i) Equity 0 0</p> <p>(ii) Preference 0 0</p> <p>b. Debentures and Bonds 0 0</p> <p>c. Units of mutual funds 0 0</p> <p>d. Government Securities 0 0</p> <p>2. Unquoted:</p> <p>a. Shares: (i) Equity 0 0</p> <p>(ii) Preference 0 0</p> <p>b. Debentures and Bonds 0 0</p> <p>c. Units of mutual funds 0 0</p> <p>d. Government Securities 0 0</p> <p><u>Long Term Investments:</u></p> <p>1. Quoted:</p> <p>a. Shares: (i) Equity 0 0</p> <p>(ii) Preference 0 0</p> <p>b. Debentures and Bonds 0 0</p> <p>c. Units of mutual funds 0 0</p> <p>d. Government Securities 0 0</p> <p>2. Unquoted:</p> <p>a. Shares: (i) Equity 0 0</p> <p>(ii) Preference 0 0</p> <p>b. Debentures and Bonds 0 0</p> <p>c. Units of mutual funds 0 0</p> <p>d. Government Securities 0 0</p>						
6) Borrower group-wise classification of all leased assets, stock-on-hire and loans & advances						
<p><b>Category</b></p>	<b>March 2020</b>			<b>March 2019</b>		
	<b>Amount net of provisions</b>			<b>Amount net of provisions</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1. Related Parties						
a) Subsidiaries	0	0	0	0	0	0
b) Companies in the same group	0	0	0	0	0	0
c) Other related parties	0	0	0	0	0	0
2. Other than related parties	11,33,072	0	11,33,072	10,81,229	0	10,81,229
TOTAL	11,33,072	0	11,33,072	10,81,229	0	10,81,229

Category	March 2020		March 2019	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	0	0	0	0
(b) Companies in the same group	0	0	0	0
(c) Other related parties	0	0	0	0
2. Other than related parties	0	0	0	0
TOTAL	0	0	0	0

(8) Other Information		
Particulars	March 2020	March 2019
	Amount	Amount
1. Gross Non-Performing Assets		
(a) Related parties	0	0
(b) Other than related parties	38,873	30,379
2. Net Non-Performing Assets		
a. Related parties	0	0
b. Other than related parties	32,338	27,341
3. Assets acquired in satisfaction of debt.	0	0

\*\*\*\* Represent unclaimed deposit & interest thereof in respect of which the company is yet to receive instruction for repayment/ renewal from the depositors.

# Notice

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of Shalibhadra Finance Limited will be held on Monday, 28<sup>th</sup> September, 2020 at 1 p.m (IST), through Video Conferencing / other Audio Visual Means ("VC" / "OAVM") to transact the following business:

## Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2020 and the Statement of Profit or Loss for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint Mr. Vatsal M. Doshi, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vatsal M. Doshi, who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

## Special Business:

3. To appoint Mr. Amit M. Doshi as a Director and in this regard to consider and, if thought fit, to pass the following as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 152 read with other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Amit M. Doshi (DIN: 01032693), who was appointed as an additional director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. To appoint Ms. Ayushi M. Doshi as a Director and in this regard to consider and, if thought fit, to pass the following as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 152 read with other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Ayushi M. Doshi (DIN: 08831990), who was appointed as an additional director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To approve Borrowing limits of the Company and creation of charge on the assets of the Company and in this regard to consider and, if thought fit, to pass the following as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 180 crore ( One hundred eighty Crore only) [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the



Company's assets and effects or properties whether moveable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

## Notes:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Share Transfer Book and the Register of Members of the Company will be closed from 22<sup>nd</sup> September, 2020 to 28<sup>th</sup> September, 2020 (Both Days inclusive) for determining the names of members eligible for attending the meeting.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Shareholders desirous of obtaining any information are requested to address their questions to the Company's Head Office, so as to reach at least 10 days before the date of the meeting so that the information may be made available at the meeting to the best extent possible.
5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Sundays and Holidays, between 11.00 a.m. and 1.00 p.m. upto date of the Annual General Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. In all correspondence with the Company, the members are requested to quote their members folio numbers and in case their shares are held in dematerialized form, quote their client ID Number and their DPID Number.

## Additional Information with respect to Item Nos. 3, 4 and 5

### ITEM NO.3

#### Details of Director seeking appointment at the forthcoming Annual General Meeting:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, had appointed Mr. Amit M. Doshi (DIN: 01032693) as an Additional Director of the Company with effect from March 19, 2020. Pursuant to Section 161(1) of the Act, Mr. Amit M. Doshi holds office up to the date of this meeting. Mr. Amit M. Doshi is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director. Brief details are presented as follows:

Name : Mr. Amit M. Doshi

Date of Birth : 25.05.1968  
 Qualification : B.Com.  
 Experience : 25 years experience in Equity market investing

**ITEM NO.4****Details of Director seeking appointment at the forthcoming Annual General Meeting:**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (“the Act”) and the Articles of Association of the Company, had appointed Ms. Ayushi M. Doshi (DIN: 08831990) as an Additional Director of the Company with effect from March 19, 2020. Pursuant to Section 161(1) of the Act, Ms. Ayushi M. Doshi holds office up to the date of this meeting. Ms. Ayushi M. Doshi is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given her consent to act as a director. Brief details are presented as follows:

Name : Ms. Ayushi M. Doshi  
 Date of Birth : 19.09.1997  
 Qualification : B.Com.

**ITEM NO.5****Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013**

The following Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 (“the Act”), sets out all material facts relating to the business of the accompanying Notice.

In terms of the provisions of section 180(1)(c) of the Act, the Board of Directors of a company cannot borrow moneys in excess of the amount of the paid-up capital of the company and its free reserves without the approval of the Members by way of a Special Resolution.

In order to further expand its business and to meet increased financial needs for the budgeted disbursements, it is proposed to enhance the borrowing limits of the Company to Rs. 180 crores.

The Company may be required to secure some of the borrowings by creating mortgage/charge on all or any of the movable or immovable properties of the Company in favour of the lender(s) in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). In terms of section 180(1)(a) of the Act any proposal to sell, lease or otherwise dispose of the whole, or substantially the whole, of any such undertaking requires the approval of the Members by way of a Special Resolution.

Accordingly, the consent of the Members is being sought for the enhancement of the borrowing limits and to secure such borrowings by mortgage/charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company as set out in Special Resolution appended to this Notice. The Board recommends the passing of the Resolution as a Special Resolution. Your approval is sought for passing the Special Resolution as set out in this Notice. None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution except to the extent of their shareholding interest, if any, in the Company.

For and on behalf of Board of Directors

Minesh Doshi  
 Managing Director

**Registered Office:**

3, Kamat Industrial Estate,  
 396, V.S. Marg,  
 Opp. Siddhi Vinayak Temple,  
 Prabhadevi,  
 Mumbai – 400 025.  
 Tel: 24 322 993/ 24 322 994.

Place: Mumbai

Date: 28<sup>th</sup> July, 2020.



**SHALIBHADRA**

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FINANCE LIMITED

3, Kamat Industrial Estate,  
396, V.S.Marg, Opp. Siddivinayak Temple,  
Prabhadevi, Mumbai – 400 025.

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