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Corporate Information's

BOARD OF DIRECTORS

::

Mr. Pradeep Kumar Daga
(Chairman, Managing Director & CEO)
Mr. Arun Chakraborty
Mr. Rathindra Nath Ghosh
Mr. Sudarson Kayori
Mr. Anand Kumar Jain (*w.e.f. 17.08.2015*)
(Chief Financial Officer)

Mr. Utpal Dey (*w.e.f. 08.07.2015*)
(Non-Executive Director)
Mrs. Vinita Daga (*Resigned 06.02.2016*)
(Non-Executive Director)
Ms. Kirti Sharma (*w.e.f. 16.02.2016*)
(Whole Time Director and Woman Director)
Mr. Tapas Mondal (*Resigned 08.07.2015*)
(Executive Director & CFO)

REGISTERED OFFICE

::

SUBOL DUTT BUILDING,
13, Brabourne Road, Mezzanine Floor,
Kolkata-700001. (West Bengal)
Tel.: +91 33 2210 1328
E-mail : mifl_1983@yahoo.co.in
: info@miflindia.com
Website : www.miflindia.com

AUDITORS

::

M/s. Maroti & Associates
Chartered Accountants
9/12, Lal Bazar Street, Block-'E',
3rd Floor, Room No.2, Kolkata - 700 001
Tel. : +91 33 2231 9392 / 9391
Fax : +91 33 2243 8371
E-mail : mkmaroti@gmail.com

BANKERS

::

Central Bank of India
HDFC Bank Ltd.

REGISTRARS AND SHARE TRANSFER AGENTS

::

Niche Technologies Pvt. Ltd.
D-511, Bagree Market,
71, B. B. B. Road, 5th Floor,
Kolkata - 700 001
Tel. : +91 33 2235 7270 / 7271
Fax : +91 33 2215 6823
E-mail : nichetechpl@nichetechpl.com

COMPANY SECRETARY

::

Ms. Kirti Sharma (*w.e.f. 07.02.2016*)
Mr. Sanjaya Kumar Rout (*Resigned 06.02.2016*)
E-mail : info@miflindia.com

CIN

::

L65993WB1983PLC035815

Directors' Report

To
The Members,

Your Directors have pleasure in presenting the **Annual Report** of the Company together with Audited Accounts for the year ended on **31st March, 2016**.

1. FINANCIAL RESULTS :

(Rs. in Lakh)

| Particulars | Standalone | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| Sales & Other Income | 206.77 | 20.24 |
| Profit Before Depreciation & Taxation | 34.18 | 6.02 |
| Less : Depreciation | 0.09 | 0.25 |
| Less : Current Tax | 8.53 | (1.10) |
| Less : Mat Tax Credit | 1.10 | 1.10 |
| Less : Deferred Tax | 0.91 | (0.10) |
| Profit / (Loss) After Taxation | 23.55 | 5.87 |
| Add: Balance Brought Forward from Previous Year | (32.32) | (36.71) |
| Surplus Available for Appropriation | (20.60) | (32.32) |
| Appropriations | | |
| Provision for Standard Assets (As per RBI Act) | (7.12) | (0.29) |
| Depreciation Adjusted as per Companies Act, 2013 | - | (0.02) |
| Transferred to Reserve Fund | (4.71) | (1.17) |
| Balance Carried To Balance Sheet | (20.60) | (32.32) |

2. REVIEW OF OPERATIONS & PERFORMANCE & FUTURE OUTLOOK:

In the year under review, the revenue from operations has been increased by 921.64% in accordance with the previous year. However, during the year the operating profit of the Company stands at Rs. 34.18 Lakh as against operating profit of Rs. 6.02 Lakh for the previous year and the total profit of Rs. 23.55 Lakh as against profit of Rs. 5.87 Lakh in the previous year. Further, Your Directors are identifying prospective investments mix strategies that will maximize the revenue of the company during the current Financial Year.

3. DIVIDEND :

Your Directors regrets its inability to recommend any dividend to the equity shareholders for the year in the current financial year.

4. AUDITORS :

Statutory Audit:-

At the Annual General Meeting, Members will be required to appoint Auditors for the current financial year 2016-17. M/s. Maroti & Associates, Chartered Accountants, (Firm Registration Number 322770E) the existing Statutory Auditors have furnished a certificate, confirming that if re-appointed for the financial year 2016-17, their re-appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. The Members are requested to consider their re-appointment as Auditors of the Company for the current year and authorize the Board of Directors to fix their remuneration.

Secretarial Audit:-

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report.

Pursuant to the provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. P. Doleswar Rao, of company Secretaries in practice (C.P. No. 14385) to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year ended 31st March, 2016 is annexed herewith as "Annexure A" to this report. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

5. EXTRACT OF ANNUAL RETURN :

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure-B"

6. DIRECTORS :

Your Director wish to place on record their kind appreciation of valuable guidance, support and advice rendered by Mr. Tapas Mondal (DIN 00087387), whose terms of appointment as Chief Financial Officer and Whole Time Director completes on 30.09.2017, resign from the directorship before the expiry of the term due to unavoidable personal reasons. His resignation shall be effective from 8th day of July, 2015. Further, keeping in view the legal requirements as per the provisions and all other applicable provisions of the Companies Act, 2013 and in the interest of stakeholder Mr. Anand Kumar Jain (DIN 06867391) be & is hereby appointed as Chief Financial Officer of the Company with effect from 17th August, 2015 and Ms. Kirti Sharma (DIN 07434779) be and is hereby appointed as Whole Time Director of the company with effect from 16.02.2016.

Mrs. Vinita Daga had submitted her resignation to the Board and the same was accepted by the Board at its meeting held on 06th February, 2016. The Board hereby places on record its sincerest thanks and gratitude for the invaluable contribution made by Mrs. Vinita Daga towards the growth and development of the company during her tenure as a Director. The Board also on behalf of the members wishes to Mrs. Vinita Daga a long and healthy life.

Mr. Pradcep Kumar Daga (DIN 00080515) is doyen in security market with more than 25 years' experience in the Capital & Financial Market and one of the most respected business personalities in India. He possesses vast expertise and knowledge in Accounts, Finance and Corporate Restructuring. He is a leader to care, to adopt strategic decision and to build a team for the interest of its stakeholder. In the opinion of the Board it will be in the interest of the Company that Mr. Pradeep Kumar Daga (DIN 00080515) plays the role of Managing Director.

Your Director wishes to place on record their kind appreciation to Mr. Utpal Dey (DIN: 06931935) who retires by rotation and being eligible, offers himself for re-appointment.

An Independent director shall be appointed as per the provisions of Section 149 of the Act, and is not liable to retire by rotation. In compliance with the provisions of Section 149 read with Schedule IV of the Act, The company may propose name of requisite numbers of Independent Directors in compliance with the provision of section 149 of The Companies Act, 2013 (The Act) . Who in the opinion of the Board, if fulfill the conditions specified in The Act and the Rules made there under for appointment of Independent Directors and are independent of the management.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement of clause c of sub-section 1 and sub section 5 of section 134 of the Companies Act, 2013 ('the Act') and based on the representations received from the operating management, the Directors hereby confirm that:

- i. In preparation of the annual accounts, the applicable Accounting Standards have been followed.
- ii. The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and Profit & Loss of the company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on going concern basis.

8. PERSONNEL :

Human Capital is an important asset for the Company and the Company has taken and shall continue to take adequate steps towards education and enrichment of the human capital. Your Directors place on record the sense of appreciation for the valuable contribution made by the staff members of the company and hope that their continued support will help in achieving the goals of the Company. None of the employecs of the company are in receipt of remuneration in excess of the limit prescribed under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (appointment and Remuneration of Managerial Personnel) Rules 2014.

9. STATUTORY INFORMATION :

Particulars required to be furnished by the companies (Accounts) Rules, 2014:

- | | |
|-------------------------------------|-------|
| 1. Conservation of Energy | : Nil |
| 2. Technology Absorption & Adoption | : Nil |
| 3. Foreign Exchange Earning & Outgo | : Nil |

10. CORPORATE GOVERNANCE :

As required under clause 49 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement with the Stock Exchange, the Report on Corporate Governance together with Auditors view regarding compliance of the SEBI code of Corporate Governance is annexed herewith.

11. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

All new Independent Directors inducted into the Board attend an orientation program. The details of training and familiarization program are provided in the Corporate Governance and is also available on our website (<http://www.miflindia.com/investor.html>). Further at the time of appointment of independent director, the company issues a formal letter of appointment outlining his / her role, functions, duties and responsibilities.

12. LISTING AGREEMENT:

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulation were effective December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited and The Calcutta Stock Exchange Limited during December, 2015.

13. POLICIES:

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website(<http://www.miflindia.com/investor.html>). The policies are reviewed periodically by the board and updated based on need and new compliance requirement.

14. RELATED PARTY TRANSACTION POLICY:

The policy regulates all transactions between the company and its related parties. The policy is available on the website of the company (<http://www.miflindia.com/cc/prt.pdf>).

15. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

16. POLICY FOR DETERMINING MATERIALITY FOR DISCLOSURES:

In terms of Regulation 30 (4) (ii) of the Listing Regulations, the Board of Directors of the Company, is required to formulate and adopt a Policy for Determination of Materiality of Events / Information, and upload the same on the website of the Company. Further, SEBI had vide Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015, prescribed the details that need to be provided by Listed

Companies while disclosing such material events/ information.

This policy applies to disclosure of material events affecting the company. In terms of Regulation 30 of the Listing Regulations, listed entities are required to disclose details of events / information which in the opinion of the Board, are material.

17. REMUNERATION POLICY :

The Board has, on the recommendation of the Appointment & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The remuneration Policy is stated in the Corporate Governance Report.

18. ACKNOWLEDGEMENTS :

The Board wishes to place on record their gratitude for the co-operation and assistance received from all those who contributed by some means or other for the performance of the company and expect the same in the future.

For and on behalf of the Board

Pradeep Kumar Daga
(DIN 00080515)
Managing Director

Kirti Sharma
(DIN 07434779)
Whole Time Director

Place: Kolkata
Date : 19th Day of May, 2016

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
M/s. Mangalam Industrial Finance Ltd.
Subol Dutt Building, 13, Brabourne Road
Mezzanine Floor, Kolkata – 700001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Mangalam Industrial Finance Limited (CIN: L65993WB1983PLC035815)** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **M/s. Mangalam Industrial Finance Limited** 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 **31st March, 2016 ('Audit Period')** 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 **M/s. Mangalam Industrial Finance Limited** ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

1. The Companies Act, 2013(the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. 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;
5. 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 to the extent applicable to the Company during the period under review;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable to the Company during the period under review;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 notified on 28th October, 2014 **(Not applicable to the Company during the Audit Period)**;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**;
 - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company during the period under review;
6. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof the Company has complied with the following laws applicable specifically to the Company:
- Reserve Bank of India Act, 1934 to the extent of provisions applicable to Non Deposit Taking NBFCs (NBFC-ND) and Directions, Guidelines and Circulars made thereunder.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All majority decisions at Board Meetings and Committee Meetings as represented by the management, were carried out unanimously as recorded in the minutes of the meetings of Board of Directors or Committees of the Board as the case may be.

We further report that as represented by the Company and relied upon by us 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.

We further report that during the Audit Period, the Company has not incurred any specific event/action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that

- The Company has applied to Uttar Pradesh Stock Exchange Ltd. (UPSE) for delisting of equity shares as the exchange is non operative and derecognized by SEBI pursuant to its Exit Order No. WTM/RKA/MRD/49/2015 under review.

For **P D Rao & Associates**
Practising Company Secretaries

CS P. Doleswar Rao
(Proprietor)
Mem No. : A38387
C. P. No. : 014385
Place : Kolkata
Date : 19.05.2016

Note: This report is to be read with our letter of even date which is annexed as Annexure 'I' and form forms an integral part of this report.

Annexure 'I'

To
The Members
M/s. Mangalam Industrial Finance Ltd.
Subol Dutt Building, 13, Brabourne Road
Mezzanine Floor, Kolkata – 700001.

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 the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
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 the 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, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random 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.

For P D Rao & Associates
Practising Company Secretaries

CS P. Doleswar Rao
(Proprietor)
Mem No. : A38387
C. P. No. : 014385
Place : Kolkata
Date : 19.05.2016

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L65993WB1983PLC035815
- ii) Registration Date : 08/02/1983
- iii) Name of the Company : Mangalam Industrial Finance Ltd.
- iv) Category/Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office : **Registered Office:**
and contact details Subol Dutt Building
13, Brabourne Road, Mezzanine Floor,
Kolkata - 700001 (West Bengal)
Tel. : +91 33 2231 5686 / 5687
E-mail : info@miflindia.com
- vi) Whether listed company : YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent : **Niche Technologies Pvt. Ltd.**
D-511, Bagree Market,
71, B.R.B.B. Road, 5th Floor,
Kolkata - 700 001
Tel.: 033 2235 7272 / 7271
Fax : 033 2215 6823

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1. | Other Monetary intermediation Services | 64199 | 83.96% |
| 2. | Other NEC Trade | 46909 | 16.04% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

No Holding, Subsidiary and Associate Companies.

