

# **MANGALAM**

**INDUSTRIAL FINANCE LIMITED**

**ANNUAL  
REPORT  
2016 -17**

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## Corporate Information's

### **BOARD OF DIRECTORS**

Mr. Pradeep Kumar Daga	Chairman, Managing Director & CEO
Mr. Utpal Dey	Non-Executive Director
Mr. Anand Kumar Jain	Chief Financial Officer
Ms. Kirti Sharma*	Non Executive Director
Mr. Arun Chakraborty	Independent Director
Mr. Rathindra Nath Ghosh	Independent Director
Mr. Sudarson Kayori	Independent Director

### **REGISTERED OFFICE**

"SUBOL DUTT BUILDING"  
13, Brabourne Road, Mezzanine Floor, Kolkata-700001 (West Bengal)  
Tel.: +91 33 2231 5686  
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**

HDFC Bank Ltd.

### **REGISTRARS AND SHARE TRANSFER AGENTS**

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

### **COMPANY SECRETARY**

Mrs. Namrata Saboo (appointed w.e.f. 27th July, 2017)  
Ms. Kirti Sharma (resigned w.e.f. 23rd June, 2017)  
E-mail : info@miflindia.com

### **Corporate Identity Number (CIN)**

L65993WB1983PLC035815

\* Change in designation w.e.f. 23rd June, 2017



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## Directors' Report

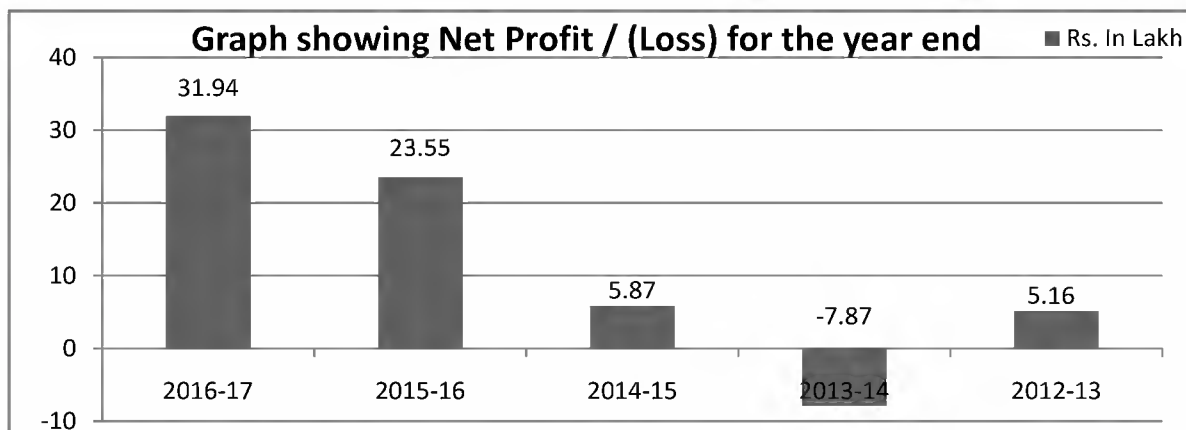
To  
The Members,

Your Directors have pleasure in presenting the **Annual Report** of the Company together with Standalone Audited Accounts for the year ended on **31st March, 2017**.

### 1. FINANCIAL RESULTS :

(Rs. in Lakh)

Particulars	Standalone	
	Current Year	Previous Year
Sales & Other Income	802.81	206.77
Profit Before Depreciation & Taxation	45.97	34.18
Less : Depreciation	0.42	0.09
Less : Current Tax	13.58	8.53
Less : Mat Tax Credit	0.00	1.10
Less : Deferred Tax	0.03	0.91
Profit / ( Loss ) After Taxation	31.94	23.55
Add: Balance Brought Forward from Previous Year	(20.60)	(32.32)
Surplus Available for Appropriation	2.94	(20.60)
Appropriations		
Provision for Standard Assets (As per RBI Act)	(2.01)	(7.12)
Depreciation Adjusted as per Companies Act, 2013	0.00	0.00
Transferred to Reserve Fund	(6.39)	(4.71)
Balance Carried To Balance Sheet	2.94	(20.60)



**2. REVIEW OF OPERATIONS & PERFORMANCE & FUTURE OUTLOOK :**

In the year under review, the revenue from operations has been increased by 288.26% in accordance with the previous year. However, during the year the operating profit of the Company stands at Rs. 45.55 Lakh as against operating profit of Rs. 34.09 Lakh for the previous year and the total profit of Rs. 31.94 Lakh as against profit of Rs. 23.55 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. TRANSFER TO RESERVES :**

No amount was transferred to the General Reserve during the period 1st April, 2016 to 31st March, 2017.

**5. SHARE CAPITAL :**

The paid-up equity capital as on March 31, 2017 was Rs. 9616.43 lakhs. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. The Company has sub-divided its 1(One) equity share of face value of Rs.10/- each into 10 equity shares of face value of Re.1/- each share during the financial year.

**6. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE :**

Your Company is committed to provide and promote safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. No cases have been files under the Act as the Company is keeping the working environment healthy.

**7. CORPORATE SOCIAL RESPONSIBILITY :**

The Provisions of section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the company.

**8. RISK MANAGEMENT :**

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. The Board members were informed about risk assessment and after which the Board formally adopted and implemented the necessary steps for monitoring the risk management plan for the company.

**9. AUDITORS :**

***Statutory Audit:-***

At the Annual General Meeting, Members will be required to appoint new Auditors for the current financial year 2017-18. The appointment of new statutory auditor for the financial year 2017-18 will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. The Members are requested to consider the appointment of Statutory 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 (I) 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. D. Rao & Associates, Practicing Company Secretaries (C.P. No. 14385 & Membership Number A38387) to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year ended 31st March, 2017 is annexed herewith as “Annexure - A” to this report. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

**10. 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”.

**11. DIRECTORS :**

Your Director wishes to place on record their kind appreciation to Mr. Pradeep Kumar Daga (DIN: 00080515) who retires by rotation and being eligible, offers himself for re-appointment.

Your Director wishes to place on record their kind appreciation to Mr. Sudarson Kayori (DIN 00165816), Mr. Rathindra Nath Ghosh (DIN: 00152267) and Mr. Arun Chakraborty (DIN: 00140430), Independent Directors of the Company whose period of office is liable to expire on 30th September 2017 who have submitted a declaration that they meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who are eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made there under and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member proposing their candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and are hereby re-appointed as an Independent Directors of the Company with effect from October 1, 2017, to September 30, 2022 and the term shall not be subject to retirement by rotation.

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.

**12. DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement of clause (c) of sub-section (I) 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.
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**13. 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 employees 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.

**14. ACCEPTANCE OF DEPOSIT :**

Your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended.

**15. LOANS, GUARANTEE OR INVESTMENTS :**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by company is given in the notes to the financial statements.

**16. 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 |

**17. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT :**

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, the Report on Corporate Governance together with Auditors view and management discussion & analysis report regarding compliance of the SEBI code of Corporate Governance is annexed herewith.

**18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board and to maintain its objectivity and independence, the Audit Committee reports to the Chairman of the Audit Committee and & to the Board Chairman & Managing Director.

**19. BOARD PERFORMANCE EVALUATION :**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Stakeholders Relationship, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**20. REMUNERATION POLICY :**

The Board has, on the recommendation of the Nomination & 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.

**21. BOARD & COMMITTEE MEETINGS :**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 14 (fourteen) meeting of the Board of directors was held and the details of which are given in the Corporate Governance Report annexed hereto. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**22. CODE OF CONDUCT :**

The Board of Directors has a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been posted on the Company's website. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.



The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

**23. 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>).

**24. VIGIL MECHANISM/ WHISTLE MECHANISM POLICY :**

In pursuant to the provisions of section 177 of the Companies Act, 2013 and SEBI Listing Regulations, the Company has a vigil mechanism to deal with issuance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

**25. PREVENTION OF INSIDER TRADING :**

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**26. DEPOSITORY SYSTEM :**

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March 31, 2017, 99.95% of the equity shares of your Company were held in demat form.