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) CATEGORY-WISE SHARE HOLDING

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| INDIAN | | | | | | | | | |
| INDIVIDUALS/ HINDU UNDIVIDED FAMILY | 100 | 0 | 100 | 0.000 | 100 | 0 | 100 | 0.000 | 0% |
| CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| BODIES CORPORATE | 25519100 | 0 | 25519100 | 26.537 | 25519100 | 0 | 25519100 | 26.537 | 0% |
| FINANCIAL INSTITUTIONS/ BANKS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| ANY OTHER (SPECIFY) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| SUB-TOTAL (A)(1) | 25519200 | 0 | 25519200 | 26.537 | 25519200 | 0 | 25519200 | 26.537 | 0% |
| FOREIGN | | | | | | | | | |
| NRIs - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Other - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| BODIES CORPORATE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| INSTITUTIONS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| ANY OTHER (SPECIFY) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| SUB-TOTAL(A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2) | 25519200 | 0 | 25519200 | 26.537 | 25519200 | 0 | 25519200 | 26.537 | 0% |
| PUBLIC SHAREHOLDING | | | | | | | | | |
| INSTITUTIONS | | | | | | | | | |
| MUTUAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| FINANCIAL INSTITUTIONS/ BANKS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| VENTURE CAPITAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| INSURANCE COMPANIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| FOREIGN INSTITUTIONAL INVESTORS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |

| | | | | | | | | | |
|--|----------|-------|----------|--------|----------|-------|----------|--------|---------|
| FOREIGN VENTURE CAPITAL INVESTORS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| ANY OTHER (SPECIFY) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| SUB-TOTAL (B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| NON-INSTITUTIONS | | | | | | | | | |
| BODIES CORPORATE | 69842160 | 7400 | 69849560 | 72.636 | 69223603 | 7400 | 69231003 | 71.992 | -0.644% |
| INDIVIDUALS - I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UP TO RS. 1 LAKH. | 102962 | 38945 | 141907 | 0.148 | 286415 | 38945 | 325360 | 0.338 | 0.190% |
| II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS.1 LAKH. | 651915 | 0 | 651915 | 0.678 | 1070603 | 0 | 1070603 | 1.113 | 0.435% |
| ANY OTHER (SPECIFY) Clearing Mem / Clearing Cor | 1768 | 0 | 1768 | 0.002 | 17974 | 0 | 17974 | 0.019 | 0.017% |
| NRI's | 0 | 0 | 0 | 0 | 210 | 0 | 210 | 0 | 0% |
| SUB-TOTAL (B)(2) | 70598805 | 46345 | 70645150 | 73.463 | 70598805 | 46345 | 70645150 | 73.463 | 0% |
| TOTAL PUBLIC SHARE HOLDING (B)=(B)(1)+(B)(2) | 70598805 | 46345 | 70645150 | 73.463 | 70598805 | 46345 | 70645150 | 73.463 | 0% |
| TOTAL (A)+(B) | 96118005 | 46345 | 96164350 | 100 | 96118005 | 46345 | 96164350 | 100 | 0% |
| SHARES HELD BY CUSTODI-ANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| GRAND TOTAL (A)+(B)+(C) | 96118005 | 46345 | 96164350 | 100 | 96118005 | 46345 | 96164350 | 100 | 0% |

ii) SHAREHOLDING OF PROMOTERS

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | Shares of % change in share holding during the year |
|---------|---------------------------------|---|------------------------------|--|--------------------------------------|------------------------------|---|---|
| | | No. of Shares | % of total Shares of company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of company | % of Shares Pledged/ encumbered to total shares | |
| 1 | Apanapan Distributors Pvt. Ltd. | 390000 | 0.406 | 0.000 | 390000 | 0.406 | 0.000 | 0.000 |
| 2 | Apurva Distributors Pvt. Ltd. | 7833250 | 8.146 | 0.000 | - | - | - | -8.146 |
| 3 | Pradeep Kumar Daga | 100 | 0.000 | 0.000 | 100 | 0.000 | 0.000 | 0.000 |
| 4 | Reality Commodcal Pvt. Ltd. | 7566000 | 7.868 | 0.000 | - | - | - | -7.868 |
| 5 | Responce Commodities Ltd. | 0 | 0.000 | 0.000 | 25050000 | 26.049 | 0.000 | 26.049 |
| 6 | Responce Securities Pvt Ltd | 79100 | 0.082 | 0.000 | 79100 | 0.082 | 0.000 | 0.000 |
| 7 | Rosemount Marketing Pvt. Ltd | 9650750 | 10.036 | 0.000 | - | - | - | -10.036 |
| | Total | 25519200 | 26.537 | 0.000 | 25519200 | 26.537 | 0.000 | 0.000 |

iii) CHANGE IN PROMOTERS' SHAREHOLDING:

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|--------------------------|---|--------------------------|
| | | No. of shares | % of total No. of shares | No. of shares | % of total No. of shares |
| 1. | APANAPAN DISTRIBUTORS PVT. LTD. At the beginning of the year | 390000 | 0.406 | 390000 | 0.406 |
| | Increase / (Decrease) in Promoters Share holding during the year. | 0 | 0.000 | | |
| | At the End of the year | | | 390000 | 0.406 |
| 2. | APURVA DISTRIBUTORS PVT LTD. At the beginning of the year | 7833250 | 8.146 | 7833250 | 8.146 |
| | Increase / (Decrease) in Promoters Share holding during the year. 26/06/2015 Transfer | (7833250) | (8.146) | 0 | 0.000 |
| | At the End of the year | | | 0 | 0.000 |
| 3. | PRADEEP KUMAR DAGA At the beginning of the year | 100 | 0.000 | 100 | 0.000 |
| | Increase / (Decrease) in Promoters Share holding during the year. | 0 | 0.000 | | |
| | At the End of the year | | | 100 | 0.000 |
| 4. | REALITY COMMODEAL PVT. LTD. At the beginning of the year | 7566000 | 7.868 | 7566000 | 7.868 |
| | Increase / (Decrease) in Promoters Share holding during the year. 19/06/2015 Transfer | (7566000) | (7.868) | 0 | 0.000 |
| | At the End of the year | | | 0 | 0.000 |
| 5. | RESPONCE COMMODITIES LIMITED At the beginning of the year | 0 | 0 | | |
| | Increase / (Decrease) in Promoters Share holding during the year. 19/06/2015 26/06/2015 | 7566000 17484000 | 7.868 18.181 | 7566000 25050000 | 7.868 26.049 |
| | At the End of the year | | | 25050000 | 26.049 |
| 6. | RESPONCE SECURITIES PVT. LTD. At the beginning of the year | 79100 | 0.082 | 79100 | 0.082 |
| | Increase / (Decrease) in Promoters Share holding during the year. | 0 | 0.000 | | |
| | At the End of the year | | | 79100 | 0.082 |
| 7. | ROSEMOUNT MARKETING PVT. LTD. At the beginning of the year | 9650750 | 10.036 | 9650750 | 10.036 |
| | Increase / (Decrease) in Promoters Share holding during the year. 26/06/2015 Transfer | (9650750) | (10.036) | 0 | 0.000 |
| | At the End of the year | | | 0 | 0.000 |

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS

(Other Than Directors, Promoters And Holders Of GDRS And ADRS):

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---------|---|---|--------------------------|-------------------------------------|--------------------------|
| | | No. of shares | % of total No. of shares | No. of shares | % of total No. of shares |
| 1. | AATISH DEALCOMM PVT. LTD. At the beginning of the year | 4450000 | 4.627 | 4450000 | 4.627 |
| | Increase / (Decrease) in Promoters Share holding during the year. | 0 | 0.000 | | |
| | At the End of the year | | | 4450000 | 4.627 |
| 2. | ALERT COMMDEAL PVT. LTD. At the beginning of the year | 4950000 | 5.147 | 4950000 | 5.147 |
| | Increase / (Decrease) in Promoters Share holding during the year. | | | | |
| | 24/07/2015 Transfer | (33000) | 0.034 | 4917000 | 5.113 |
| | 31/07/2015 Transfer | (63770) | 0.066 | 4853230 | 5.047 |
| | 07/08/2015 Transfer | (64500) | 0.067 | 4788730 | 4.980 |
| | 14/08/2015 Transfer | (40000) | 0.042 | 4748730 | 4.938 |
| | 21/08/2015 Transfer | (33850) | 0.035 | 4714880 | 4.903 |
| | 11/12/2015 Transfer | (5200) | 0.005 | 4709680 | 4.898 |
| | 25/12/2015 Transfer | (5000) | 0.005 | 4704680 | 4.892 |
| | At the End of the year | | | 4704680 | 4.892 |
| 3. | GOODVIEW OVERSEAS PVT. LTD. At the beginning of the year | 5872000 | 6.106 | 5872000 | 6.106 |
| | Increase / (Decrease) in Promoters Share holding during the year. | 0 | 0.000 | | |
| | At the End of the year | | | 5872000 | 6.106 |
| 4. | GUIDE DEALCOM LLP At the beginning of the year | 6376500 | 6.631 | 6376500 | 6.631 |
| | Increase / (Decrease) in Promoters Share holding during the year. | | | | |
| | 03/07/2015 Transfer | (1100000) | 1.144 | 5276500 | 5.487 |
| | 31/12/2015 Transfer | 435600 | 0.453 | 5712100 | 5.940 |
| | At the End of the year | | | 5712100 | 5.940 |
| 5. | KIRTI COMMOTRADE PVT. LTD. At the beginning of the year | 6295250 | 6.546 | 6295250 | 6.546 |
| | Increase / (Decrease) in Promoters Share holding during the year. | 0 | 0.000 | | |
| | At the End of the year | | | 6295250 | 6.546 |
| 6. | MASSIVE DEALCOMM PVT. LTD. At the beginning of the year | 4118400 | 4.283 | 4118400 | 4.283 |
| | Increase / (Decrease) in Promoters Share holding during the year. | 0 | 0.000 | | |
| | At the End of the year | | | 4118400 | 4.283 |
| 7. | MOREPLUS MERCHANTS PVT. LTD. At the beginning of the year | 4600000 | 4.783 | 4600000 | 4.783 |
| | Increase / (Decrease) in Promoters Share holding during the year. | 0 | 0.000 | | |
| | At the End of the year | | | 4600000 | 4.783 |
| 8. | NILANCHAL DEALCOMM PVT. LTD. At the beginning of the year | 5904625 | 6.140 | 5904625 | 6.140 |
| | Increase / (Decrease) in Promoters Share holding during the year. | 0 | 0.000 | | |
| | At the End of the year | | | 5904625 | 6.140 |

| | | | | | |
|-----|---|-----------|-------|---------|-------|
| 9. | SMILE SUPPLIERS PVT. LTD. At the beginning of the year | 4580000 | 4.763 | 4580000 | 4.763 |
| | Increase / (Decrease) in Promoters Share holding during the year. | 0 | 0.000 | | |
| | At the End of the year | | | 4580000 | 4.763 |
| 10. | SUPARAS IMPEX PVT. LTD. At the beginning of the year | 4951250 | 5.149 | 4951250 | 5.149 |
| | Increase / (Decrease) in Promoters Share holding during the year. | | | | |
| | 31/07/2015 Transfer | (4951250) | 5.149 | 0 | 0.000 |
| | 14/08/2015 Transfer | 4836827 | 5.030 | 4836827 | 5.030 |
| | 21/08/2015 Transfer | (15000) | 0.016 | 4821827 | 5.014 |
| | At the End of the year | | | 4821827 | 5.014 |

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|--------------------------|---|--------------------------|
| | | Nu. of shares | % of total No. of shares | Nu. of shares | % of total No. of shares |
| 1 | PRADEEP KUMAR DAGA Managing Director At the beginning of the year | 100 | 0.000 | 100 | 0.000 |
| | Increase / (Decrease) in Promoters Share holding during the year: | 0 | 0.000 | 0 | 0 |
| | At the End of the year | 100 | 0.000 | 100 | 0.000 |
| 2 | VINITA DAGA Executive Director (Upto 06.02.2016) At the beginning of the year | 0 | 0.000 | 0 | 0.000 |
| | Increase / (Decrease) in Promoters Share holding during the year: | 0 | 0.000 | 0 | 0 |
| | At the End of the year | 0 | 0.000 | 0 | 0.000 |
| 3 | TAPAS MONDAL Whole Time Director & CFO (upto 08.07.2015) At the beginning of the year | 0 | 0.000 | 0 | 0.000 |
| | Increase / (Decrease) in Promoters Share holding during the year: | 0 | 0.000 | 0 | 0 |
| | At the End of the year | 0 | 0.000 | 0 | 0.000 |
| 4 | ANAND KUMAR JAIN Chief Financial Officer (from 17.08.2015) At the beginning of the year | 0 | 0.000 | 0 | 0.000 |
| | Increase / (Decrease) in Promoters Share holding during the year: | 0 | 0.000 | 0 | 0 |
| | At the End of the year | 0 | 0.000 | 0 | 0.000 |
| 5 | UTPAL DEY Non Executive Director (from 08.07.2015) At the beginning of the year | 0 | 0.000 | 0 | 0.000 |
| | Increase / (Decrease) in Promoters Share holding during the year: | 0 | 0.000 | 0 | 0 |
| | At the End of the year | 0 | 0.000 | 0 | 0.000 |
| 6 | SANJAYA KUMAR ROUIT Company Secretary (upto 06.02.2016) At the beginning of the year | 0 | 0.000 | | 0.000 |
| | Increase / (Decrease) in Promoters Share holding during the year: | 0 | 0.000 | 0 | 0 |
| | At the End of the year | 0 | 0.000 | 0 | 0.000 |
| 7 | KIRTI SHARMA Company Secretary cum Whole Time Director (from 07.02.2016) At the beginning of the year | 0 | 0.000 | 0 | 0.000 |
| | Increase / (Decrease) in Promoters Share holding during the year: | 0 | 0.000 | 0 | 0 |
| | At the End of the year | 0 | 0.000 | 0 | 0.000 |