**27. 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*

Place: **Kolkata**

Date : **26<sup>th</sup> Day of May, 2017**

**Pradeep Kumar Daga**

**(DIN 00080515)**

**Managing Director**

**Kirti Sharma**

**(DIN 07434779)**

**Whole Time Director**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

[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 **31<sup>st</sup> March, 2017** (**‘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 31<sup>st</sup> March, 2017 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, 2015 to the extent applicable to the Company during the period under review;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
  - (d) 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 28<sup>th</sup> October, 2014 (**Not applicable to the Company during the Audit Period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**);
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 there under.

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 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.

#### **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 made following corporate actions during the Audit Period under review:
  1. Sub-division/Stock Split its existing equity shares from 1 (one) equity share of Rs.10/- each into 10 (Ten) equity shares of Re.1/- each.  
  
(Consequent to the aforesaid Stock-Split, the total present authorised and paid up capital of the company stood at Rs. 96,17,00,000/- divided into 96,17,00,000 equity shares of Re.1/- each and Rs. 96,16,43,500/- divided into 96,16,43,500 equity shares of Re.1/- each respectively.)
- The Company has applied to Uttar Pradesh Stock Exchange (UPSE) for delisting of equity shares as the exchange is non operative and derecognized by SEBI pursuant to its Exit Circular,2012 vide Circular No. CIR/MRD/DSA/14/2012 dated May, 2012.

P D Rao & Associates  
Practising Company Secretaries

Place: Kolkata  
Date: 26.05.2017

Name : CS P. Doleswar Rao  
(Proprietor)  
Mem No. : A38387  
C. P. No. : 14385

**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 Secretarial Audit Report :**

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.

P D Rao & Associates  
Practising Company Secretaries

Name : CS P. Doleswar Rao  
(Proprietor)  
Mem No. : A38387  
C. P. No. : 14385

Place: Kolkata  
Date: 26.05.2017

## FORM NO. MGT-9

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31st March, 2017**

[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@mifindia.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 7270 / 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	35.26%
2.	Other NEC Trade	46909	64.74%

## 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	
<b>A. Promoters</b>									
<b>INDIAN</b>									
INDIVIDUALS/ HINDU UNDIVIDED FAMILY	100	0	100	0.000	1000	0	1000	0.000	0%
CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0	0	0	0	0	0%
BODIES CORPORATE	25519100	0	25519100	26.537	255191000	0	255191000	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	255192000	0	255192000	26.537	0%
<b>FOREIGN</b>									
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	255192000	0	255192000	26.537	0%
<b>PUBLIC SHAREHOLDING</b>									
<b>INSTITUTIONS</b>									
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%
<b>NON-INSTITUTIONS</b>									
BODIES CORPORATE	69223603	7400	69231003	71.992	691943980	74000	692017980	71.962	-0.03%
INDIVIDUALS - I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UP TO RS. 1 LAKH.	286415	38945	325360	0.338	3111848	389450	3501298	0.364	0.026%
II. INDIVIDUAL SHARE HOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS.1 LAKH.	1070603	0	1070603	1.113	10640389	0	10640389	1.106	-0.007%
ANY OTHER (SPECIFY) Clearing Mem / Clearing Cor	17974	0	17974	0.019	261160	0	261160	0.027	0.008%
NRI's	210	0	210	0	30673	0	30673	0.003	0.003%
SUB-TOTAL (B)(2)	70598805	46345	70645150	73.463	705988050	463450	706451500	73.463	0%
TOTAL PUBLIC SHARE HOLDING (B)=(B)(1)+(B)(2)	70598805	46345	70645150	73.463	705988050	463450	706451500	73.463	0%
TOTAL (A)+(B)	96118005	46345	96164350	100	961180050	463450	961643500	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	961180050	463450	961643500	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 LLP (Formerly : Apanapan Distributors Pvt. Ltd.)	390000	0.406	0.000	-	-	-	-0.406
2	Pradeep Kumar Daga	100	0.000	0.000	1000	0.000	0.000	0.000
3	Responce Commodities LLP (Formerly : Responce Commodities Ltd.)	25050000	26.049	0.000	25050000	26.049	0.000	0.000
4	Responce Securities Pvt. Ltd.	79100	0.082	0.000	4691000	0.488	0.000	0.406
Total		25519200	26.537	0.000	255192000	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.	<b>APANAPAN DISTRIBUTORS LLP</b> (Formerly : APANAPAN DISTRIBUTORS PVT. LTD.) At the beginning of the year	390000	0.406		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares Transfer as on 16.02.2017	3510000 (3900000)		3900000 (3900000)	0.406 (0.406)
	At the End of the year			0	0
2.	<b>PRADEEP KUMAR DAGA</b> At the beginning of the year	100	0.000		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	900		1000	0.000
	At the End of the year			1000	0.000
3.	<b>RESPONCE COMMODITIES LLP</b> (Formerly : Responce Commodities Ltd.) At the beginning of the year	25050000	26.049		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	225450000		250500000	26.049
	At the End of the year			250500000	26.049
4.	<b>RESPONCE SECURITIES PVT. LTD.</b> At the beginning of the year	79100	0.082		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares Transfer 16.02.2017	711900 3900000	0.000 0.406	791000 4691000	0.082 0.488
	At the End of the year			4691000	0.488



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.	<b>AATISH DEALCOMM PVT. LTD.</b> At the beginning of the year	4450000	4.627		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	40050000		44500000	4.627
	At the End of the year			44500000	4.627
2.	<b>ALERT COMMDEAL PVT. LTD.</b> At the beginning of the year	4704680	4.892		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	42342120		47046800	4.892
	At the End of the year			47046800	4.892
3.	<b>GOODVIEW OVERSEAS PVT. LTD.</b> At the beginning of the year	5872000	6.106		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	52848000		58720000	6.106
	At the End of the year			58720000	6.106
4.	<b>GUIDE DEALCOM LLP</b> At the beginning of the year	5712100	5.940		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	51408900		57121000	5.940
	At the End of the year			57121000	5.940
5.	<b>KIRTI COMMOTRADE PVT. LTD.</b> At the beginning of the year	6295250	6.546		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	56657250		62952500	6.546
	At the End of the year			62952500	6.546
6.	<b>MASSIVE DEALCOMM PVT. LTD.</b> At the beginning of the year	4118400	4.283		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	37065600		41184000	4.283
	At the End of the year			41184000	4.283
7.	<b>MOREPLUS MERCHANTS PVT. LTD.</b> At the beginning of the year	4600000	4.783		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	41400000		46000000	4.783
	At the End of the year			46000000	4.783
8.	<b>NILANCHAL DEALCOMM PVT. LTD.</b> At the beginning of the year	5904625	6.140		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	53141625		59046250	6.140
	At the End of the year			59046250	6.140



9.	<b>SMILE SUPPLIERS PVT. LTD.</b> At the beginning of the year	4580000	4.763		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	41220000		45800000	4.763
	At the End of the year			45800000	4.763
10.	<b>SUPARAS IMPEX PVT. LTD.</b> At the beginning of the year	4821827	5.014		
	Increase / (Decrease) in Promoters Share holding during the year. Splitting of shares	43396443		48218270	5.014
	At the End of the year			48218270	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	
		No. of shares	% of total No. of shares	No. of shares	% of total No. of shares
1	<b>PRADEEP KUMAR DAGA</b> Managing Director At the beginning of the year	100	0.000		
	Increase / (Decrease) in Promoters Share holding during the year: Splitting of Shares	900	0.000	1000	0.000
	At the End of the year			1000	0.000
2	<b>ARUN CHAKRABORTY</b> Independent Director At the beginning of the year	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
3	<b>SUDARSON KAYORI</b> Independent Director At the beginning of the year	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
4	<b>RATHINDRA NATH GHOSH</b> Independent Director At the beginning of the year	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
5	<b>ANAND KUMAR JAIN</b> Chief Financial Officer At the beginning of the year	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
6	<b>UTPAL DEY</b> Non Executive Director At the beginning of the year	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
7	<b>KIRTI SHARMA</b> Company Secretary cum Whole Time Director At the beginning of the year	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

## 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		
		Pradeep Kumar Daga Managing Director	Kirti Sharma * Whole Time Director	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600000	00	600000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify	0	0	0
5	Others, please specify	0	0	0
	<b>Total (A)</b>	<b>600000</b>	<b>0</b>	<b>600000</b>

(\* Ms. Kirti Sharma did not receive remuneration as Whole Time Director, she has received salary as Company Secretary.)