V. INDEBTEDNESS (Rs. In Lakhs)

Indebtedness Of The Company Including Interest Outstanding / Accrued But Not Due For Payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year. | | | | |
| i) Principal Amount | 0 | 0 | 0 | 0 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 0 | 0 | 0 |
| Change in Indebtedness during the financial year. | | | | |
| Addition | 0 | 0 | 0 | 0 |
| Reduction | 0 | 0 | 0 | 0 |
| Net Change Indebtedness | 0 | 0 | 0 | 0 |
| At the end of the financial year. | | | | |
| i) Principal Amount | 0 | 0 | 0 | 0 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 0 | 0 | 0 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | | Total Amount |
|---------|---|---|---|--|--------------|
| | | Pradeep Kumar Daga Managing Director | Tapas Mondal Whole Time Director (up to 08.07.2015) | Kirti Sharma Whole Time Director (from 16.02.2016) | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 450000 | | | 450000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | | | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | | | 0 |
| 2 | Stock Option | 0 | | | 0 |
| 3 | Sweat Equity | 0 | | | 0 |
| 4 | Commission - as % of profit - others, specify | 0 | | | 0 |
| 5 | Others, please specify | 0 | | | 0 |
| | Total (A) | 450000 | | | 450000 |

B. REMUNERATION TO OTHER DIRECTORS:

(Amount in Rs.)

| Sl. No. | Directors | Particulars of Remuneration | | | Total Amount |
|---------|--------------------------------------|--|------------|------------------------|--------------|
| | | Fee for attending Board / Board Committee Meetings | Commission | Others, Please Specify | |
| 1 | Independent Directors : | | | | |
| | Sudarson Kayori | 00 | 00 | 00 | 00 |
| | Arun Chakraborty | 00 | 00 | 00 | 00 |
| | Rathindra Nath Ghosh | 00 | 00 | 00 | 00 |
| | Total Amount (1) | 00 | 00 | 00 | 00 |
| 2 | Other Non-Executive Directors | | | | |
| | Utpal Dey * | 00 | 00 | 00 | 00 |
| | Vinita Daga ** | 00 | 00 | 00 | 00 |
| | Total Amount (2) | 00 | 00 | 00 | 00 |
| | Total (B) = (1+2) | 00 | 00 | 00 | 00 |

* Appointed non-executive director w.e.f. 08th July 2015

** Resigned w.e.f. 06th February 2016

C. Remuneration To Key Managerial Personnel Other Than Md / Manager / WTD

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | | Total Amount |
|---------|---|--|---|---|--|---------------|
| | | Sanjaya Kumar Rout, Company Secretary (up to 06.02.2016) | Kirti Sharma, Company Secretary (from 07.02.2016) | Anand Kumar Jain, Chief Financial Officer (from 17.08.2015) | Tapas Mondal, Chief Financial Officer (up to 08.07.2015) | |
| 1 | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 71450 | 35862 | 54000 | 28000 | 189312 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 | 0 |
| 4 | Commission - as % of profit - others, specify | 0 | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (C) | 71450 | 35862 | 54000 | 28000 | 189312 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Against the Company, Directors and other Officers in Default under the Companies Act, 2013 : None

ANNEXURE - TO THE DIRECTORS' REPORT

This Report on Corporate Governance forms part of directors report and the details as set out below are as per the SEBI guideline and clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A) MANDATORY REQUIREMENTS:

1) **COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

At MIFL, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. These main drivers and initiative play a pivotal role in fulfilling our vision To become one of the most respected and preferred Financial Services Organization through innovative products enabling wealth creation for all our stakeholders and our mission to provide personalized, fast, reliable, quality-driven, convenient, and cost effective solutions to our clients through Innovative Product Structure, Personalized Approach & Services, Effective Cost Management, Ethical and transparent Practices and delivering what we promise. The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has implemented mandatory requirements of the code of Governance as mentioned in clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2) **BOARD OF DIRECTORS**

(a) **Composition:**

The Board of Directors of the Company comprises of Executive and Non-Executive; and Independent Directors. The Managing Director is the Chairman of the Company. In all, there were 6 Directors, including 3 Independent Directors as on 31st March, 2016. The Managing Director is also chairmanship on Board of other public companies. As on 31st March, 2016, the composition of the Board of Directors of the Company meets the stipulated requirements of Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Stock Exchanges in following manner:

| Name of the Board of Directors | Category | No. of Board Meetings attended during April 2015 to March 2016 | Attendance at the last AGM held on September 26, 2015 | No. of Directors hips in other Public Limited companies | No. of Shares held in company as on March 31, 2016 | No. of Committee positions held in other Public Limited companies | |
|--|-----------------------------|--|---|---|--|---|--------|
| | | | | | | Chairman | Member |
| Mr. Pradeep Kumar Daga (Chairman & Managing Director) | Promoter & Executive | 14 | Yes | 7 | 100 | Nil | 1 |
| Mrs. Vinita Daga ¹ | Non-Executive Director | 11 | Yes | 3 | Nil | Nil | Nil |
| Mr. Utpal Dey | Non-Executive Director | 11 | Yes | 1 | Nil | Nil | Nil |
| Mr. Tapas Mondal ² Whole Time Director | Executive | 3 | No | 1 | Nil | Nil | 1 |
| Ms. Kirti Sharma ³ Whole Time Director | Executive | 2 | No | Nil | Nil | Nil | Nil |
| Mr. Sudarson Kayori | Independent – Non Executive | 14 | Yes | 2 | Nil | Nil | 6 |
| Mr. Arun Chakraborty | Independent – Non Executive | 14 | Yes | 2 | Nil | 6 | 6 |
| Mr. Rathindra Nath Ghosh | Independent – Non Executive | 14 | Yes | 2 | Nil | Nil | 4 |

Notes:

1. Mrs. Vinita Daga tendered her resignation from the post of Non-Executive Director w.e.f. 06.02.2016.
2. Mr. Tapas Mondal resigned from the post of Chief Financial Officer and Whole Time Director w.e.f.08.07.2015.
3. Ms. Kirti Sharma appointed as Whole Time Director of the company w.e.f. 16.02.2016.
4. Except Pradeep Kumar Daga, no other Director is related to any other Director on the Board in terms of the provisions of the Companies Act, 2013.
5. Memberships of the Directors in various Committees are within the permissible limits of the Listing Agreement.
6. Mr. Sanjaya Kumar Rout resigned as Company Secretary with effect from February 06, 2016. The Board places on record its appreciation for the services rendered by him during her tenure with the Company.

(b) Board Procedure:

There is a set of rules and regulations for governing the procedure to be followed while conducting the Board and Committee Meetings. The Company adheres to Secretarial Standard 1 as specified by The Institute of Company Secretaries of India, for conducting the Board Meetings. The Company Secretary of the Company circulates the agenda of the meeting along with all the supporting documents to all the directors entitled to receive the same, to facilitate meaningful and quality discussions at the time of the meeting.

The basic information furnished to Board Members and the Procedure is set out as hereunder:

- a) Minutes of the proceedings of each Board/ Committee/ General Body Meetings are recorded. Draft minutes are circulated amongst all members for their feedback/comments. The minutes of all the meetings are entered in the minute's book.
- b) The Board / Committee Members have unqualified access to all information available with the Company. The information generally provided to the Members inter-alia includes:
 - i. Annual operating plans, budgets and any updates;
 - ii. Capital budgets and any updates;
 - iii. Quarterly/Annual results of the Company;
 - iv. Minutes of the meetings of Audit Committee and other Committees of the Board;
 - v. Notice of Disclosure of Interest;
 - vi. Material important litigations, show cause, demand and penalty notices, if any and status updates;
 - vii. Sale of material nature of investments, subsidiaries and assets, which are not in the normal course of business;
 - viii. Establishment, operations and Set up of Joint Venture, Subsidiary or Collaboration etc.,
 - ix. Investment/Divestment of Joint Ventures, Subsidiaries;
 - x. Acquisitions/ Amalgamation/ Re-organization of business segments etc;
 - xi. Compliance Reports;
 - xii. Minutes of the Board Meetings, Annual General Meetings of Subsidiary Companies and significant transactions if any;
 - xiii. Related Party Transactions;
 - xiv. Information on recruitment of Senior Officers and Company Secretary; and any other materially relevant information.

(c) Performance Evaluation:

The Board has carried out the annual evaluation of its own performance as well as the Directors individually. The performance evaluation of the Independent Directors was carried out by the entire Board, as per the criteria laid down by the Nomination and Remuneration Committee. A structured questionnaire was prepared, covering various aspects of the Board's functioning such as the participation in the Board & and its Committee meetings, strategic guidance, risk mitigation, internal controls and governance.

(d) Remuneration of Directors:

The company had not paid any sitting fees to Non-Executive directors for the financial year ended 31.03.2016 with their consent to the same for attending Board Meetings and various Committee Meetings. None of the Directors has any material financial interest in the company apart from the remuneration received by them during the year.

(e) Board Meetings and attendance of Directors:

There were 14 (fourteen) Board Meetings were held during the year ended 31st March, 2016. These were held on 26.05.2015; 25.06.2015; 08.07.2015; 14.07.2015; 08.08.2015; 17.08.2015; 26.09.2015; 07.10.2015; 15.10.2015; 05.11.2015; 05.01.2016; 06.02.2016; 16.02.2016 and 17.03.2016.

(f) Code of Conduct:

The Board has laid down a Code of Conduct for all directors and senior management of the company. All directors and senior management personnel have affirmed compliance with the code for the year 2015-16. The declaration by Mr. Pradeep Kumar Daga, Managing Director of the Company regarding compliance by the Board members and Senior Management Personnel, with the said code of conduct is given in **Annexure-1** to this report. In addition to this a separate code of conduct for dealing in equity shares and other securities conferring voting rights in the Company is also in place and has been complied with.

III. AUDIT COMMITTEE

The Company has established an Audit Committee. The Committee comprises of one Executive and Two Non-Executive Independent Directors who are financially literate persons having vast experience in the area of finance, accounts and industry. The Composition procedure, role / function of the Audit Committee comply with the requirements of the Listing Agreement. During the year under review 4 (four) meetings of the Audit Committee were held. The brief terms of reference of the Audit Committee includes the following:

1. Overseeing the Company's financial report process and disclosure of its financial information.
2. Disclosure with Statutory and Internal auditors about the nature and scope of audit and their observations.
3. Investigate any matter referred to by the Board.
4. Reviewing the Company's financial and risk management policies.
5. Reviewing Management Discussion and Analysis Report.
6. To hold periodic discussions with the statutory and internal auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the auditors;
7. To review the quarterly, half yearly and annual financial results of the company before submission to the board;
8. At Present to make recommendations to the board on any matter relating to the financial management of the company, including the audit report of the statutory and internal auditors.

During the year under review 4 (four) meetings of the Audit Committee were held on 26.05.2015, 08.08.2015, 05.11.2015 and 06.02.2016. At the invitation of the Company, representatives from CFO, internal auditors, statutory auditors and company Secretary, who is acting as Secretary to the Audit Committee, also attended the Audit Committee meetings to respond to queries raised at the Committee meetings. The attendance of each Audit Committee member is as under:-

| Name Committee Members | Category | No. of Audit Committee Meetings held | No. of Audit Committee Meetings attended |
|--------------------------|----------|--------------------------------------|--|
| Mr. Arun Chakraborty | Chairman | 4 | 4 |
| Mr. Rathindra Nath Ghosh | Member | 4 | 4 |
| Mr. Pradeep Kr. Daga | Member | 4 | 4 |

IV. NOMINATION AND REMUNERATION COMMITTEE

Remuneration to Non-Executive Directors is decided by the Board of Directors as authorized by the Articles of Association of the Company and within the limits set out in Section 197 of the Companies Act, 2013. None of the Non-Executive Directors has paid sitting fee during the financial year 2015-16 for attending meeting of the Board and meeting of various Committees of the Board. The broad terms of reference are as follows:-

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The "Nomination and Remuneration Committee" consists of three Non Executive Independent Directors. The Nomination and Remuneration Committee meetings were held on 25th June, 2015; 8th July, 2015; 15th October, 2015 and 30th January, 2016. The attendance of each Nomination and Remuneration Committee member is as under:

| Name of Committee Members | Category | No. of Nomination and Remuneration Committee Meetings held | No. of Nomination and Remuneration Committee Meetings attended |
|---------------------------|----------|--|--|
| Mr. Arun Chakraborty | Chairman | 4 | 4 |
| Mr. Rathindra Nath Ghosh | Member | 4 | 4 |
| Mr. Sudarson Kayori | Member | 4 | 4 |

Details of remuneration and sitting fees paid to Directors:

Executive Director and KMP

The Company pays remuneration to its Managing Director, Whole Time Director and other Managerial Personals by way of salary (as fixed component) subjected to the overall ceiling as stipulated in the Companies Act, 2013. Given below are the details of Remuneration paid to Executive Director & Key Managerial Personal (KMP) Viz., Managing Director, Company Secretary & CFO :

| Name of Executive Director & KMP | Category | Total Salary paid during April, 2015 to March, 2016 |
|----------------------------------|---|---|
| Mr. Pradeep Kumar Daga | Managing Director | Rs. 4,50,000/- |
| Mr. Tapas Mondal | Whole Time Director & Chief financial Officer (upto 08.07.2015) | Rs. 28,000/- |
| Mr. Anand Kumar Jain | Chief financial Officer (from 17.08.2015) | Rs.54,000/- |
| Mr. Sanjaya Kumar Rout | Company Secretary (upto 06.02.2016) | Rs. 71,450/- |
| Ms. Kiri Sharma | Company Secretary cum Whole Time Director (from 07.02.2016) | Rs. 35,862/- |

Non-Executive Directors

Given below are the details of Sitting fees paid to Non-Executive Directors for the Fin. Year ended 31.03.2016 for attending Board Meetings and various Committee Meetings.

| Name of Committee Members | Category | Sitting Fees Paid |
|---------------------------|-----------------------------------|-------------------|
| Mrs. Vinita Daga | Non-Executive (upto 06.02.2016) | Nil |
| Mr. Utpal Dey | Non-Executive (w.e.f. 08.07.2015) | Nil |
| Mr. Arun Chakraborty | Independent – Non Executive | Nil |
| Mr. Rathindra Nath Ghosh | Independent – Non Executive | Nil |
| Mr. Sudarson Kayori | Independent – Non Executive | Nil |

None of the Independent Directors has any material financial interest in the Company apart from the remuneration received by way of sitting fees received by them during the year.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company had already constituted a Shareholders / Investors Grievances Committee comprising of three directors including two Independent Directors and Managing Director as member of the committee, to consider and resolve the grievances of the share holders of the company including complaints related to transfer of shares, non- receipt of balance sheet, non-receipt of declared dividends. The "Stakeholders' Relationship Committee" meetings were held on 08.07.2015, 15.10.2015 and 06.02.2016. The attendance of each "Stakeholders' Relationship Committee" member is as under:

| Name of Committee Members | Category | No. of Stakeholders' Relationship Committee Meetings held | No. of Stakeholders' Relationship Committee Meetings attended |
|---------------------------|----------|---|---|
| Mr. Arun Chakraborty | Chairman | 3 | 3 |
| Mr. Rathindra Nath Ghosh | Member | 3 | 3 |
| Mr. Pradeep Kr. Daga | Member | 3 | 3 |

The Company Secretary has been designated as the Compliance Officer. There were no investor complaints/queries were received during the year ended 31st March, 2016. There were no share transfers pending for registration for more than 15 days as on the said date.