**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	<b>Independent Directors :</b>				
	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	<b>Other Non-Executive Directors</b>				
	Utpal Dey	00	00	00	00
	Total Amount (2)	00	00	00	00
	<b>Total (B) = (1+2)</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Kirti Sharma, Company Secretary	Anand Kumar Jain, Chief Financial Officer	
1				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	240000	84000	324000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify	0	0	0
5	Others, please specify	0	0	0
	<b>Total (C)</b>	<b>240000</b>	<b>84000</b>	<b>324000</b>

**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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### A) MANDATORY REQUIREMENTS:

#### I. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### II. 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, 2017. The Managing Director is also chairmanship on Board of other public companies. As on 31st March, 2017, the composition of the Board of Directors of the Company meets the stipulated requirements of 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 2016 to March 2017	Attendance at the last AGM held on September 23, 2016	No. of Directors held in other Public Limited companies	No. of Shares held in company as on March 31, 2017	No. of Committee positions held in other Public Limited companies	
						Chairman	Member
Mr. Pradeep Kumar Daga (Chairman & Managing Director)	Promoter & Executive	13	Yes	7	1000	Nil	2
Mr. Utpal Dey	Non-Executive Director	12	Yes	1	Nil	Nil	Nil
Ms. Kirti Sharma <sup>1</sup> Whole Time Director	Executive	14	Yes	2	Nil	Nil	Nil
Mr. Sudarson Kayori	Independent – Non Executive	11	Yes	3	Nil	1	5
Mr. Arun Chakraborty	Independent – Non Executive	12	Yes	2	Nil	5	1
Mr. Rathindra Nath Ghosh	Independent – Non Executive	12	Yes	2	Nil	Nil	4

**Notes:**

1. 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.
2. Memberships of the Directors in various Committees are within the permissible limits of the Listing Regulations.

**(b) Appointment/Reappointment of Directors:**

Mr. Pradeep Kumar Daga (DIN: 00080515) who retires by rotation at this Annual General Meeting and is eligible, offers himself for re-appointment. Approval of members is being sought for re-appointment of Mr. Pradeep Kumar Daga as Director of the company subsequent upon his retire by rotation.

**(c) 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.

**(d) 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.


**(e) Remuneration of Directors:**

The company had not paid any sitting fees to Non-Executive directors for the financial year ended 31.03.2017 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.

**(f) Board Meetings and attendance of Directors:**

There were 14 (fourteen) Board Meetings were held during the year ended 31st March, 2017. These were held on 19.05.2016; 15.06.2016; 14.07.2016; 26.07.2016; 08.08.2016; 30.08.2016; 12.09.2016; 24.09.2016; 04.10.2016; 05.11.2016; 13.12.2016; 20.01.2017; 16.02.2017 and 25.03.2017.

Date	Type of Meeting	Pradeep Kumar Daga	Utpal Dey	Kirti Sharma	Sudarson Kayori	Arun Chakraborty	Rathindra Nath Ghosh
19.05.2016	Board Meeting						
15.06.2016	Board Meeting						
14.07.2016	Board Meeting						
26.07.2016	Board Meeting						
08.08.2016	Board Meeting						
30.08.2016	Board Meeting						
12.09.2016	Board Meeting						
24.09.2016	Board Meeting						
04.10.2016	Board Meeting						
05.11.2016	Board Meeting						
13.12.2016	Board Meeting						
20.01.2017	Board Meeting						
16.02.2017	Board Meeting						
25.03.2017	Board Meeting						

 = Present in Meeting.

 = Absent in Meeting.



**(g) 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 2016-17. 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-I** 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 Regulations. During the year under review 6 (six) 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 6 (six) meetings of the Audit Committee were held on 19.04.2016, 19.05.2016, 08.08.2016, 05.11.2016, 20.01.2017 and 25.03.2017. 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 of Committee Members	Category	No. of Audit Committee Meetings held	No. of Audit Committee Meetings attended
Mr. Arun Chakraborty	Chairman	6	6
Mr. Rathindra Nath Ghosh	Member	6	4
Mr. Pradeep Kr. Daga	Member	6	6

#### 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 2016-17 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 02.05.2016, 04.07.2016, 26.07.2016, 27.09.2016, 13.12.2016, 20.01.2017 and 25.03.2017. 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	7	7
Mr. Rathindra Nath Ghosh	Member	7	6
Mr. Sudarson Kayori	Member	7	7



**Details of remuneration and sitting fees paid to Directors:****Executive Director and KMP**

The Company pays remuneration to its Managing 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 Key Managerial Personal (KMP) Viz., Managing Director, Company Secretary & CFO :

Name of KMPs	Category	Total Salary paid during April, 2016 to March, 2017
Mr. Pradeep Kumar Daga	Managing Director	Rs. 6,00,000/-
Mr. Anand Kumar Jain	Chief financial Officer	Rs. 84,000/-
Ms. Kirti Sharma	Company Secretary cum Whole Time Director*	Rs. 2,40,000/-

\*No Salary is paid for the post of Whole Time Director.

**Non-Executive Directors**

Given below are the details of Sitting fees paid to Non-Executive Directors for the Financial Year ended 31.03.2017 for attending Board Meetings and various Committee Meetings.

Name of Committee Members	Category	Sitting Fees Paid
Mr. Utpal Dey	Non-Executive	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.

**Remuneration Policy:**

While considering and approving the remuneration, the Committee takes into account the following considerations:

- a) Financial position of the Company;
- b) Present trends;
- c) Qualification, experience and past performance of the appointee.

The Committee also takes into consideration and ensures the compliance of the provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Director and Whole time Directors and Company Secretary.

**Compliance Officer:**

Company Secretary is the Compliance Officer for complying with the requirements of the Listing Regulations with the Stock Exchanges in India and abroad.

## V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company had already constituted a Shareholders / Investors Grievances Committee was 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 11.08.2016, 20.09.2016, 13.12.2016 and 16.02.2017. 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	4	4
Mr. Rathindra Nath Ghosh	Member	4	4
Mr. Pradeep Kr. Daga	Member	4	4

### Investor Relations

The Registrars and Share Transfer Agent of the company is M/s. Niche Technologies Pvt. Ltd. to carry out the transfer of shares and redress investors' complaints received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. During the year, complaints were received and duly resolved within the date as specified by SEBI. There were no share transfers pending for registration for more than 15 days as on the said date. The Company Secretary has been designated as the Compliance Officer.

## 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. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENT:**

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of listing regulations. The Company has submitted quarterly compliance report on Corporate Governance with Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

Corporate Governance Report for the whole of financial year is given in table below:

<b>I. Disclosure on website in terms of Listing Regulations:</b>	
<b>Item</b>	<b>Compliance Status (Yes/No/NA)</b>
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	NA
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	NA
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
Email address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	Yes
New name and the old name of the listed entity	NA

<b>II. Annual Affirmations:</b>		
<b>Particulars</b>	<b>Regulation</b>	<b>Compliance Status (Yes/No/NA)</b>
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2), (3),(4)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5), (6),(7)&(8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	NA
Approval for material related party transactions	23(4)	NA
Composition of Board of Directors of unlisted material subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3), (4),(5)&(6)	NA
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26 (5)	Yes

**XI. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT OF INTERESTS OF COMPANY AT LARGE.**

During the year 2016-17, there were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The Policy on related party transactions and policy for determining material subsidiaries is available on [www.miflindia.com](http://www.miflindia.com). Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Financial Statements, forming part of the Annual Report.

**XII. DETAILS OF NON-COMPLIANCE**

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.

**XIII. 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 31.03.2017.
- (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 reviewed/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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (b) There were no material financial & commercial transactions by Senior Management as defined in 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.

#### **XIV.COMPLIANCE CERTIFICATE**

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

#### **XV. 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. The meeting of the Independent Directors were held on 17.08.2016 and 21.02.2017.

#### **XVI.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.



**XVII. FAMILIARISATION 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.

**XVIII. GENERAL BODY MEETINGS**

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

<u>Financial Year</u>	<u>Date</u>	<u>Time</u>	<u>Venue</u>
2013-2014	24.09.2014	2.30 PM	Community Hall, 10, Debendra Ghosh Road, Kolkata-700025
2014-2015	26.09.2015	2.00 PM	52, Old Nimta Road, Belgharia, Kolkata-700083
2015-2016	23.09.2016	11.00 AM	Conference Hall, 11, Clive Row, 5th. Floor, Kolkata-700001

(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 :-

<u>Date of AGM</u>	<u>Matter of Passing Special Resolution</u>
24 <sup>th</sup> 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 2016-17 Special Resolution were not passed through Postal Ballot and the special Resolution passed at the Annual General Meeting of the company were not put through Postal Ballot.

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

**XIX. 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.

## **XX. 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 Listing Regulations 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.miflindia.com](http://www.miflindia.com).

## **XXI. GENERAL SHAREHOLDER INFORMATION**

### **(a) ANNUAL GENERAL MEETING :**

AGM Date, Time and Venue	Tuesday, the 12th day of September, 2017 at 10.00 A.M.
Financial Calendar	1st April, 2016 To 31st March, 2017
Date of Book Closure	6th September, 2017 to 12th September, 2017
Listing on Stock Exchanges	BSE Limited The Calcutta Stock Exchange Limited
Stock Code	537800
Demat ISIN No. for CDSL and NSDL	INE717C01025
Listing Fee	Paid to the exchanges for the year 2017-2018
Custodial Fees	Paid to the NSDL & CDSL for the year 2017-2018
Registrar and Share Transfer Agents	Niche Technologies Pvt. Ltd. D-511, Bagri Market, 71, B. R. B. Basu Road, 5th Floor, Kolkata-700001. (W.B.) Tel.: +91 33 2235 7270 / 7271; Fax: +91 33 2215 6823 E-mail: nichetechpl@nichetechpl.com



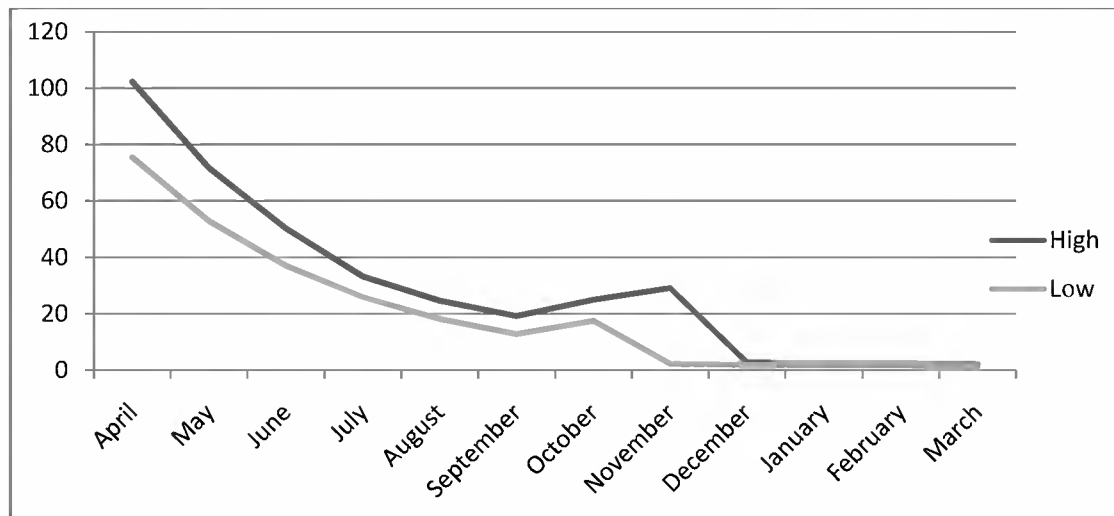
**(b) LISTING OF SECURITIES:**

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

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

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

<u>Month,</u>	<u>Year</u>	<u>High</u>	<u>Low</u>
April,	2016	102.30	75.40
May,	2016	71.65	52.80
June,	2016	50.20	37.00
July,	2016	33.30	25.90
August,	2016	24.65	18.15
September,	2016	19.20	12.75
October,	2016	24.95	17.50
November,	2016	29.15	2.30
December,	2016	2.79	1.87
January,	2017	2.34	1.90
February,	2017	2.34	1.80
March,	2017	2.16	1.45



*The above chart shows the high and low of equity shares during the year 2016-17  
(Note : Date of splitting of equity shares on dated : 30.11.2016)*

**(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 : INE717C01025.

The Company's Equity Shares are under Compulsory Demat trading by all categories of investors. As on **31st March, 2017**, 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) PERMANENT ACCOUNT NUMBER:**

The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to the Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent.

**(g) 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.

**(h) 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).

**(i) DISTRIBUTION OF SHAREHOLDING ON MARCH 31, 2017**

The shareholding distribution of equity shares of face value of Re. 1/- each as at 31st March, 2017 is given below :-

No. of Equity Shares held From - To			Shareholders		Shareholding	
			Nos.	%	Nos.	%
001	-	500	452	32.4946	93,151	0.0097
501	-	1000	467	33.5730	4,53,346	0.0471
1001	-	5000	265	19.0510	7,84,763	0.0816
5001	-	10000	80	5.7513	6,33,132	0.0658
10001	-	50000	62	4.4572	12,94,504	0.1346
50001	-	100000	10	0.7189	7,31,495	0.0761
100001	&	Above	55	3.9540	95,76,53,109	99.5850
<b>TOTAL</b>			<b>1391</b>	<b>100.0000</b>	<b>96,16,43,500</b>	<b>100.0000</b>

**(j) SHAREHOLDING PATTERN AS ON MARCH 31, 2017 :**

Category	No. of equity shares held	Percentage of shareholding
<b>A. Promoter's holding</b>		
<b>1. Promoters*</b>		
- Indian Promoters	25,51,92,000	26.54
- Foreign Promoters	Nil	0.00
<b>Sub - Total</b>	<b>25,51,92,000</b>	<b>26.54</b>
<b>B. Non - Promoters Holding</b>		
<b>2. Institutional investors</b>		
- Mutual Funds and UTI	Nil	0.00
- Banks, Financial Institution, Insurance Companies	Nil	0.00
- FIIS	Nil	0.00
<b>Sub - Total</b>	<b>Nil</b>	<b>0.00</b>
<b>3. Others</b>		
- Body Corporate	69,20,17,980	71.99
- Indian Public	1,41,41,687	1.45
- NRI / OCBs	30,673	0.00
- Any other - Clearing Members	2,61,160	0.02
<b>Sub - Total</b>	<b>70,64,51,500</b>	<b>73.46</b>
<b>Grand Total</b>	<b>96,16,43,500</b>	<b>100.00</b>

**(k) ADDRESS FOR CORRESPONDENCE:**

<b>Registered Office</b>	:	Subol Dutt Building, 13, Brabourne Road. Kolkata- 700001 (W.B.)
<b>Phone</b>	:	+91 33 2231 5686-5687
<b>Fax</b>	:	+91 33 22315683
<b>Website</b>	:	www.miflindia.com
<b>E-mail</b>	:	info@miflindia.com ; & mifl_1983@yahoo.co.in

**(l) NON-MANDATORY REQUIREMENTS**

1. **The Board** : An office for the use of the Chairman is made available whenever required.
2. **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.
3. **Audit Qualifications** : There are no qualifications in the Auditor's report on the financial statements to the Shareholders of the Company.
4. **Reporting of Internal Auditor** : Internal Auditors are invited to the meetings of Audit Committee wherein they report directly to the Committee.

**(m) CEO/CFO CERTIFICATION**

As required by 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, 2017.

*For and on behalf of the Board*

Place: **Kolkata**  
Date : **26<sup>th</sup> Day of May, 2017**

**Pradeep Kumar Daga**  
(DIN 00080515)  
*CEO & Managing Director*

## **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 2016-17, 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. The International Monetary Fund is predicting that India will, in the gross size of the economy, move past the United Kingdom this year to become the world's fifth largest. Further, that it should walk past Germany in 2022 to become the world's fourth largest. This is obviously desirable and I say this as a Briton myself--as it means over a billion people becoming richer. However, we should also note that there shouldn't be anything all that surprising about this. Over a billion people should have a larger economy than only 65 million or 80 million. And it's only bad economic policy which has stopped it happening already. India will overtake Germany in 2022 as the world's fourth-largest economy and push Britain out of the top five, based on analysis of growth projections by the International Monetary Fund. We know what those challenges are, get the tax system sorted out, get the welfare system sorted out and so on, all things which are under way. But the most important thing is for the government itself to get out of the way so as to leave the room for economic growth to occur. However, according to the IMF analysis, India has to address a lot of issues in order to make the climb. These include implementing the Goods and Services Tax (GST), dealing with the biggest bunch of stressed assets among all major economies across the globe, increasing productivity and employment opportunities, encouraging corporate investment and overcoming a shortfall of infrastructure. However, it's not actually the colonial period at issue here. India at Partition was a little bit richer, not a lot it's true about 20% per capita, than it was when Clive turned up in Bengal. That's not a lot for a couple of centuries, also true, but the country was indeed richer. And there was, looking at it another way, massive economic growth over this time. It's just that it was Malthusian growth. That is, it was the population which rose, not living standards. This isn't unusual, in fact it's what has happened everywhere and every when without the take off of an industrial revolution.

### **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 slow by 7.1% in FY 2017, compared to 7.5% in FY 2016 as the government's note ban decision slowed activity in cash-dependent sectors. After November's demonetisation drive, the government has come under criticism from opposition political parties and economists for putting a poke on India's growth story and triggering job cuts. The impact of demonetisation was bound to show up on the growth figures,” said DK Joshi, chief economist of Crisil, while forecasting 7.4% expansion in 2017-18. The demonetisation seems to have impacted the GVA in the third as well as fourth quarter of

2016-17 which slipped to 6.7% and 5.6% respectively, from 7.3% and 8.7%. The economy was expected to outperform in the fiscal gone by with favourable monsoon and wage increase post-implementation of the 7th Pay Commission, which was expected to spur consumption in the second half of the fiscal,” says Madan Sabnavis, chief economist of Care Ratings. However, demonetisation had temporarily slowed down economic activities in the third quarter due to cash crunch,” he said forecasting growth to rebound to 7.6-7.8% in 2017-18. Almost all sectors, with the exception of agriculture, showed deceleration in the aftermath of demonetisation.

So far, non-banking finance companies (NBFCs) have scripted a great success story. Their contribution to the economy has grown in leaps and bounds from 8.4% in 2006 to above 14% in March 2015. In terms of financial assets, NBFCs have recorded a healthy growth—a compound annual growth rate (CAGR) of 19% over the past few years—comprising 13% of the total credit and expected to reach nearly 18% by 2018 –19. The success of NBFCs can be clearly attributed to their better product lines, lower cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and better understanding of their customer segments. Not only have they shown success in their traditional bastions but they have also managed to build substantial assets under management (AUM) in the personal loan and housing finance sector which have been the bread and butter for retail banks. Going forward, the latent credit demand of an emerging India will allow NBFCs to fill the gap, especially where traditional banks have been wary to serve. Additionally, improving macroeconomic conditions, higher credit penetration, increased consumption and disruptive digital trends will allow NBFC’s credit to grow at a healthy rate of 7–10% (real growth rate) over the next five years. Clearly, NBFCs are here to stay.

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**

**Place: Kolkata**  
**Date :26<sup>th</sup> Day of May, 2017**

**ANNEXURE-1**

**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 : 26<sup>th</sup> Day of May, 2017**

**Pradeep Kumar Daga**  
**Managing Director**  
**DIN : 00080515**

**ANNEXURE-II**

**CEO and CFO CERTIFICATION**

We have reviewed financial statements and the Cash Flow statement for the financial year 2016-17 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 : 26<sup>th</sup> Day of May, 2017.**

**Pradeep Kumar Daga**  
**Managing Director**  
**DIN : 00080515**

**Anand Kumar Jain**  
**Chief Financial Officer**

**Maroti & Associates**

Chartered Accountants

Mercantile Building

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

Room No. 2, Kolkata - 700 001

Tel : +91 33 2231 9392 / 9391

Fax : +91 33 2243 8371

(M): +91 98310 48621

E-Mail : mkmaroti@gmail.com

**ANNEXURE-III**

**AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE**

To,  
The Members of **Mangalam Industrial Finance Limited**

We have examined the compliance of conditions of Corporate Governance by **Mangalam Industrial Finance Limited** for the year ended on **31<sup>st</sup> March, 2017**, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the Corporate Governance. It is neither an Audit nor an opinion on the financial statement of the Company.

In our opinion and into the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**For MAROTI & ASSOCIATES**  
**Chartered Accountants**

**M.K.MAROTI**  
**(Partner)**

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

**Place : Kolkata**

**Date : 26<sup>th</sup> Day of May, 2017**

**Maroti & Associates**

Chartered Accountants

Mercantile Building

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

Room No. 2, Kolkata - 700 001

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(M): +91 98310 48621

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 me, 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 31.03.2017 in our 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 31.03.2017 in our opinion the Company may be classified as **INVESTMENT 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 31<sup>st</sup> March, 2017.
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 – 2016.
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, 2016.

**For MAROTI & ASSOCIATES**  
Chartered Accountants

**M.K.MAROTI**  
(Partner)

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

Place : Kolkata

Date : 26<sup>th</sup> Day of May, 2017

**Maroti & Associates**

Chartered Accountants

Mercantile Building

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

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**INDEPENDENT AUDITORS' REPORT**

To the Members of

**MANGALAM INDUSTRIAL FINANCE LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **MANGALAM INDUSTRIAL FINANCE LIMITED** (‘the Company’), which comprise the balance sheet as at 31<sup>st</sup> March 2017, 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 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 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 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 financial statements.

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31<sup>st</sup> March 2017 and its profits 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of accounts;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2017 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, if any. However the Company does not have any ongoing long-term contracts including derivative contracts as on the Balance sheet date.
- c. There were no such amounts appearing in the books which are required to be transferred to the Investor Education and Protection Fund by the Company.
- d. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

**For MAROTI & ASSOCIATES  
Chartered Accountants**

**M.K.MAROTI  
(Partner)**

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

**Place : Kolkata  
Date : 26<sup>th</sup> Day of May, 2017**

**Maroti & Associates**

Chartered Accountants

Mercantile Building

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

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**ANNEXURE-A TO THE AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2017, 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 had no inventories during the year, 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 thereunder 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 for any of the services rendered by the company. 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 provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities as applicable for the year under audit.