VI. RISK MANAGEMENT :

The Company's Risk Management Processes ensure that the management controls risks through means of a properly defined framework. The risk is reviewed periodically by the MD and the CFO through an established Risk Assessment framework and also annually by the Board of Directors.

VII. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The provision relation to CSR is not applicable to the company and hence no such committee had been formed.

VIII. SUBSIDIARY COMPANIES

At present the Company does not have any subsidiary company.

IX. DISCLOSURES

- (i) Transactions with related parties as per requirements of Accounting Standard (AS) 18- 'Related Party Information' are disclosed in Note 21(iv) to the Financial Statements.
- (ii) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial Statements.
- (iii) Procedures for assessment of risk and its minimization have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that executive management controls risks through means of a properly defined framework.
- (iv) No money was raised by the Company through public issue, preferential issue, rights issue etc. in the last financial year ended 31.03.2016.
- (v)
 - (a) All pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company have been disclosed in item IV of this report.
 - (b) The Company has one Whole-time Managing Director on the Board whose appointment and remuneration has been fixed by the Board in terms of a resolution passed by the members and has been further review- ed/approved by the Nomination and Remuneration Committee of the Board. The remuneration paid is mentioned in item IV of this report.
 - (c) The number of shares held by each director is mentioned in item II(a) of this report.
- (vi)
 - (a) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of clause 49 of the Listing Agreement with Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) There were no material financial & commercial transactions by Senior Management as defined in Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- (vii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- (viii) The Company has established a vigil mechanism/whistle blower policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud etc. and the same has been disclosed on the website of the Company.

X. COMPLIANCE CERTIFICATE

Compliance Certificate for Corporate Governance from Auditors of the Company is given as **Annexure – 'III'** to this report.

XI. INDEPENDENT DIRECTORS MEETING

Schedule IV of the Companies Act, 2013 and the Rules under it mandate that the independent directors of the company hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. It is recommended that all the independent

directors of the company be present at such meetings. These meetings are expected to review the performance of the non-independent directors and the board as a whole, as well as the performance of the chairman of the Board, taking into account the views of the executive directors and non executive directors, assess the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

Even before the Companies Act, 2013 came into effect, our Board's policy required our independent directors to hold quarterly meetings attended exclusively by the independent directors. At such meetings, the independent directors discuss, among other matters, the performance of the company and risks faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the board, including the chairman.

XII. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XIII. GENERAL BODY MEETINGS

(a) (i) The details of Annual General Meetings held in the last three years are as under:-

| Financial Year | Date | Time | Venue |
|----------------|------------|--------|--|
| 2012-2013 | 29.08.2013 | 3.30PM | 3, Synagogue Street, 2 nd Floor, Kolkata-700001 |
| 2013-2014 | 24.09.2014 | 2.30PM | Community Hall, 10, Debendra Ghosh Road, Gr. Floor, Kolkata-700025 |
| 2014-2015 | 26.09.2015 | 2.00PM | 52, Old Nimta Road, Belgharia, Kolkata-700083 |

(ii) There were no Extra-Ordinary General Meeting held in the last three years:

(b) Whether any special resolutions passed in the previous 3 AGMs/EGMs : Yes, details of which are given hereunder :-

| Date of AGM | Matter of Passing Special Resolution |
|----------------------------------|--|
| 24 th September, 2014 | To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013. |

(c) Whether any special resolution passed last year through postal ballot and details of voting pattern?

During the Financial Year 2015-16 Special Resolution were not passed through Postal Ballot and the special Resolution passed at the last Annual General Meeting of the company were not put through Postal Ballot.

(d) Person who conducted the postal ballot exercise? - Not Applicable.

XIV. RIGHTS OF SHAREHOLDERS :

The Company is committed to facilitate the exercise of shareholders rights for voting on all crucial decisions, by making available voting through electronic means. The shareholders are given an opportunity at the general meetings to ask questions to the Board and the same are replied to by the Managing Director.

Information regarding the general meeting is given to the shareholders in advance and no shareholder has any control disproportionate to their holdings.

The Company has only one class of equity shares. The shareholders have the right to appoint/re-appoint the Directors on the Board. The Company has a framework to avoid Insider trading and abusive self dealing. The Company has adopted the Code of Fair Disclosure Practices for Prevention of Insider Trading and the same has been put up on its website.

The Company respects the rights of its shareholders and provides effective redressed mechanism for violation of their rights, if any. All information is provided on the website of the Company on a timely and regular basis to enable the shareholders to participate in Corporate Governance process. The Company also encourages employee participation in the Corporate Governance process through a strong whistle blower mechanism and conducts regular trainings to ensure employees are aware of the options available to them.

The Company follows all disclosure requirements on all material matters and has a strong Board fully conversant with the requirements of law. The Board fulfils all the key functions as required by it and also does the needful to carry out its other responsibilities.

Company believes that Corporate Governance is a tool to generate long term wealth and create value for all its stakeholders be it shareholders, customers, creditors, employees etc.

XV. MEANS OF COMMUNICATION :

The Company regularly intimates its financial results, audited/limited reviewed, to the Stock Exchanges where the shares of the Company are listed, as soon as the same are taken on record /approved by the Board. During the year these financial results are published in the all India edition of Financial Express & Business Standard (an English daily) and News Bangla & Kalantar, Regional Newspapers in Bengali language respectively. These results are not distributed / sent individually to the shareholders.

The Company is also providing information relating to the material events from time to time to the investors and to the public at large by faxing the information to the Stock Exchanges as and when happened.

In terms of the requirements of Clause 52 of the Listing Agreement with the Stock Exchanges in India, the un-audited financial results as well as audited financial results and Shareholding Pattern and Corporate Governance Compliance and all important information are electronically submitted, unless there are technical difficulties and are displayed on our website i.e. www.mifindia.com.

XVI. GENERAL SHAREHOLDER INFORMATION

(a) ANNUAL GENERAL MEETING :

| | |
|-------------------------------------|---|
| AGM Date, Time and Venue | Friday, the 23rd day of September, 2016 at 11.00 A.M. |
| Financial Calendar | 1st April, 2015 To 31st March, 2016 |
| Date of Book Closure | 17th September, 2016 to 23rd September, 2016 |
| Listing on Stock Exchanges | BSE Limited The Calcutta Stock Exchange Limited |
| Stock Code | 537800 |
| Demat ISIN No. for CDSL and NSDL | INE717C01017 |
| Listing Fee | Paid to the exchanges for the year 2016-2017 |
| Custodial Fees | Paid to the NSDL & CDSL for the year 2016-2017 |
| Registrar and Share Transfer Agents | Niche Technologies Pvt. Ltd. D-511, Bagri Market, 71, B. R. B. Road, 5Th Floor, Kolkata-700001. (W.B.) Tel.: +91 33 2235 7270 / 7271; Fax: +91 33 2215 6823 E-mail: nichetechpl@nichetechpl.com |

(b) LISTING OF SECURITIES:

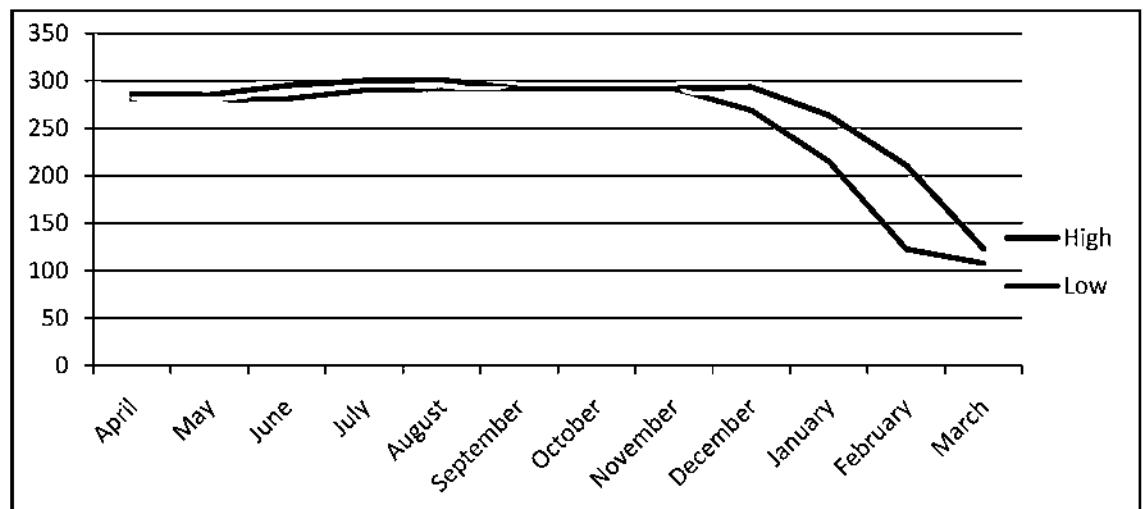
The Equity Shares of your Company are listed on BSE Limited and The Calcutta Stock Exchange Limited. The names and addresses are given below:

| Sr. No | Name and Address of the Stock Exchanges | Scrip code | Date of Listing |
|--------|---|------------|-----------------|
| 1. | BSE Limited (Formerly: Bombay Stock Exchange Limited) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Web: http://www.bseindia.com | 537800 | 18.03.2014 |
| 2. | The Calcutta Stock Exchange Limited. | 023098 | 27.09.1983 |

U.P. Stock Exchange Ltd. has suspended with effect from 02nd June, 2014 due to which the Company automatically get delisted from the U.P. Stock Exchange Ltd.

(c) Market Price Data: High-Low During Each Month In The Last Financial Year (In ₹)

| Month | High | Low |
|-----------------|--------|--------|
| April, 2015 | 285.70 | 280.20 |
| May, 2015 | 284.90 | 280.00 |
| June, 2015 | 294.90 | 280.90 |
| July, 2015 | 300.00 | 290.00 |
| August, 2015 | 300.80 | 291.50 |
| September, 2015 | 291.50 | 291.50 |
| October, 2015 | 291.50 | 291.50 |
| November, 2015 | 291.50 | 291.50 |
| December, 2015 | 293.20 | 268.80 |
| January, 2016 | 263.50 | 215.10 |
| February, 2016 | 210.80 | 122.70 |
| March, 2016 | 122.70 | 107.60 |



The above chart shows the high and low of equity shares during the year 2015-16

(d) DEMATERIALIZATION OF SHARES AND LIQUIDITY

The company has connectivity with both the participants i.e. **National Securities Depository Limited (NSDL)** as well as **Central Depository Services Limited (CDSL)**. The agreement with both the depositories has been signed on 2nd January 2001. The ISIN no. of the company is **INE717C01017**.

The Company's Equity Shares are under Compulsory Demat trading by all categories of investors. As on **31st March, 2016**, 99.95% of the total shares are in dematerialized form.

(e) SHARE TRANSFER SYSTEM

Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. Executives of the Company have been authorised to approve transfers in addition to the Committee.

(f) NOMINATION FACILITY:

Shareholders holding shares in physical form and desirous of submitting / changing nomination in respect of their shareholding in the Company may submit Form SH-13 (in duplicate) as per the provisions of Section 72 of the Companies Act, 2013, to the Company's Registrar and Share Transfer Agent.

(g) BANK DETAILS

Shareholders holding shares in physical form are requested to notify / send the following information to the Registrar and Share Transfer Agent of the Company:

- i. Any change in their address/ mandate/ bank details etc; and
- ii. Particulars of the bank account in which they wish their dividend to be credited (in case the same has not been furnished earlier); and should include the following particulars namely, Bank Name, Branch Name, Account Type, Account Number and MICR Code (9 digits).

(h) DISTRIBUTION OF SHAREHOLDING ON MARCH 31, 2016

The shareholding distribution of equity shares of face value of Rs. 10/- each as at 31st March, 2016 is given below:-

| No. of Equity Shares held From - To | Shareholders | | Shareholding | |
|--|--------------|-----------------|-----------------|-----------------|
| | Nos. | % | Nos. | % |
| 001 - 500 | 564 | 83.4320 | 56814 | 0.0591 |
| 501 - 1000 | 21 | 3.1065 | 16251 | 0.0169 |
| 1001 - 5000 | 14 | 2.0710 | 34821 | 0.0362 |
| 5001 - 10000 | 13 | 1.9231 | 108859 | 0.1132 |
| 10001 - 50000 | 22 | 3.2544 | 478628 | 0.4977 |
| 50001 - 100000 | 5 | 0.7396 | 425735 | 0.4427 |
| 100001 & Above | 37 | 5.4734 | 95043242 | 98.8342 |
| TOTAL | 676 | 100.0000 | 96164350 | 100.0000 |

(i) **SHAREHOLDING PATTERN AS ON MARCH 31, 2016 :**

| Category | No. of equity shares held | Percentage of shareholding |
|---|---------------------------|----------------------------|
| A. Promoter's holding | | |
| 1. Promoters* | | |
| - Indian Promoters | 25519200 | 26.54 |
| - Foreign Promoters | Nil | 0.00 |
| Sub - Total | 2,55,19,200 | 26.54 |
| B. Non – Promoters Holding | | |
| 2. Institutional investors | | |
| - Mutual Funds and UTI | Nil | 0.00 |
| - Banks, Financial Institution, Insurance Companies | Nil | 0.00 |
| - FIIS | Nil | 0.00 |
| Sub - Total | Nil | 0.00 |
| 3. Others | | |
| - Body Corporate | 69231003 | 71.99 |
| - Indian Public | 1395963 | 1.45 |
| - NRI / OCBs | 210 | 0.00 |
| - Any other – Clearing Members | 17974 | 0.02 |
| Sub – Total | 7,06,45,150 | 73.46 |
| Grand Total | 9,61,64,350 | 100.00 |

(j) **ADDRESS FOR CORRESPONDENCE:**

Reg. Office : Subol Dutt Building,
13, Brabourne Road. Kolkata- 700001 (W.B)

Phone : +91 33 2231 5686-5687

Fax : +91 33 22315683

Website : www.miflindia.com

E-mail : info@miflindia.com ; & mifl_1983@yahoo.co.in

(k) **NON-MANDATORY REQUIREMENTS**

- The Board** : An office for the use of the Chairman is made available whenever required.
- Shareholders' Rights** : Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the Company.
- Audit Qualifications** : There are no qualifications in the Auditor's report on the financial statements to the Shareholders of the Company.
- Reporting of Internal Auditor** : Internal Auditors are invited to the meetings of Audit Committee wherein they report directly to the Committee.

(l) **CEO/CFO CERTIFICATION**

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CFO have certified in **Annexure "II"** to the Board about compliance by the Company with the requirements of the said sub clause for the financial year ended 31st March, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is a Non deposit taking Non-Banking Financial Company (“NBFC –ND”) registered under the category of **Loan Company with Reserve Bank of India**. The key areas of Management Discussion and Analysis are given below.

INDUSTRY STRUCTURE AND DEVELOPMENTS

In FY 2015-16, the Indian economy emerged as one of the few large economies with a promising outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and the boost to reforms among others. According to the IMF, India is set to become the world’s fastest-growing major economy by 2017 ahead of China. India is expected to grow at 6.3 percent in 2016, and 6.5 percent in 2017 by when it is likely to cross China’s projected growth rate, according to the IMF said its World Economic Outlook, January 2015. It unveiled a new statistical method to calculate the national income with a broader framework that turned up a pleasant surprise: GDP in FY 2014-15 grew 6.9 percent instead of the earlier 4.7 percent. The easing of interest rate cycle has begun with repo rate being reduced by 50 basis points in 2016 as steep fall in global crude oil prices aided in reducing inflation and shrinking the current account deficit. The current account deficit has narrowed consequent to the fall in trade deficit and increase in invisibles. However, even as the trade deficit has shrunk to 17 months low in February 2016, it was accompanied by deterioration in exports growth.

THE INDIAN NBFC SECTORAL PERFORMANCE REPORT

India started the year on a positive note with a significant improvement in market and business sentiment, following the general elections. Thereafter, the economy was supported by a fall in crude prices. According to the new series, the Indian economy grew by 7.5% in FY2016, compared to 6.9% in FY 2015. The growth was fairly broad based, barring agriculture, mining, trade and transport. Inflation, as measured by Consumer Price Index (CPI), showed a substantial decline and was below 6% for the better part of the year. The disinflationary momentum was also evident in the WPI which averaged 2.1% in FY2015 and has remained in negative territory since November 2015.

The NBFC sector has been gaining systemic importance in the recent years and the share of NBFC has steadily grown from 10.7 percent of banking assets in 2010 to 14.3 percent of banking assets in 2015. NBFCs typically have several advantages over banks due to their focus on niche segment, expertise in the specific asset classes, deeper penetration in the rural and unbanked markets. However, on the flip side, they depend to a large extent on bank borrowings, leading to high cost of borrowings and face competition from banks which have lower cost of funds. rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalization levels and conservative liquidity management continue to provide comfort to the credit profile of NBFCs in spite of the impact on profitability.

The rising importance of NBFCs and their growing interconnectedness with banks as well as issues like risk management framework for the sector, regulatory gaps and arbitrages, compliance and governance issues have led to the RBI making certain regulatory changes. The ‘Revised Regulatory Framework for NBFCs’, released on November 10, 2014, broadly aims at strengthening the structural profile of NBFC sector, wherein focus is more on safeguarding of the depositors money and regulating NBFCs which have increased their asset-size over time and gained systemic importance.

The key changes introduced in the regulatory frameworks are NPA recognition to 90 days overdue from 180 days at present and increased provisioning on standard assets which can impact profitability. However, early adoption of these changes will facilitate disciplined approach in asset monitoring and will intensify collection effort in the early delinquency buckets to reduce NPAs thus minimizing the impact. The increase in disclosure requirement and corporate governance norms will increase transparency and the accountability of management and the Board and also improve investor awareness.

Due to subdued economic growth, the last two years have been a challenging period for the NBFCs with moderation in rate of asset growth and rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalization levels and conservative liquidity management continue to provide comfort to the credit profile of NBFCs in spite of the impact on profitability

COMPANY OVERVIEW

At Mangalam Industrial Finance Limited ('MIFL' or 'the Company'), we strongly believe in building a strong financial community. Our ethos and promise of true financial inclusion in the country makes us one of India's prime NBFCs. We not only provide 'credit' to people but also 'confidence' who do not have access to organized financial services. We believe in providing loans not for consumption, but primarily for income generation. The economic slowdown had a significant bearing on the functioning and profitability of NBFCs in the medium term. But it has been estimated that in the long run there are vast opportunities for NBFCs. Hence, the Company is expecting to improve its performance and profitability in years to come.

BUSINESS OUTLOOK

During FY 2017, your Company intends to grow its loan book, income and profits through the following initiatives :

1. Deepening reach in existing regions;
2. Continuing its key focus on under-penetrated markets and segments Strong asset growth supported by sound risk management framework
3. Accessing low cost and diversified fund sources
4. Optimising operating costs and efficiency through process changes
5. Mobilising debt at attractive rates
6. Transmitting cost efficiency and remaining competitive in pricing of products Improving recovery ratio and containing NPAs
7. Leveraging technology to positively impact the working and customer experience

STRENGTHS :

At MIFL we provide financial services through simple processes and simple procedures in sanction and disbursement of credit as well as timely, friendly and flexible terms of repayment aligned to the unique features of its clientele. Easy and fast appraisal and disbursements make the Company the preferred choice for many of its customers Customer Insight:

CHALLENGES :

Newer regulatory updates pose a constant challenge for smooth operations of the Company. With constant updates governing the functional aspects of financial institutions, there lie unseen challenges in the coming years. Focus on a particular market segment might affect the Company's portfolio & sustainability.

OPPORTUNITIES :

Business opportunities for finance companies are enormous as the new areas and segments are being explored. A larger segment of customers remain un-served by Banks and large sized Finance Companies. Your Company on its part is also well poised to seize new opportunities as they come. A rural middle income boom has led to rise in rural incomes. This has been fuelled by increased support prices and welfare schemes initiated by the government. Per capita Gross Domestic Product has grown faster in India's rural areas than in its urban centers. New opportunities like home equity, personal finance, and a foray into factoring and bill payment for the rural hard-to-reach customer may take the Company to new scales of success.

DEMOGRAPHIC PATTERN AND RISING RURAL PROSPERITY :

India has one of the youngest populations in the world, and this means that there will be a large number of people seeking employment and livelihood. The aspirations in rural India are rising, and opportunities for those wanting to be entrepreneurs are increasing. Rural prosperity is also on the rise, fuelled by increased support prices and welfare schemes initiated by the government. Per capita Gross Domestic Product has grown faster in India's rural areas than in its urban centre's.

MAKE IN INDIA INITIATIVE :

The Government's "Make in India" initiative, which seeks to make India a manufacturing hub, will have a rub-off effect on the key sectors. It seeks to invite the world's top companies to explore investment possibilities in India. The central objective of the initiative is to take the economy to a sustainable high growth path and follow a new model of urbanisation by the creation of various industrial corridors.

NUCLEARISATION :

Nuclearisation refers to formation of nuclear families from joint families and is primarily driven by employment related migration. This will increase the overall number of households, thereby increasing the demand for housing units. The break-up of joint families into formation of nuclear families is largely triggering the need for new homes and benefiting the housing sector.

RISING PER CAPITA INCOME :

Increase in per capita income leads to creation of increasing wealth and positively impacts disposable incomes. This results in a significant investment multiplier effect on the Indian economy, further leading to increasing consumerism and wealth creation and positively impacting savings. Rising per capita income and stability in economic growth have played a role in increasing the pace of urbanization in the country. One of the notable factors behind the growth in the housing industry has been easy availability of finance. Availability of low interest rate finance has increased disbursement of loans among several financial players.

THREATS :

The major threat being faced by finance companies are regulatory changes, interest rates hiked by RBI, high inflation etc. The Company is also facing stiff competition from banks / financial institutions due to their ability to raise low cost funds which enables them to provide funds at much cheaper rate. Higher cost of funds might lead to reduced bottom line for the Company. Also, a lesser interest spread, or higher cost of lending might lead to customers turning away to cheaper source of funds. Asset quality deterioration may not only wipe the profits out of the Company but eat into its net worth. The Company must ensure it maintains minimal delinquency levels.

WEAKNESS :

The Company does not have strong network & link at remote areas of villages. The Company has significant business presence in the state of West Bengal only. The Company does not have all India based network and establishments to reach out to large segment of people in the country in both semi-urban and rural areas whereas more than 90% of the unorganized sector has no link with banks and 60% of the rural consumers do not have bank accounts.

RISKS & CONCERNS

As a NBFC, your Company's growth and profitability are dependent on the functioning of Capital Markets. The Company is exposed to several market risks like credit risk, liquidity risk and interest rate risk. The volatility of the capital markets in which your Company operates is also a major cause of concern to the Company.

Risk is managed by using a set of credit norms and policies, as approved by the Board. MIFL has a structured and standardized process including customer selection criteria, comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.

INTERNAL CONTROL SYSTEM AND ADEQUACY

Internal control systems and procedures in the Company are commensurate with the size and the nature of Company's business and are regularly reviewed and updated by incorporating changes in regulatory provisions in order to safeguard the assets and to ensure reliability of financial reporting.

HUMAN RESOURCES

The Company continues to give priority to its human assets. The Company provides a fair and equitable work environment to all its employees. The Company is continuously working to create and nurture an atmosphere which is highly motivated and result oriented.

FINANCIAL PERFORMANCE

The financial performance of the Company for the year under review is discussed in detail in the Directors Report.

For and on behalf of board of directors

(Pradeep Kumar Daga)
Managing Director
DIN : 00080515

Kolkata, 19th Day of May, 2016

ANNEXURE-I

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,
Mangalam Industrial Finance Limited
Subol Dutt Building, 13, Brabourne Road,
Mezzanine Floor, Kolkata - 700 001

I, Pradeep Kumar Daga (DIN 00080515), Managing Director of the Company, hereby declare that the Board of Directors have laid down a Code of Conduct for the Board Members and Senior Management of the Company and the Board Members and Senior Management have affirmed compliance with the said Code of Conduct.

Place: Kolkata
Date : 19th Day of May, 2016

Pradeep Kumar Daga
Managing Director
DIN :: 00080515

CEO and CFO CERTIFICATION

We have reviewed financial statements and the Cash Flow statement for the financial year 2015-16 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 or Contain statements that might be misleading ;
- ii. These statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. Significant changes in the internal control during the year;
2. Significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For and on behalf of board of directors

Place : Kolkata
Date : 19th Day of May, 2016.

Pradeep Kumar Daga
Managing Director
DIN : 00080515

Anand Kumar Jain
Chief Financial Officer

Maroti & Associates
Chartered Accountants

9/12, Lal Bazar Street, 'E' Block, 3rd Floor
Suite No. 2, Kolkata - 700 001
Tel : +91 33 2231 9392 / 9391
Fax : +91 33 2243 8371
E-Mail : mkmaroti@gmail.com

ANNEXURE-III

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN THE LISTING AGREEMENT

To
The Members of

MANGALAM INDUSTRIAL FINANCE LIMITED

We have examined the Compliance of the Conditions of Corporate Governance by M/s. MANGALAM INDUSTRIAL FINANCE LIMITED (" the Company ") for the year ended on March 31, 2016 as stipulated in clause 49 of the Listing Agreement (" Listing Agreement ") of the Company with the Stock Exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of the Securities And Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as referred to in Regulation 15(2) of Listing Regulations for the period 1st December 2015 to 31st March, 2016 .