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 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.
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**

**M.K.MAROTI**  
**(Partner)**

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

**Place : Kolkata**

**Date : 26<sup>th</sup> Day of May, 2017**

## **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 31<sup>st</sup> March 2017 in conjunction with our audit of the 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 31<sup>st</sup> March 2017, 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**

**(M. K. MAROTI)**  
**(Partner)**

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

**Place : Kolkata**

**Date : 26<sup>th</sup> Day of May, 2017**

**BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note No	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	961,643,500	961,643,500
(b) Reserve & Surplus	3	3,154,973	161,258
<b>(2) Non Current Liabilities</b>			
(a) Deferred Tax Liability (Net)	4	2,534	55
<b>(3) Current Liabilities</b>			
(a) Other current liabilities	5	78,080	136,953
(b) Short-term provisions	6	2,484,344	1,773,292
<b>TOTAL</b>		<b>967,363,431</b>	<b>963,715,058</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets - Tangible	7	41,944	5,445
(b) Non-current investments	8	669,366,600	691,366,600
(c) Long Term Loans and Advances	9	198,683,016	32,515,540
<b>(2) Current assets</b>			
(a) Inventories	10	-	2,924,075
(b) Cash and cash equivalents	11	12,955,285	5,194,319
(c) Short-term loans and advances	12	83,621,637	229,961,654
(d) Other current assets	13	2,694,949	1,747,425
<b>TOTAL</b>		<b>967,363,431</b>	<b>963,715,058</b>

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 Registration No : 322770E**  
**( Chartered Accountants )**

**Pradeep Kumar Daga**  
 Managing Director  
 (DIN : 00080515)

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

**Anand Kumar Jain**  
 Chief Financial Officer

**Place : Kolkata**  
**Date : 26<sup>th</sup> Day of May, 2017**

**Kirti Sharma**  
 Company Secretary cum W.T.D.

**STATEMENT OF PROFIT & LOSS  
FOR THE YEAR ENDED ON 31ST MARCH, 2017**

PARTICULARS		Note No	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
			₹	₹
<b>I</b>	<b>REVENUE FROM OPERATIONS</b>	14	80,236,854	20,657,168
<b>II</b>	<b>OTHER INCOME</b>	15	44,323	20,227
<b>III</b>	<b>TOTAL REVENUE ( I + II )</b>		<b>80,281,177</b>	<b>20,677,395</b>
<b>IV</b>	<b>EXPENSES</b>			
	Purchase of Stock in trade		70,346,204	13,846,897
	Change in inventory level	16	2,924,075	(1,898,138)
	Employee Benefit Expenses	17	1,260,000	975,312
	Depreciation and Amortization Expense	18	41,884	9,335
	Other Expenses	19	1,154,057	4,334,970
	<b>TOTAL EXPENSES</b>		<b>75,726,220</b>	<b>17,268,376</b>
<b>V</b>	<b>Profit Before Exceptional Items (III-IV)</b>		<b>4,554,957</b>	<b>3,409,019</b>
<b>VI</b>	Less: Exceptional Items		-	-
<b>VII</b>	<b>Profit Before Tax (V-VI)</b>		<b>4,554,957</b>	<b>3,409,019</b>
<b>VIII</b>	<b>TAX EXPENSES</b>			
	a Current Tax		(1,358,129)	(852,649)
	b Mat Tax Credit		-	(110,050)
	c Deferred Tax		(2,479)	(91,519)
<b>IX</b>	<b>PROFIT/(LOSS) FOR THE PERIOD (VII - VIII)</b>		<b>3,194,349</b>	<b>2,354,801</b>
<b>X</b>	<b>Earning Per Equity Share</b>			
	a Basic	20	0.003	0.024
	b Diluted	20	0.003	0.024

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 Registration No : 322770E  
( Chartered Accountants )

**Pradeep Kumar Daga**  
Managing Director  
(DIN : 00080515)

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

**Anand Kumar Jain**  
Chief Financial Officer

Place : Kolkata  
Date : 26<sup>th</sup> Day of May, 2017

**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 November10, 2014 has issued direction to all NBFCs to make provision of 0.35% on STANDARD ASSETS with immediate effect. Accordingly the Company has made provision @0.35% 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, 2017**

PARTICULARS	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
	₹	₹
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
9,61,70,000 Equity Shares of Rs.10/- each	961,700,000	961,700,000
<b>Issued, Subscribed &amp; Paid up</b>		
9,61,64,350 Equity Shares of Rs.10/- each	-	961,643,500
96,16,43,500 Equity Shares of Re.1/- each (By Splitting of shares from Rs. 10/- to Re. 1/-)	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**

	Figures as at the end of the current reporting period		Figures as at the end of the previous reporting period	
	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*	865,479,150	-	-	-
Shares outstanding at the end of the year	961,643,500	961,643,500	96,164,350	961,643,500

\* Equity shares increase by splitting of equity shares.

**B. TERMS/ RIGHTS ATTACHED TO EQUITY SHARES**

The Company has only one class of equity share having par value of Re 1/- 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	Figures as at the end of the current reporting period		Figures as at the end of the previous reporting period	
	Nos	%	Nos	%
<b>( EQUITY SHARES OF RE 1/- (P.Y. RS 10/-) EACH FULLY PAID UP )</b>				
RESPONCE COMMODITIES LLP (Formerly RESPONCE COMMODITIES LTD)	250,500,000	26.05	25,050,000	26.05
GUIDE DEALCOM LLP	57,121,000	5.94	5,712,100	5.94
KIRTI COMMOTRADE PVT. LTD.	62,952,500	6.55	6,295,250	6.55
NILANCHAL DEALCOMM PVT. LTD.	59,046,250	6.14	5,904,625	6.14
GOODVIEW OVERSEAS PVT. LTD.	58,720,000	6.11	5,872,000	6.11
SUPARAS IMPEX PVT. LTD.	48,218,270	5.01	4,821,827	5.01

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 94,94,50,000 (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, 2017**

PARTICULARS	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
	₹	₹
<b>NOTE - 3</b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
<b>Capital Reserve</b>		
OP. Balance	370,630	370,630
<b>A</b>	<b>370,630</b>	<b>370,630</b>
<b>Amalgamation Reserve</b>		
OP. Balance	1,050,000	1,050,000
<b>B</b>	<b>1,050,000</b>	<b>1,050,000</b>
<b>Reserve Fund</b>		
OP. Balance	108,749	108,749
<b>C</b>	<b>108,749</b>	<b>108,749</b>
<b>Special Reserve</b>		
OP. Balance	692,380	221,420
<b>Add : Created During the year</b>	638,870	470,960
<b>D</b>	<b>1,331,250</b>	<b>692,380</b>
<b>Profit &amp; Loss Account</b>		
OP. Balance	(2,060,501)	(3,231,807)
Add: Additions during the year	3,194,349	2,354,801
Less : Contingency provision for standard Assets	(200,634)	(712,535)
Less : Transfer to Reserve Fund	(638,870)	(470,960)
<b>E</b>	294,344	(2,060,501)
<b>TOTAL ( A+B+C+D+E )</b>	<b>3,154,973</b>	<b>161,258</b>
<b>NOTE - 4</b>		
<b><u>DEFERRED TAX ASSETS (NET)</u></b>		
<b><u>DEFERRED TAX ASSETS</u></b>		
Op. Balance	-	91,961
Add : Generated	-	-
Less: Reversed	-	91,961
Cl . Balance	-	-
<b><u>DEFERRED TAX LIABILITIES</u></b>		
Op. Balance	55	497
Add : Generated	2,479	-
Less: Reversed	-	442
Cl . Balance	2,534	55
NET BALANCE	(2,534)	(55)



PARTICULARS	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
	₹	₹
<b>NOTE - 5</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Professional Tax Payable	330	1,145
TDS Payable	15,000	7,183
Liabilities For Expenses	62,750	128,625
	<b>78,080</b>	<b>136,953</b>
<b>NOTE - 6</b>		
<b>SHORT TERM PROVISION</b>		
Provision for Taxation	1,496,278	985,860
Contingency Provision for Standard Assets	988,066	787,432
	<b>2,484,344</b>	<b>1,773,292</b>

**NOTE - 7 FIXED SSETS**

(Amount in Rs.)

Description	Gross Block			Depreciation			Net Block		
	As on		As on	Upto	For the	Upto	As on	As on	
	01.04.16	Addition	Deletion	31.03.17	31.03.16	year	31.03.17	31.03.17	31.03.16
<b>Tangible Assets</b>									
COMPUTER	47,040	78,383	-	125,423	41,595	41,884	83,479	41,944	5,445
<b>Total</b>	<b>47,040</b>	<b>78,383</b>	<b>-</b>	<b>125,423</b>	<b>41,595</b>	<b>41,884</b>	<b>83,479</b>	<b>41,944</b>	<b>5,445</b>
Previous Year	47,040	-	-	47,040	32,260	9,335	41,595	5,445	-

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

(Amount in Rs.)

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
<b>In Others</b>						
BRG IRON & STEEL CO.PVT.LTD.	10	2,000,000	30,000,000	10	2,000,000	30,000,000
CHELANI VINEEYOG PVT LTD	10	-	-	10	45,000	18,000,000
INTEGRATED EQUIP.& INFRASERVICES (P) LTD.	10	1,225,000	24,500,000	10	1,225,000	24,500,000
PRIYANKA TREXIM & COMMERCE P.LTD	10	148,400	59,366,600	10	158,400	63,366,600
RABIRUN VINIMAY PVT. LTD.	10	13,887,500	555,500,000	10	13,887,500	555,500,000
<b>TOTAL</b>		<b>17,260,900</b>	<b>669,366,600</b>		<b>17,315,900</b>	<b>691,366,600</b>
<b>GRAND TOTAL :</b>		<b>17,260,900</b>	<b>669,366,600</b>		<b>17,315,900</b>	<b>691,366,600</b>

<b><u>PARTICULARS</u></b>	<b>Figures as at the end of the current reporting period</b>	<b>Figures as at the end of the previous reporting period</b>
	<b>₹</b>	<b>₹</b>
<b><u>NOTE - 9</u></b> <b><u>LONG TERM LOANS &amp; ADVANCES</u></b> (Unsecured, Considered good)		
Loans to Corporate	122,205,812	26,479,800
Loans to Others	76,477,204	6,035,740
	<b>198,683,016</b>	<b>32,515,540</b>
<b><u>NOTE - 10</u></b> <b><u>INVENTORIES</u></b>		
Closing Stock of Shares	-	2,924,075
	-	<b>2,924,075</b>
<b><u>NOTE - 11</u></b> <b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
Cash in hand (As certified)	55,277	175,830
Balances with Schedule Bank in Current Account	12,900,008	5,018,489
	<b>12,955,285</b>	<b>5,194,319</b>
<b><u>NOTE - 12</u></b> <b><u>SHORT TERM LOANS &amp; ADVANCES</u></b> (Unsecured, Considered good )		
Loans to Corporate	71,600,000	152,473,351
Loans to Others	12,021,637	77,488,303
	<b>83,621,637</b>	<b>229,961,654</b>
<b><u>NOTE -13</u></b> <b><u>OTHER CURRENT ASSETS</u></b>		
T.D.S.	2,693,214	1,747,425
Amount Receivable in Cash or in Kind	1,735	-
	<b>2,694,949</b>	<b>1,747,425</b>
<b><u>NOTE - 14</u></b> <b><u>REVENUE FROM OPERATIONS</u></b>		
Sale of shares	51,941,730	3,313,651
Interest	28,295,124	17,343,517
	<b>80,236,854</b>	<b>20,657,168</b>
<b><u>NOTE - 15</u></b> <b><u>OTHER INCOME</u></b>		
Dividend Income	6,100	5,250
Speculation Profit	2,274	-
Liabilities for Expenses W/Off	1,500	-
Interest on IT Refund	34,449	14,977
	<b>44,323</b>	<b>20,227</b>
<b><u>NOTE-16</u></b> <b><u>CHANGE IN INVENTORIES</u></b>		
Closing Stock	-	2,924,075
Opening Stock	2,924,075	1,025,937
	<b>2,924,075</b>	<b>(1,898,138)</b>
<b><u>NOTE - 17</u></b> <b><u>EMPLOYEE BENEFIT EXPENSES</u></b>		
Salary	660,000	525,312
Directors Remuneration	600,000	450,000
	<b>1,260,000</b>	<b>975,312</b>

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
	₹	₹
<b>NOTE - 18</b>		
<b>DEPRECIATION &amp; AMORTISATION</b>		
Depreciation	41,884	9,335
	<b>41,884</b>	<b>9,335</b>
<b>NOTE - 19</b>		
<b>OTHER EXPENSES</b>		
Advertisement Expenses	58,693	71,393
Payment To Auditors		
As Audit Fees	28,750	28,625
For Tax Audit Fees	11,500	-
Bank Charges	1,523	2,224
Commission paid	-	700,000
Certification Fees	10,000	10,000
Demat Expenses	1,147	868
Depository Expenses	227,203	1,66,132
E-Voting Processing Fees	5,750	6,840
Interest on TDS	146	2,563
Internal Audit Fees	5,000	5,000
Interest on professional tax	-	102
Filing Fees	26,000	22,200
General Expenses	18,706	16,536
Loss on F&O	-	2,629,901
Short Term Capital Loss on Equity	-	37,019
Professional Fees & Consultancy charges	135,725	1,17,048
Listing Fees	3,57,863	3,57,064
Meeting Expenses	7,058	15,425
Postage & Telegram	37,425	23,221
Printing & Stationery	94,919	71,841
Rates & Taxes	4,730	4,720
Secretarial Audit Fees	15,000	15,000
Travelling & Conveyance	49,979	9,594
Transfer Agent Fees	51,650	16,410
Website expenses	5,290	5,244
	<b>1,154,057</b>	<b>4,334,970</b>
<b>NOTE - 20</b>		
<b>EARNING PER SHARE</b>		
Net Profit after tax as per Statement of Profit and Loss (A)	3,194,349	2,354,801
weighted Average number of equity shares outstanding (B)	961,643,500	96,164,350
Basic and Diluted Earnings per share (Rs.)	0.003	0.024
Face value per equity share (Re. / Rs.)	1	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 issued by The ICAI.
- 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	: Whole Time Director
3. Anand Kumar Jain	: Chief Financial Officer
4. Kirti Sharma	: Company Secretary

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

**RELATED PARTY TRANSACTION**

Sl. No.	Nature of Transaction	Relation	31/03/2017 ( Rs. )	31/03/2016 ( Rs. )
<b>Directors Remuneration - Salary</b>				
1	Pradeep Kumar Daga	Managing Director	6,00,000	4,50,000
<b>Salary</b>				
1	Anand Kumar Jain	Chief Financial Officer	84,000	54,000
2	Kirti Sharma	Company Secretary	2,40,000	35,862
3	Sanjaya Kumar Rout	Company Secretary	-	71,450
4	Tapas Mondal	Chief Financial Officer	-	28,000

- v The Company has Complied this information based on the current information in its possession as at 31.03.2017, 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 31.03.2017 Rs. NIL ( P.Y. Rs. NIL )

**vi Deferred Taxation :**

In the opinion of the management, the Company has provided the provisions for deferred tax on account of 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	<u>Particulars</u>	<u>2016-2017</u>	<u>2015-2016</u>
	C.I.F. Value of Imports	Nil	Nil
	F.O.B. Value of Exports	Nil	Nil
	Expenditure in Foreign Currency	Nil	Nil
	Income in Foreign Currency	Nil	Nil

viii Provision for taxation on Income for the year has been made on income computed under normal computation as per IT Act, tax being higher than tax computed on income under section 115JB of the income tax act, being Minimum alternate tax. Further the Company has not availed Mat Tax Credit brought forward from earlier years.

ix 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.

x During the year, the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs **	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	16,545	16,545
(+) Permitted receipts	-	100,000	100,000
(-) Permitted payments	-	61,443	61,443
Closing cash in hand as on 30.12.2016	-	55,102	55,102

\*\* For the purpose of this clause, the term "Specified bank Notes" shall have the same meaning provided in the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated 8th November, 2016.

- xi 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.
- xii The company has complied the revised Accounting standard - 15 "Employee Benefits" notified under the Companies (Accounting Standards) Rules, 2006. There is no present obligation of any post employment benefit including gratuity during the year. Therefore no actuarial gain or loss arose at the end of the year.
- xiii 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.
- xiv The company has considered Tax Credit on income received on the basis of income reconognised by it in the Books. However the same is subject to confirmation by the appropriate authorities. Any difference will be accounted for in subsequent accounting year.
- xv Previous Year figures have been regrouped, rearranged or recasted wherever considered necessary to make them comparable with the figures of the current year.
- xvi Particulars required to be furnished by the NBFCs as per paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by the RBI are given as per Annexure attached hereto.
- xvii No provisions has been made for fall, if any, in the break-up value of unquoted securities, held as Investments, diminution where, if any, is not permanent in nature.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

		Figures as at the end of the current reporting period		Figures as at the end of the previous reporting period	
		₹		₹	
<b>1.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit/(Loss) before Tax (a)		45,54,957		34,09,019
	Add : Depreciation	41.884		9,335	
	Less: Depreciation Income	(6.100)		-	
	Sub Total - (b)		35,784		9,335
	Operating Profit before Working Capital Changes (a)+(b)		<b>45,90,741</b>		<b>34,18,354</b>
	<b>Adjustments</b>				
	Decrease/(Increase) in Inventories	29,24,075		(29,24,075)	
	Decrease/(Increase) in Loans & Advances	(1,98,27,459)		(23,25.18,562)	
	Increase / ( Decrease ) in Current Liabilities	(58,873)		(2,20,975)	
	Decrease/(Increase) in Current Assets	(1,735)	(1,69,63,992)	-	(23,56.63,612)
	Sub Total - (c)		<b>(1,23,73,251)</b>		<b>(23,22,45,258)</b>
	Less: Taxes Paid		(17,93,500)		(13,59,278)
	<b>Net Cash from Operating Activities (a+b+c) A</b>		<b>(1,41,66,751)</b>		<b>(233,604,536)</b>
<b>2.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Fixed Assets	(78.383)		-	
	Dividend Income	6,100		-	
	(Increase) / Decrease in Investments	2,20,00,000		23,33,01,175	
	<b>Net Cash from Investing Activities B</b>		<b>2,19,27,717</b>		<b>23,33,01,175</b>
<b>3.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Net Cash from Financing Activities C		-		-
	Net Increase in Cash/Cash Equivalent (A+B+C)		77,60,966		(3,03,361)
	Cash/Cash Equivalents (Opening)		51,94,319		54,97,680
	Cash/Cash Equivalents (Closing)		<b>1,29,55,285</b>		<b>51,94,319</b>

**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

		Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
<b>2</b>	<b>Cash &amp; Cash Equivalents Comprise</b>		
	Cash in Hand	55,277	1,75,830
	Balance With Schedule Banks in current Account	1,29,00,008	50,18,489
		<b>1,29,55,285</b>	<b>51,94,319</b>

**For and on behalf of the Board**

In terms of our report of even date

**Pradeep Kumar Daga**  
Managing Director (DIN: 00080515)

**For MAROTI & ASSOCIATES**  
Firm Registration No : 322770E  
(Chartered Accountants)

**Anand Kumar Jain**  
CFO

**Kirti Sharma**  
Company Secretary cum W.T.D.

**M. K. Maroti**  
(Partner)  
Membership No. 057073

Place : Kolkata  
Date : 26<sup>th</sup> Day of May, 2017

**ANNEXURE REFERRED TO IN NOTE NO 20(xvii) TO ACCOUNTS****ANNEXED AS PER RESERVE BANK OF INDIA PRUDENTIAL NORMS AS ON 31.03.2017****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 laacs)  
**LIABILITIES SIDE :**

<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid</b>		<b><u>Amount outstanding</u></b>	<b><u>Amount overdue</u></b>
a)	Debentures :		
	Secured	Nil	Nil
	Unsecured	Nil	Nil
	(Other than falling within the meaning of public deposits)		
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)	Nil	Nil
<b>ASSETS SIDE :</b>			
<b>Break-up of Loans and Advances including bills receivables other than those included in (4) below:</b>			<b><u>Amount outstanding</u></b>
a)	Secured		Nil
b)	Unsecured		2823.05
<b>Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>			
i)	<b>Lease Assets including lease rentals under sundry debtors</b>		
	(a) Financial Lease		Nil
	(b) Operating Lease		Nil
ii)	<b>Stock on hire including hire charges under sundry debtors</b>		
	(a) Assets on hire		Nil
	(b) Repossessed Assets		Nil
iii)	<b>Hypothecation loans counting towards EL/HP activities</b>		
	(a) Loans where assets have been repossessed		Nil
	(b) Loans other than (a) above.		Nil



<b>BREAK-UP OF INVESTMENTS :</b>				
<b>Current Investments (Stock in Trade)</b>				
<b>1.</b>	<b>QUOTED :</b>			
	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
<b>2.</b>	<b>UNQUOTED :</b>			
	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
<b>LONG TERM INVESTMENTS</b>				
<b>1.</b>	<b>QUOTED :</b>			
	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
<b>2.</b>	<b>UNQUOTED :</b>			
	i) Shares : a) Equity			6693.67
	b) Preference			Nil
	ii) Debentures and Bonds			Nil
	iii) Units of Mutual Funds			Nil
	iv) Government Securities			Nil
	v) Others (Please specify)			Nil

**NOTE: \*\*DOES NOT INCLUDE INVESTMENT MADE IN LAND**

<b>BORROWER GROUP WISE CLASSIFICATION OF ALL LEASED ASSETS, STOCK ON HIRE AND LOANS AND ADVANCES</b>				
<b>CATEGORY</b>		<b>AMOUNT NET OF PROVISIONS</b>		
<b>1.</b>	<b>Related Parties **</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	a) Subsidiaries	Nil	Nil	Nil
	b) Companies in the same group	Nil	Nil	Nil
	c) Other related Parties	Nil	Nil	Nil
<b>2.</b>	<b>Other than related parties</b>	Nil	2823.05	2823.05
	<b>Total</b>	<b>Nil</b>	<b>2823.05</b>	<b>2823.05</b>

<b>INVESTOR GROUP WISE CLASSIFICATION OF ALL INVESTMENTS (CURRENT AND LONG TERM) IN SHARES AND SECURITIES (BOTH QUOTED AND UNQUOTED)</b>			
<b>CATEGORY</b>		<b>Market value/ Break - up of <u>fair value or NAV</u></b>	<b>Book value (Net of <u>provisions</u>)</b>
<b>1. Related parties *</b>			
a) Subsidiaries		Nil	Nil
b) Companies in the same group		Nil	Nil
c) Other related parties (Associates)		Nil	Nil
<b>2. Other than related parties</b>		6693.67	6693.67
<b>Total</b>		<b>6693.67</b>	<b>6693.67</b>

<b>OTHER INFORMATIONS</b>			
<b>Particulars</b>			<b><u>Amount</u></b>
i)	<b>GROSS NON PERFORMING ASSETS</b>		
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

**M.K.MAROTI**

(Partner )

Membership No. 057073

Place : Kolkata

Date : 26<sup>th</sup> Day of May, 2017

**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**  
 Subol 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.						
	<b><u>FOR OFFICE USE ONLY</u></b>						
	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Nomination Registration Number</td> <td></td> </tr> <tr> <td>Date of Registration</td> <td></td> </tr> <tr> <td>Checked By (Name and Signature)</td> <td></td> </tr> </table>	Nomination Registration Number		Date of Registration		Checked By (Name and Signature)	
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,  
5<sup>th</sup> 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.

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

Thanking you,

Yours faithfully

\_\_\_\_\_  
(Signature of first/sole Member)

Place :

Date:

*Intentionally Blank*







## Book Post

**Registered Office :**

“SUBOL DUTT BUILDING”

13, Brabourne Road,  
Mezzanine Floor,  
Kolkata - 700 001 (W.B) India

CIN : L65993WB1983PLC035815

**Phone**

: +91 33 2231 5686

+91 33 2231 5687

**E-mail**

: [mifl@miflindia.com](mailto:mifl@miflindia.com)

[mifl\\_1983@yahoo.co.in](mailto:mifl_1983@yahoo.co.in)

**Website**

: [www.miflindia.com](http://www.miflindia.com)