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

In our opinion and to the best of our information and according to the explanations given to us, we confirm that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

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

For MAROTI & ASSOCIATES
Chartered Accountants

FCA.M.K.MAROTI
(Partner)

(Membership No. 057073)

(Firm Registration No. 322770E)

Place : Kolkata

Date : 19th Day of May, 2016

Maroti & Associates
Chartered Accountants

9/12, Lal Bazar Street, 'E' Block, 3rd Floor
Suite No. 2, Kolkata - 700 001
Tel : +91 33 2231 9392 / 9391
Fax : +91 33 2243 8371
E-Mail : mkmaroti@gmail.com

To

The Board of Directors,
M/s. MANGALAM INDUSTRIAL FINANCE LIMITED

As required under Non Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008 and on the basis of information and explanation given to us, We report that:

3A)

1. The Company is engaged in the Business of Non Banking Financial Institution and it has obtained a certificate of Registration from the Reserve Bank of India.
2. On the basis of Balance Sheet & Profit & Loss account for the year ended 31.03.2016 in my opinion the Company is entitled to continue to hold such certificate of Registration in terms of its asset / income pattern.
3. On the basis of Balance Sheet & Profit & Loss account for the year ended 31.03.2016 in my opinion the Company may be classified as **INVESTMENT / LOAN COMPANY**.

3C)

1. The Board of Directors has passed a resolution for Non Acceptance of any Public Deposits.
2. The Company has not accepted any deposit from the public during the year ended 31ST March, 2016.
3. The Company has complied with the prudential Norm relating to the Income Recognition, Accounting Standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non Banking Financial (Non Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions – 2007.
4. The Company is not a systematically Important Company as defined in Paragraph 2(1)(XIX) of the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For MAROTI & ASSOCIATES
Chartered Accountants

FCA. M.K.MAROTI
(Partner)

(Membership No. 057073)
(Firm Registration No. 322770E)

Place : Kolkata
Date : 19th Day of May, 2016

Maroti & Associates

Chartered Accountants

9/12, Lal Bazar Street, 'E' Block, 3rd Floor

Suite No. 2, Kolkata - 700 001

Tel : +91 33 2231 9392 / 9391

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E-Mail : mkmaroti@gmail.com

INDEPENDENT AUDITORS' REPORT

To the Members of

MANGALAM INDUSTRIAL FINANCE LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **MANGALAM INDUSTRIAL FINANCE LIMITED** ('the Company'), which comprise the balance sheet as at 31st March 2016, the Statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements 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 statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidences about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its **PROFIT** and its cash flows for the year ended on that date.

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 sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of accounts;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2016 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"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. However the Company does not have any ongoing long-term contracts including derivative contracts as on the Balance sheet date.
 - c. There are no such amounts appearing in the books which are required to be transferred to the Investor Education and Protection Fund by the Company.

For MAROTI & ASSOCIATES
Chartered Accountants

FCA. M.K.MAROTI
(Partner)

(Membership No. 057073)
(Firm Registration No. 322770E)

Place : Kolkata

Date : 19th Day of May, 2016

Maroti & Associates

Chartered Accountants

9/12, Lal Bazar Street, 'E' Block, 3rd Floor

Suite No. 2, Kolkata - 700 001

Tel : +91 33 2231 9392 / 9391

Fax : +91 33 2243 8371

E-Mail : mkmaroti@gmail.com

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of the Company. Accordingly, this clause is not applicable.
2. The Company is a Non Banking Finance Company thus, paragraph 3(ii) of the Order is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, this clause is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has not given any guarantee(s) or provided any security for loan taken by third party.
5. The Company has not accepted any deposits from the public. Accordingly, the Directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the company for the year under audit.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act. Accordingly, this clause is not applicable.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including, income-tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

As explained to us, the Company did not have any dues on account of provident fund, employees' state insurance, sales tax, value added tax, duty of customs, service tax, and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess

and other material statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is a Non Banking Finance Company and is registered under section 45-IA of the Reserve Bank of India Act 1934.

For MAROTI & ASSOCIATES
Chartered Accountants

FCA. M.K.MAROTI
Partner
M. No. 057073
Firm Reg. No: 322770E

Place : Kolkata

Date : 19th Day of May, 2016

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MANGALAM INDUSTRIAL FINANCE LIMITED** ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained are 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 authorizations 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 31st March 2016, 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 MAROTI & ASSOCIATES
Chartered Accountants

(FCA.M. K. MAROTI)
Partner

M. No. 057073
Firm Reg. No: 322770E

Place : Kolkata

Date : 19th Day of May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

| Particulars | Note No | 31st March, 2016 | 31st March, 2015 |
|-------------------------------------|---------|--------------------|--------------------|
| | | Rs. | Rs. |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 96,16,43,500 | 961,643,500 |
| (b) Reserve & Surplus | 3 | 161,258 | (1,481,008) |
| (2) Non Current Liabilities | | | |
| (a) Deferred Tax Liability (Net) | 4 | 55 | - |
| (3) Current Liabilities | | | |
| (a) Other current liabilities | 5 | 136,953 | 357,928 |
| (b) Short-term provisions | 6 | 1,773,292 | 318,288 |
| TOTAL | | 963,715,058 | 960,838,707 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed Assets - Tangible | 7 | 5,445 | 14,780 |
| (b) Non-current investments | 8 | 691,366,600 | 924,667,775 |
| (c) Deferred Tax Asset | 4 | - | 91,464 |
| (d) Long Term Loans and Advances | 9 | 32,515,540 | - |
| (2) Current assets | | | |
| (a) Inventories | | 2,924,075 | - |
| (a) Cash and cash equivalents | 10 | 5,194,319 | 5,497,679 |
| (b) Short-term loans and advances | 11 | 229,961,654 | 29,958,632 |
| (c) Other current assets | 12 | 1,747,425 | 608,377 |
| TOTAL | | 963,715,058 | 960,838,707 |

Significant Accounting Policies

1

For and behalf of the Board

Other Notes On Accounts

21

In terms of our report of even date

FOR MAROTI & ASSOCIATES

Firm Reg No : 322770E

(Chartered Accountants)

Pradeep Kumar Daga

Managing Director

(DIN : 00080515)

(FCA. M. K. MAROTI)

(Partner)

Membership No : 057073

Anand Kumar Jain

Chief Financial Officer

Place : Kolkata

Date : 19th Day of May, 2016**Kirti Sharma**

Company Secretary cum W.T.D.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2016

| PARTICULARS | | Note No | 31ST MARCH, 2016 | 31ST MARCH, 2015 |
|-------------|---|---------|-------------------|------------------|
| | | | Rs. | Rs. |
| I | REVENUE FROM OPERATIONS | 13 | 20,657,168 | 2,021,970 |
| II | OTHER INCOME | 14 | 20,227 | 1,876 |
| III | TOTAL REVENUE (I + II) | | 20,677,395 | 2,023,846 |
| IV | EXPENSES | | | |
| | Purchase of Stock in trade | | 13,846,897 | - |
| | Change in inventory level | 15 | (1,898,138) | - |
| | Employee Benefit Expenses | 16 | 975,312 | 617,000 |
| | Depreciation and Amortization Expense | 17 | 9,335 | 25,341 |
| | Other Expenses | 18 | 4,334,970 | 803,569 |
| | Financial Cost | 19 | - | 395 |
| | TOTAL EXPENSES | | 17,268,376 | 1,446,305 |
| V | Profit Before Exceptional Items | | 3,409,019 | 577,542 |
| | Less: Exceptional Items | | - | - |
| VI | Profit Before Tax | | 3,409,019 | 577,542 |
| VII | TAX EXPENSES | | | |
| a | Current Tax | | (852,649) | (110,050) |
| b | Mat Tax Credit | | (110,050) | 110,050 |
| c | Deferred Tax | | (91,519) | 9,840 |
| VIII | PROFIT / (LOSS) FOR THE PERIOD | | 2,354,801 | 587,382 |
| IX | Earning Per Equity Share | | | |
| a | Basic | 20 | 0.024 | 0.006 |
| b | Diluted | 20 | 0.024 | 0.006 |

SIGNIFICANT ACCOUNTING POLICIES

1

For and behalf of the Board

OTHER NOTES ON ACCOUNTS

21

In terms of our report of even date
FOR MAROTI & ASSOCIATES
Firm Reg No : 322770E
 (Chartered Accountants)

Pradeep Kumar Daga
 Managing Director
 (DIN : 00080515)

(FCA. M. K. MAROTI)
 (Partner)
 Membership No : 057073

Anand Kumar Jain
 Chief Financial Officer

Place : Kolkata
 Date : 19th Day of May, 2016

Kirti Sharma
 Company Secretary cum W.T.D

NOTE - 1

Significant Accounting Policies :

01 ACCOUNTING CONVENTIONS

The Financial Statements are prepared on Historical Cost Convention. Financial Statements are prepared in accordance with relevant presentational requirements of the Companies Act, 2013 and applicable mandatory Accounting Standards as prescribed under section 133 of Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

02 INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other Investments are classified as Non Current Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Non Current Investments are considered 'at cost' on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

03 INVENTORIES

Quoted Shares: valued at cost or market price whichever is lower
Unquoted Shares: valued at cost or at Book Value, whichever is less.

04 RECOGNITION OF INCOME & EXPENDITURE

Income & Expenditures are accounted for on accrual basis, except dividend those are accounted for on Receipt Basis.

05 TAXES ON INCOME

Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognised, subject to consideration of prudence, in respect of deferred tax assets / liabilities on timing difference, being the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

06 CONTINGENCIES :

These are disclosed by way of notes on the Balance sheet . Provisions is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end , till the finalization of accounts and material effect on the position stated in the Balance Sheet.

07 PROVISIONING FOR STANDARD ASSETS :

The Reserve Bank of India vide Notification No. DNBR (PD) CC.No.002/03.10.001/2014-15 Dated NOVEMBER 10, 2014 has issued direction to all NBFCs to make provision of 0.30% on STANDARD ASSETS with immediate effect. Accordingly the Company has made provision @ 0.30% on Standard Assets in accordance therewith.

08 PROVISIONING FOR DEFERRED TAXES :

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

Deferred Tax resulting from “ timings difference ” between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date . The Deferred Tax Asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future .

09 EARNING PER SHARE

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

10 FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

11 DEPRECIATION ON FIXED ASSETS

Depreciation on Fixed Assets has been provided based on useful life assigned to each asset prescribed in accordance with Part - "C" of Schedule-II of the Companies Act, 2013.

Depreciation on fixed assets added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / disposal.

12 IMPAIRMENT OF ASSETS

I. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

II. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**NOTE FORMING PART OF THE BALANCE SHEET AS AT
& STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

| | 31ST MARCH, 2016 | 31ST MARCH, 2015 |
|---|---------------------|---------------------|
| | Rs. | Rs. |
| NOTE - 2 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 9,61,70,000 Equity Shares of Rs.10/- each | 961,700,000 | 961,700,000 |
| Issued, Subscribed & Paid up | | |
| 9,61,64,350 Equity Shares of Rs.10/- each | 961,643,500 | 961,643,500 |
| | 961,643,500 | 961,643,500 |

A. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

| | 31ST MARCH, 2016 | | 31ST MARCH, 2015 | |
|---|------------------|-------------|------------------|-------------|
| | Nos | Amount | Nos | Amount |
| Shares outstanding at the beginning of the year | 96,164,350 | 961,643,500 | 96,164,350 | 961,643,500 |
| Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 96,164,350 | 961,643,500 | 96,164,350 | 961,643,500 |

B. TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity share having par value of Rs. 10/- per share. Each holder of Equity share is entitled to one vote per share

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The Distribution will be in proportion to the number of equity share held by the shareholders

C. Details of shareholders holding more than 5% shares of the Company

| NAME OF THE SHAREHOLDER (EQUITY SHARES OF RS 10/ EACH FULLY PAID UP) | 31ST MARCH, 2016 | | 31ST MARCH, 2015 | |
|---|------------------|-------|------------------|-------|
| | Nos | % | Nos | % |
| ROSEMOUNT MARKETING PVT. LTD. | - | - | 9,650,750 | 10.04 |
| APURVA DISTRIBUTORS PVT. LTD. | - | - | 7,833,250 | 8.15 |
| REALITY COMMDEAL PVT. LTD. | - | - | 7,566,000 | 7.87 |
| RESPONSE COMMODITIES LIMITED | 25,050,000 | 26.05 | - | - |
| GUIDE DEALCOM LLP | 5,712,100 | 5.94 | 6,376,500 | 6.63 |
| KIRTI COMMOTRADE PVT. LTD. | 6,295,250 | 6.55 | 6,295,250 | 6.55 |
| NILANCHIAL DEALCOMM PVT. LTD. | 5,904,625 | 6.14 | 5,904,625 | 6.14 |
| GOODVIEW OVERSEAS PVT. LTD. | 5,872,000 | 6.11 | 5,872,000 | 6.11 |
| SUPARAS IMPEX PVT. LTD. | 4,821,827 | 5.01 | 4,951,250 | 5.15 |
| ALERT COMMDEAL PVT. LTD. | - | - | 4,950,000 | 5.15 |

As per the records of the Company, including its Register of Members and other declarations received from the shareholders regarding beneficial interest, the above shareholders represents legal ownership of shares

D. SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Out of the above 9,49,45,000 (PY : 9,49,45,000) equity shares have been issued for consideration other than cash.

**NOTE FORMING PART OF THE BALANCE SHEET AS AT
& STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

| | 31ST MARCH, 2016 | 31ST MARCH, 2015 |
|--|---------------------|---------------------|
| | Rs. | Rs. |
| NOTE - 3 | | |
| <u>RESERVES & SURPLUS</u> | | |
| Capital Reserve | | |
| OP. Balance | 370,630 | 370,630 |
| A | 370,630 | 370,630 |
| Amalgamation Reserve | | |
| OP. Balance | 1,050,000 | 1,050,000 |
| B | 1,050,000 | 1,050,000 |
| Reserve Fund | | |
| OP. Balance | 108,749 | 108,749 |
| C | 108,749 | 108,749 |
| Special Reserve | | |
| OP. Balance | 221,420 | 103,944 |
| Add : Created During the year | 470,960 | 117,476 |
| D | 692,380 | 221,420 |
| Profit & Loss Account | | |
| OP. Balance | (3,231,807) | (3,670,579) |
| Add: Additions during the year | 2,354,801 | 587,382 |
| Less : Contingency provision for standard Assets | (712,535) | (29,345) |
| Less : Depreciation Adjustments as per Companies Act 2013 (Net of Deferred Tax Assets of Rs. 800) | - | (1,789) |
| Less : Transfer to Reserve Fund | (470,960) | (117,476) |
| E | (2,060,501) | (3,231,807) |
| TOTAL (A+B+C+D+E) | 161,258 | (1,481,008) |
| NOTE - 4 | | |
| <u>DEFERRED TAX ASSETS (NET)</u> | | |
| <u>DEFERRED TAX ASSETS</u> | | |
| Op. Balance | 91,961 | 83,847 |
| Add : Generated | - | 8,114 |
| Less: Reversed | 91,961 | - |
| Cl . Balance | - | 91,961 |
| <u>DEFERRED TAX LIABILITIES</u> | | |
| Op. Balance | 497 | 3,023 |
| Add : Generated | - | - |
| Less: Reversed | 442 | 2,526 |
| Cl . Balance | 55 | 497 |
| NET BALANCE | (55) | 91,464 |

NOTE - 5**OTHER CURRENT LIABILITIES**

| | | |
|--------------------------|----------------|----------------|
| Professional Tax Payable | 1,145 | - |
| TDS Payable | 7,183 | - |
| Liabilities For Expenses | 128,625 | 357,928 |
| | 136,953 | 357,928 |

NOTE - 6**SHORT TERM PROVISION**

| | | |
|---|------------------|----------------|
| Provision for Taxation | 985,860 | 243,391 |
| Contingency Provision for Standard Assets | 787,432 | 74,897 |
| | 1,773,292 | 318,288 |

NOTE - 7 FIXED SSETS

| Description | Gross Block | | | Depreciation | | | Net Block | | |
|------------------------|-------------------|----------|----------|-------------------|------------------|-----------------|------------------|-------------------|-------------------|
| | As on 01.04.15 | Addition | Deletion | As on 31.03.16 | Upto 31.03.15 | For the year | Upto 31.03.16 | As on 31.03.16 | As on 31.03.15 |
| Tangible Assets | | | | | | | | | |
| COMPUTER | 47,040 | - | - | 47,040 | 32,260 | 9,335 | 41,595 | 5,445 | 14,780 |
| Total | 47,040 | - | - | 47,040 | 32,260 | 9,335 | 41,595 | 5,445 | 14,780 |
| Previous Year | 47,040 | - | - | 47,040 | 4,330 | 27,930 | 32,260 | 14,780 | - |

NOTE - 8**NON CURRENT INVESTMENTS****(Long Term, Non Trade, Valued at Cost)**

| Particulars | Face Value | Figures as at the end of current reporting period | | Face Value | Figures as at the end of the previous reporting period | |
|--|------------|---|--------------------|------------|--|--------------------|
| | | NO. OF SHARES | AMOUNT | | NO. OF SHARES | AMOUNT |
| QUOTED SHARES : | | | | | | |
| STATE BANK OF INDIA | 1 | - | - | | 1,500 | 449,725 |
| TATA MOTORS LTD. | 2 | - | - | | 1,000 | 576,212 |
| TOTAL, | | | | | 2,500 | 1,025,937 |
| In Others | | | | | | |
| AGARWAL TREXIM PVT. LTD. | 10 | - | - | 10 | 156,400 | 62,560,000 |
| BRG IRON & STEEL CO.PVT.LTD. | 10 | 2,000,000 | 30,000,000 | 10 | 2,000,000 | 30,075,000 |
| BIVOLTINE MERCANTILES PVT. LTD. | 10 | - | - | 10 | 25,000 | 10,025,000 |
| CHETANI VINEEYOG PVT LTD | 10 | 45,000 | 18,000,000 | 10 | 250,700 | 100,280,000 |
| DOMINANT SALES & SERVICES P. LTD. | 10 | - | - | 10 | 14,300 | 5,734,300 |
| INTEGRATED EQUIP.& INFRA SER. (P) LTD. | 10 | 1,225,000 | 24,500,000 | 10 | 1,225,000 | 24,561,250 |
| KEYSTAR REALTORS P. LTD | 10 | - | - | 10 | 80,000 | 40,100,000 |
| NORTHSTAR DEALCOMM PVT. LTD. | 10 | - | - | 10 | 11,750 | 5,889,688 |
| PRIYANKA TREXIM & COMMERCE P.LTD | 10 | 158,400 | 63,366,600 | 10 | 158,400 | 63,366,600 |
| ROPLAS COMMOTRADERS PVT LTD | 10 | - | - | 10 | 63,875 | 25,550,000 |
| RABIRUN VINIMAY PVT. LTD. | 10 | 13,887,500 | 555,500,000 | 10 | 13,887,500 | 555,500,000 |
| TOTAL, | | 17,315,900 | 691,366,600 | | 17,872,925 | 923,641,838 |
| GRAND TOTAL : | | 17,315,900 | 691,366,600 | | 17,875,425 | 924,667,775 |
| MARKET VALUE OF QUOTED SHARES : | | - | | | | 944,630 |
| BOOK VALUE OF QUOTED SHARES : | | - | | | | 1,025,937 |

| Particulars | 31ST MARCH, 2016 | 31ST MARCH, 2015 |
|--|---------------------|---------------------|
| | Rs. | Rs. |
| <u>NOTE - 9</u> | | |
| <u>LONG TERM LOANS & ADVANCES</u> | | |
| (Unsecured, Considered good) | | |
| Loans to Corporate | 26,479,800 | - |
| Loans to Others | 6,035,740 | - |
| | 32,515,540 | - |
| <u>NOTE - 10</u> | | |
| <u>CASH & CASH EQUIVALENTS</u> | | |
| Cash in hand (As certified) | 175,830 | 41,990 |
| Balances with Schedule Bank in Current Account | 5,018,489 | 5,455,689 |
| | 5,194,319 | 5,497,679 |
| <u>NOTE - 11</u> | | |
| <u>SHORT TERM LOANS & ADVANCES</u> | | |
| (Unsecured, Considered good) | | |
| Loans to Corporate | 152,473,351 | 20,823,632 |
| Loans to Others | 77,488,303 | 9,135,000 |
| | 229,961,654 | 29,958,632 |
| <u>NOTE - 12</u> | | |
| <u>OTHER CURRENT ASSETS</u> | | |
| T.D.S. | 1,747,425 | 498,327 |
| MAT Credit Entitlement | - | 110,050 |
| | 1,747,425 | 608,377 |
| <u>NOTE - 13</u> | | |
| <u>REVENUE FROM OPERATIONS</u> | | |
| Sale of shares | 3,313,651 | - |
| Interest | 17,343,517 | 2,021,970 |
| | 20,657,168 | 2,021,970 |
| <u>NOTE - 14</u> | | |
| <u>OTHER INCOME</u> | | |
| Dividend Income | 5,250 | - |
| Interest on IT Refund | 14,977 | 1,876 |
| | 20,227 | 1,876 |
| <u>NOTE-15</u> | | |
| <u>CHANGE IN INVENTORY LEVEL</u> | | |
| Closing Stock | 2,924,075 | 1,025,937 |
| Opening Stock | 1,025,937 | - |
| | (1,898,138) | 1,025,937 |
| <u>NOTE - 16</u> | | |
| <u>EMPLOYEE BENEFIT EXPENSES</u> | | |
| Salary & Bonus | 525,312 | 455,000 |
| Directors Remuneration | 450,000 | 162,000 |
| | 975,312 | 617,000 |
| <u>NOTE - 17</u> | | |
| <u>DEPRECIATION & AMORTIASATION</u> | | |
| Deprcciation | 9,335 | 25,341 |
| | 9,335 | 25,341 |

| Particulars | 31ST MARCH, 2016 | 31ST MARCH, 2015 |
|--|---------------------|---------------------|
| | Rs. | Rs. |
| NOTE - 18 | | |
| OTHER EXPENSES | | |
| Advertisement Expenses | 71,393 | 80,997 |
| Payment To Auditors | | |
| As Audit Fees | 28,625 | 28,090 |
| For Certification & Other matters | - | - |
| Bank Charges | 2,224 | 1,017 |
| Commission paid | 700,000 | - |
| Certification Fees | 10,000 | 10,000 |
| Data entry charges | - | 18,000 |
| Demat Expenses | 868 | 696 |
| Depository Expenses | 1,66,132 | 112,360 |
| E-Voting Processing Fees | 6,840 | 5,618 |
| Interest on TDS | 2,563 | - |
| Internal Audit Fees | 5,000 | 3,000 |
| Interest on professional tax | 102 | - |
| Filing Fees | 22,200 | 16,800 |
| General Expenses | 16,536 | 17,506 |
| Loss on F&O | 2,629,901 | - |
| Short Term Capital Loss on Equity | 37,019 | - |
| Professional Fees & Consultancy charges | 1,17,048 | 30,000 |
| Listing Fees | 3,57,064 | 339,818 |
| Meeting Expenses | 15,425 | 20,530 |
| Postage & Telegram | 23,221 | 26,264 |
| Printing & Stationery | 71,841 | 55,152 |
| Rates & Taxes | 4,720 | 4,400 |
| Secretarial Audit Fees | 15,000 | 15,000 |
| Travelling & Conveyance | 9,594 | - |
| Transfer Agent Fees | 16,410 | 13,826 |
| Website expenses | 5,244 | 4,495 |
| | 4,334,970 | 803,569 |
| NOTE - 19 | | |
| FINANCIAL COST | | |
| Interest Paid on unsecured Loans | - | 395 |
| | - | 395 |
| NOTE - 20 | | |
| EARNING PER SHARE | | |
| Net Profit after tax as per Statement of Profit and Loss (A) | 2,354,801 | 587,382 |
| weighted Average number of equity shares outstanding (B) | 96,164,350 | 96,164,350 |
| Basic and Diluted Earnings per share (Rs.) | 0.024 | 0.006 |
| Face value per equity share (Rs.) | 10 | 10 |

NOTE-21 OTHER NOTES ON ACCOUNTS

i Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provision/payments have been made by the Company to such creditors, if any, and no disclosures thereof are made in these accounts.

ii Balance of Loans & Advances at the end of the year are subject to confirmation by the respective parties.

iii Segment Report :

The Company is engaged in the business of Non-Banking Financial Services and there are no separate reportable segments as per Accounting Standard 17.

iv Related Party Disclosure :

As per accounting standard 18 the information for related parties is given below:

Name of the related parties

ASSOCIATES - None
SUBSIDIARIES/WHOLLY OWNED SUBSIDIARIES - None

KEY MANAGEMENT PERSONNEL (KMP)

1. Pradeep Kumar Daga : Managing Director
2. Kirti Sharma (from 16/02/2016) : Whole Time Director
3. Anand Kumar Jain (from 17/08/2015) : Chief Financial Officer
4. Kirti Sharma (from 07/02/2016) : Company Secretary
5. Tapas Mondal (resign on 08/07/2015) : Chief Financial Officer
6. Sanjaya Kumar Rout (resign on 06/02/2016) : Company Secretary
7. Tapas Mondal (resign on 08/07/2015) : Whole Time Director
8. Vinita Daga (resign on 06/02/2016) : Director (wife of Pradeep Kumar Daga)

ENTERPRISE IN WHICH KMP AND THEIR RELATIVES HAS SUBSTANTIAL INTEREST - None

RELATED PARTY TRANSACTION

| Sl. No. | Nature of Transaction | Relation | 31/03/2016 (Rs) | 31/03/2015 (Rs) |
|-------------------------------|-----------------------|-------------------------|-----------------|-----------------|
| Directors Remuneration | | | | |
| 1 | Ramesh Chandra Daga | Managing Director | - | 48,000 |
| 2 | Vinita Daga | Managing Director | - | 32,000 |
| 3 | Pradeep Kumar Daga | Managing Director | 4,50,000 | 40,000 |
| Salary | | | | |
| 1 | Tapas Mondal | Chief Financial Officer | 28,000 | 42,000 |
| 2 | Anand Kumar Jain | Chief Financial Officer | 54,000 | - |
| 3 | Kirti Sharma | Company Secretary | 35,862 | - |
| 4 | Sanjaya Kumar Rout | Company Secretary | 71,450 | 60,000 |

- v The Company has Complied this information based on the current information in its possession as at 31.03.2016, No supplier has intimated the Company about its status as a Micro or Small enterprise or its Registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006
Amount due to Micro Small and Medium Enterprises as on 31.03.2016 Rs. NIL (P.Y. Rs. NIL)
- vi **Deferred Taxation :**
In the opinion of the management, the Company has provided the provisions for deferred tax assets on account of carry forward losses as well as on the timing differences for the period in which there is virtual certainty of sufficient future income for realisation in future years, in accordance with AS-22 " Accounting For Taxes On Income " issued by the Institute of Chartered Accountants of India.
- vii The Company has availed MAT credit entitlement amounting to Rs. 110050.
- viii The Financial Statement and Notes on Account has been prepared as per Companies Act, 2013 with their Schedule as the same is effective from 1st April, 2014.
- ix Provision for taxation on Income for the year has been made under section 115JB of the income tax act, being Minimum alternate tax higher than tax calculated on income under normal computation as per income tax act. Accordingly the statement of profit and loss has been credited minimum alternate tax credit receivable has been debited with similar amount.
- x The company has transferred as on 26.05.2015, the following investments held by it as Non Current Investments to stock in trade.
1. STATE BANK OF INDIA 1500 Shares
2. TATA MOTORS 1000 Shares
- xi The company has booked all losses arising from Futures & Options transactions marking them mark to market. As on 31.03.2016, there are no outstanding contracts.
- xii The management has assessed that there is no impairment of Fixed assets requiring provisions in the accounts. Accordingly, there is no debit to the Profit & Loss Account for the impairment of assets.
- xiii No Provision has been made on account of gratuity as none of the employees have put in completed years of Service as required by the Payment of Gratuity Act.
- xiv No provision has been made on account of leave salary as there are no leave to the credit of employees as at the end of the year.
- xv Previous Year figures have been regrouped, rearranged or recasted wherever considered necessary.
- xvi Informations required to be furnished under paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 is annexed separately.
- xvii No provision has been made for fall in the market value of investment as the said fall is of temporary in nature.

For and behalf of the Board

In terms of our report of even date
FOR MAROTI & ASSOCIATES
Firm Reg. No : 322770E
(Chartered Accountants)

Pradeep Kumar Daga
Managing Director
(DIN : 00080515)

(FCA. M. K. MAROTI)
(Partner)
Membership No : 057073
Place : Kolkata
Date : 19th Day of May, 2016

Anand Kumar Jain
Chief Financial Officer

Kirti Sharma
Company Secretary cum W.T.D.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

| | | <u>31.03.2016</u> | | <u>31.03.2015</u> | |
|-----------|--|-------------------|----------------------|-------------------|---------------------|
| 1. | CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| | Net Profit/(Loss) before Tax (a) | | 3,409,019 | | 577,542 |
| | Add : | | | | |
| | Depreciation | 9,335 | | 25,341 | |
| | Sub Total - (b) | | 9,335 | | 25,341 |
| | Operating Profit before Working Capital Changes (a)+(b) | | 3,418,354 | | 602,883 |
| | Adjustments | | | | |
| | Decrease/(Increase) in Inventories | (2,924,075) | | - | |
| | Decrease/(Increase) in Loans & Advances | (232,518,562) | | 42,762,331 | |
| | Increase / (Decrease) in Current Liabilities | (220,975) | | 324,192 | |
| | Increase / (Decrease) in Short Term Borrowings | - | | (124,305) | |
| | Adjustments for I.T & Provisions | (1,359,278) | | (186,573) | |
| | Sub Total - (c) | | (237,022,890) | | 42,775,645 |
| | Net Cash from Operating Activities (a+b+c) A | | (233,604,536) | | 43,378,527 |
| 2. | CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| | Purchase of Fixed Assets | - | | - | |
| | (Increase)/ Decrease in Investments | 233,301,175 | | (40,357,775) | |
| | Net Cash from Investing Activities B | | 233,301,175 | | (40,357,775) |
| 3. | CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| | Increase in Capital | - | | - | |
| | Net Cash from Financing Activities C | | - | | - |
| | Net Increase in Cash/Cash Equivalent (A+B+C) | | (303,361) | | 3,020,752 |
| | Cash/Cash Equivalents (Opening) | | 5,497,679 | | 2,476,927 |
| | Cash/Cash Equivalents (Closing) | | 5,194,319 | | 5,497,679 |

Note :

- 1 The above cash flow statement has been prepared under the indirect Method as set out in the Accounting Standard-3 on Cash Flow Statements

2 Cash & Cash Equivalents Comprise

Cash in Hand
Balance With Schedule Banks in current Account

| | <u>31-03-2016</u> | <u>31-03-2015</u> |
|--|-------------------|-------------------|
| Cash in Hand | 175,830 | 41,990 |
| Balance With Schedule Banks in current Account | 5,018,489 | 5,455,689 |
| | 5,194,319 | 5,497,679 |

For and on behalf of the Board

In terms of our report of even date
**For MAROTI &
ASSOCIATES
(CHARTERED ACCOUNTANTS)**

Anand Kumar Jain
CFO

Pradeep Kumar Daga
Managing Director

Kirti Sharma
Company Secretary

FCA. M. K. Maroti
(Partner)
M. No. 057073
Firm Reg. No : 322770E

Place : Kolkata

Date : 19th Day of May, 2016

ANNEXURE REFERRED TO IN NOTE NO 21(xvi) TO ACCOUNTS**ANNEXED AS PER RESERVE BANK OF INDIA PRUDENTIAL NORMS AS ON 31.03.2016****AS REQUIRED IN TERMS OF PARAGRAPH 13 OF A NON BANKING FINANCIAL (NON DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007**

Particulars

(₹ in lacs)

Liabilities Side :

| | | <u>Amount</u> <u>outstanding</u> | <u>Amount</u> <u>overdue</u> |
|----------------------|--|-------------------------------------|-------------------------------------|
| 1. | Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid | | |
| a) | Debentures : Secured | Nil | Nil |
| | Unsecured (Other than falling within the meaning of public deposits) | Nil | Nil |
| b) | Deferred Credits | Nil | Nil |
| c) | Term Loans | Nil | Nil |
| d) | Inter - Corporate Loans and borrowings | Nil | Nil |
| e) | Commercial Paper | Nil | Nil |
| f) | Public Deposits | Nil | Nil |
| g) | Other Loans (specify nature) Please see Note 1 below | Nil | Nil |
| Assets Side : | | | |
| 2. | Break-up of Loans and Advances including bills receivables other than those included in (4) below: | | Amount outstanding |
| a) | Secured | | Nil |
| b) | Unsecured | | 2624.77 |
| 3. | Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities | | Amount |
| i) | Lease Assets including lease rentals under sundry debtors | | |
| | (a) Financial Lease | | Nil |
| | (b) Operating Lease | | Nil |
| ii) | Stock on hire including hire charges under sundry debtors | | |
| | (a) Assets on hire | | Nil |
| | (b) Repossessed Assets | | Nil |
| iii) | Hypothecation loans counting towards EL/HP activities | | |
| | (a) Loans where assets have been repossessed | | Nil |
| | (b) Loans other than (a) above. | | Nil |

| 4. Break-up of Investments : | | | | Amount |
|--------------------------------------|----------------------------|--|--|---------|
| Current Investments (Stock in trade) | | | | |
| 1. | Quoted : | | | |
| | i) Shares : a) Equity | | | 29.24 |
| | b) Preference | | | Nil |
| | ii) Debentures and Bonds | | | Nil |
| | iii) Units of Mutual Funds | | | Nil |
| | iv) Government Securities | | | Nil |
| | v) Others (Please specify) | | | Nil |
| 2. | Unquoted : | | | |
| | i) Shares : a) Equity | | | Nil |
| | b) Preference | | | Nil |
| | ii) Debentures and Bonds | | | Nil |
| | iii) Units of Mutual Funds | | | Nil |
| | iv) Government Securities | | | Nil |
| | v) Others (Please specify) | | | Nil |
| Long Term Investments | | | | |
| 1. | Quoted : | | | |
| | i) Shares : a) Equity | | | Nil |
| | b) Preference | | | Nil |
| | ii) Debentures and Bonds | | | Nil |
| | iii) Units of Mutual Funds | | | Nil |
| | iv) Government Securities | | | Nil |
| | v) Others (Please specify) | | | Nil |
| 2. | Unquoted : | | | |
| | i) Shares : a) Equity | | | 6913.67 |
| | b) Preference | | | Nil |
| | ii) Debentures and Bonds | | | Nil |
| | iii) Units of Mutual Funds | | | Nil |
| | iv) Government Securities | | | Nil |
| | v) Others (Please specify) | | | Nil |

| 5. Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances | | | | |
|--|-----------------------------------|---------------------------------|------------------|----------------|
| Category | | <u>Amount net of provisions</u> | | |
| 1. | Related Parties ** | <u>Secured</u> | <u>Unsecured</u> | <u>Total</u> |
| | a) Subsidiaries | Nil | Nil | Nil |
| | b) Companies in the same group | Nil | Nil | Nil |
| | c) Other related Parties | Nil | Nil | Nil |
| 2. | Other than related parties | Nil | 2624.77 | 2624.77 |
| | Total | Nil | 2624.77 | 2624.77 |

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

| (Please see note 3 below:) Category | | Market value/ Break - up of <u>fair value or NAV</u> | Book value (Net of <u>provisions</u>) |
|---|--|--|--|
| 1. Related parties ** | | | |
| a) Subsidiaries | | Nil | Nil |
| b) Companies in the same group | | Nil | Nil |
| c) Other related parties (Associates) | | Nil | Nil |
| 2. Other than related parties | | 6942.91 | 6942.91 |
| Total | | 6942.91 | 6942.91 |
| ** As Per Accounting Standard of ICAI (Please see Note 3) | | | |

7. Other Informations

| Particulars | | <u>Amount</u> |
|-------------|---|---------------|
| i) | Gross Non Performing Assets | |
| a) | Related Parties | Nil |
| b) | Other than related parties | Nil |
| ii) | Net Non Performing Assets | |
| a) | Related Parties | Nil |
| b) | Other than related parties | Nil |
| iii) | Assets acquired in satisfaction of debt | Nil |

**For Maroti & Associates
(Chartered Accountants)**

Firm Registration No. 0322770E

(FCA. M.K.MAROTI)

Partner

Membership No. 057073

Place : Kolkata

Date : 19th Day of May, 2016

FORM NO. SH-13**Nomination Form**

[Pursuant to section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies Share Capital and Debentures) Rules, 2014]

To,
Mangalam Industrial Finance Limited
 Subodh Dutt Building,
 13, Brabourne Road,
 Kolkata- 700 001.

I am / We are _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my / our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

| Nature of Securities | Folio No. | No. of Securities | Certificate No. | Distinctive No. |
|----------------------|-----------|-------------------|-----------------|-----------------|
| | | | | |
| | | | | |

(2) PARTICULARS OF NOMINEE/S—

- (a) Name:
 (b) Date of Birth:
 (c) Father's/Mother's/Spouse's Name:
 (d) Occupation:
 (e) Nationality:
 (f) Address:
 (g) e-mail id:
 (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR—

- (a) Date of birth:
 (b) Date of attaining majority:
 (c) Name of guardian:
 (d) Address of guardian:

Name:

Address:

Name of Security Holder(s)

Signature

Witness with name and address

- 1 Please read the instructions given below very carefully. If the form is not filed as per instructions, the same will be rejected.
- 2 The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate.
- 3 If the Shares are held jointly all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
- 4 A nomination must be witnessed by two witnesses. A nomination form not witnessed by two witnesses will be rejected.
- 5 A minor can be nominated and in that case the name and address of the Guardian shall be given by the holder.
- 6 The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
- 7 Transfer of Shares in favour of a nominee shall be a valid discharge by the Company against the legal heir(s).
- 8 Only one person can be nominated for a given folio.
- 9 Details of all holders in a folio need to be filed; else the nomination will be rejected.
- 10 The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee/guardian.
- 11 Whenever the Shares in the given folio are entirely transferred or dematerialised, then this nomination will stand rescinded.
- 12 The intimation regarding nomination / nomination form shall be filled in duplicate with the Registrars & Transfer Agents of the Company who will return one copy thereof to the Shareholders.
- 13 Upon receipt of a duly executed nomination form, the Registrars & Transfer Agent of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
- 14 The Company will not entertain any claims other than those of a registered nominee.
- 15 The nomination can be varied or cancelled by executing fresh nomination form.
- 16 For shares held in dematerialised form nomination is required to be filled with the Depository Participant.

FOR OFFICE USE ONLY

| | |
|---------------------------------|--|
| Nomination Registration Number | |
| Date of Registration | |
| Checked By (Name and Signature) | |

E-MAIL ADDRESS REGISTRATION FORM

In continuation of Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively Issued by Ministry of Corporate Affairs, Government of India and pursuant to Section 101 of the Companies Act, 2013 & Rule 18(3)(i) of the Companies(management & Administration) Rule, 2014 & Rule 11 Companies (Accounts) Rule, 2014.

(FOR SHARES HELD IN PHYSICAL FORM)

To
M/s. Niche Technologies Pvt. Ltd.
D-511, Bagree Market",
71, B.R.B. Basu Road,
5th Floor,
Kolkata - 700 001,

Sub : E-mail ID registration & Service of documents through electronic mode.

Dear Sir,

I / We, Member(s) of M/s. Mangalam Industrial Finance Limited, hereby give my / our consent to receive electronically Annual Report(s) of General Meeting(s) and other document(s) submit to you as under :

Kindly use my / our Email ID for serving the documents in electronic mode. I / We request you to note my/our e-mail address as mention below. If there will be any change in the e-mail address, I / We will promptly communicate to you.

| | |
|-----------------------------------|--|
| Folio No. | |
| Name of the first/sole Member | |
| E-mail address (to be registered) | |

Thanking you,
Yours faithfully

(Signature of first/sole Member)

Place :

Date:

