



**MANGALAM INDUSTRIAL  
FINANCE LIMITED**

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# ANNUAL REPORT

**2018-2019**



**- :Contents : -**

|   |    |
|---|----|
| <input checked="" type="checkbox"/> <i>Corporate Information's.</i>                   | 02 |
| <input checked="" type="checkbox"/> Director's Report                                 | 04 |
| <input checked="" type="checkbox"/> Annexure to the Director's Report                 | 26 |
| <input checked="" type="checkbox"/> Management Discussion and Analysis Report         | 41 |
| <input checked="" type="checkbox"/> Code of Conduct                                   | 44 |
| <input checked="" type="checkbox"/> CEO & CFO Certificate                             | 45 |
| <input checked="" type="checkbox"/> Auditors' Report on Corporate Governance          | 46 |
| <input checked="" type="checkbox"/> Auditors' Report on Non-Banking Financial Company | 47 |
| <input checked="" type="checkbox"/> Independent Auditors' Report                      | 48 |
| <input checked="" type="checkbox"/> Balance Sheet                                     | 58 |
| <input checked="" type="checkbox"/> Profit & Loss Account                             | 59 |
| <input checked="" type="checkbox"/> Notes on Accounts                                 | 60 |
| <input checked="" type="checkbox"/> Cash Flow Statements                              | 69 |
| <input checked="" type="checkbox"/> E-mail Address Registration Form                  |    |
| <input checked="" type="checkbox"/> Notes   |    |

## Corporate Information's

### BOARD OF DIRECTORS

| <u>Name of the Directors</u> | <u>Designation</u>                | <u>DIN / PAN</u> |
|------------------------------|-----------------------------------|------------------|
| Mr. Pradeep Kumar Daga       | Chairman, Managing Director & CEO | 00080515         |
| Mr. Utpal Dey                | Non-Executive Director            | 06931935         |
| Ms. Kirti Sharma             | Non-Executive Woman Director      | 07434779         |
| Mr. Arun Chakraborty         | Independent Director              | 00140430         |
| Mr. Rathindra Nath Ghosh     | Independent Director              | 00152267         |
| Mr. Sudarson Kayori          | Independent Director              | 00165816         |
| Mrs. Tamanya Dey*            | Chief Financial Officer           | AJIPD9145Q       |

### 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](mailto:mifl_1983@yahoo.co.in); [info@miflindia.com](mailto:info@miflindia.com)  
Website: [www.miflindia.com](http://www.miflindia.com)

### AUDITORS

M/s. R. K. Kankaria & Co  
Chartered Accountants  
33, Brabourne Road,  
3rd Floor, Kolkata-700 001  
Tel.: +91 33 2242 5812;  
E-mail: [rajesh@rkkco.in](mailto:rajesh@rkkco.in)

### BANKERS

HDFC Bank Ltd.

### REGISTRARS AND SHARE TRANSFER AGENTS

Niche Technologies Pvt. Ltd.  
3A Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata 700 017  
Tel.: +91 33 2280 6616 / 17 / 18; Fax: +91 33 2280 6619  
E-mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

### COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mrs. Namrata Saboo (upto 01.04.2019)  
Mrs. Surbhi Raivadera (w.e.f. 08.04.2019)  
E-mail : [info@miflindia.com](mailto:info@miflindia.com)

### Corporate Identity Number (CIN)

L65993WB1983PLC035815

\* Appointed w.e.f. 1st October, 2018 in place of Mr. Anand Kumar Jain, CFO resigned w.e.f. 13th August, 2018

**Audit Committee**

|          |                      |
|----------|----------------------|
| Chairman | Arun Chakraborty     |
| Member   | Pradeep Kumar Daga   |
| Member   | Rathindra Nath Ghosh |

**Stakeholders' Relationship Committee**

|          |                      |
|----------|----------------------|
| Chairman | Arun Chakraborty     |
| Member   | Pradeep Kumar Daga   |
| Member   | Rathindra Nath Ghosh |

**Nomination & Remuneration Committee**

|          |                      |
|----------|----------------------|
| Chairman | Arun Chakraborty     |
| Member   | Sudarson Kayori      |
| Member   | Rathindra Nath Ghosh |

## Directors' Report

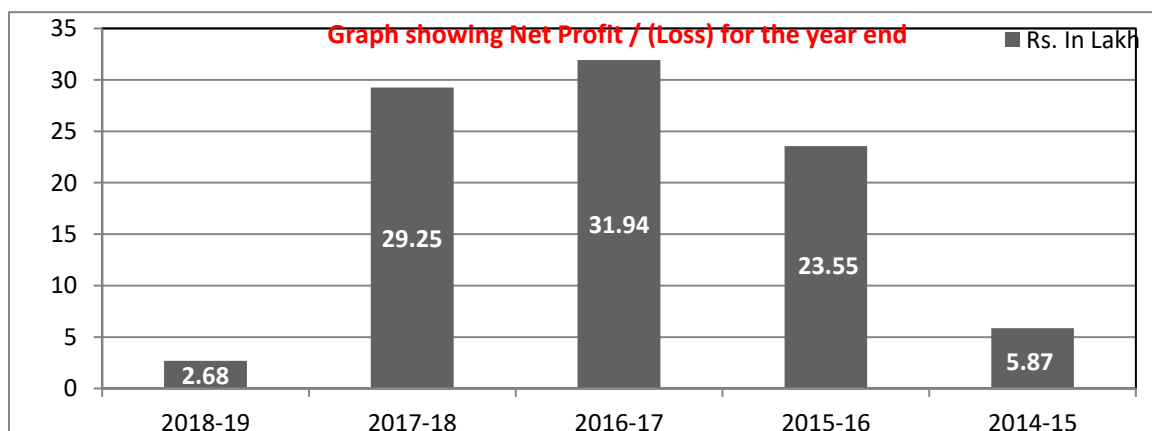
To  
The Members,

Your Directors have pleasure in presenting the **Annual Report** of the Company together with Standalone Audited Accounts for the year ended on **31st March, 2019**.

### 1. FINANCIAL RESULTS :

*(Rs. in Lakh)*

| Particulars                                     | Standalone   |               |
|---|--------------|---------------|
|   | Current Year | Previous Year |
| Sales & Other Income                            | 378.18       | 700.93        |
| Profit Before Depreciation & Taxation           | 3.698        | 39.65         |
| Less : Depreciation                             | 0.0976       | 0.26          |
| Less : Current Tax                              | 0.942        | 10.16         |
| Less : Mat Tax Credit                           | 0.00         | 0.00          |
| Less : Deferred Tax                             | (0.022)      | (0.02)        |
| Profit / ( Loss ) After Taxation                | 2.680        | 29.25         |
| Add: Balance Brought Forward from Previous Year | (26.79)      | 2.94          |
| Surplus Available for Appropriation             | (24.70)      | (26.79)       |
| Appropriations                                  |              |               |
| Provision for Standard Assets (As per RBI Act)  | (0.055)      | 3.73          |
| Provision of Doubtful Assets                    | 0.00         | (56.86)       |
| Transferred to Reserve Fund                     | (0.536)      | (5.85)        |
| Balance Carried To Balance Sheet                | (24.70)      | (26.79)       |



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

During the year under review, the Company has made a Profit of Rs. 3.60 lakh before tax. Your Directors are identifying prospective areas and will make appropriate investments that will maximize the revenue of the company in the current Financial Year.

**3. BRIEF DESCRIPTION OF THE STATE OF COMPANY'S AFFAIRS :**

The Company is a Non-Banking Finance Company and is presently engaged in the business of Investing and Financing.

In the multi-tier financial system of India, importance of NBFCs in the Indian financial system cannot be neglected. The Company expects that with a stable and a reformed government at the center, there will be positive growth and further rationalization of capital market, which will lead to more investment, value creation, capitalization and thus the additional wealth for investors and see better prospects in near future. Also, with the growing economy there will be more opportunities for financing which will prove beneficial for our company. The Company expects better results in near future in anticipation of the policy reforms combined with the dedication of the highly motivated team with excellent understanding of the operations along with magnificent customer relation skills.

**4. DIVIDEND :**

In view of strengthening the financial position of the Company and to enhance the reserve base of the Company your directors are not recommending any dividend during the financial year.

**5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND :**

Since there was no unpaid / unclaimed Dividend declared and paid in previous year, the provisions of Section 125 of the Companies Act, 2013 is not applicable to the Company.

**6. SHARE CAPITAL :**

The paid-up equity capital as on March 31, 2019 was Rs. 9616.435 lakhs. During the financial year the Company has not allotted any equity shares.

**7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT :**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and the date of this report.

**8. TRANSFER TO RESERVES :**

As per the statutory requirement for NBFC Companies, the company has transferred a sum of Rs. 53,597/- to RBI Reserve Fund, under the head Special Reserve, vide note - 3 of Balance Sheet for the year ended 31st March 2019.

**9. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013 :**

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.

**10. CORPORATE SOCIAL RESPONSIBILITY :**

The Companies (Corporate Social Responsibility Policy) Rule, 2014 is not applicable to the Company. Hence there is no need to develop policy on CSR and take initiative thereon. However, your Company respects society value and make endeavor to contribute for the societal cause as far as possible.

**11. 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.

**12. AUDITORS :**

***Statutory Audit :-***

At the Annual General Meeting held on September 15, 2018, the Members approved appointment of M/s. R. K. Kankaria & Co., Chartered Accountants, (Firm Registration No. 321093E), Kolkata, as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2023. The requirement to place the matter relating to appointment of auditors for ratification by Members at every Annual General Meeting has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The statutory auditor's report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

***Secretarial Audit :-***

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

Pursuant to the provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. P 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, 2019 is annexed herewith as "Annexure-A" to this report. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

**13. EXTRACT OF ANNUAL RETURN :**

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return for the year ended 31st March, 2019 in Form No. MGT-9 is annexed herewith as "Annexure -B".

**14. DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

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

Mr. Anand Kumar Jain has resigned from the post of Chief Financial Officer w.e.f. 13th August, 2018 due to his higher studies and in place of which Mrs. Tamanya Dey has been appointed w.e.f. 1st day of October, 2018.

Pursuant to Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Companies Act, 2013, reappointment of Mr. Pradeep Kumar Daga (DIN: 00080515), as the Managing Director for a period of five years with effect from 1st February, 2020 up to 31st day of January, 2025.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Act and the Listing Regulations.

**15. DIRECTORS' RESPONSIBILITY STATEMENT :**

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

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

**16. 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.



**17. 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.

**18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 :**

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 are given in the notes to the financial statements.

**19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY :**

A Related Party Policy has been devised by the Board of Directors for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to at the website of the Company <http://www.miflindia.com/>. The Audit Committee reviews all related party transactions quarterly. Necessary approval of the Audit Committee and the Board of Directors were taken wherever required.

**20. ENVIRONMENT AND SAFETY :**

The Company is conscious of the importance of environmentally clean & safe environment. Since your company is a Non-Banking financial company so the question of environment pollution does not arise.

However, the company ensures safety of all concerned, compliances environmental regulations and prevention of natural resources.

**21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO :**

The provisions of Section 134(3)(m) of the Companies Act, 2013, regarding conservation of energy and technology absorption, are not applicable.

Further there were no foreign exchange inflow or outgo during the period under review.

**22. 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 and requirements under the Companies Act, 2013, the Report on Corporate Governance together with Statutory Auditors view and management discussion & analysis report regarding compliance of the SEBI code of Corporate Governance is annexed herewith.

**23. 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.

**24. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS :**

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.

**25. 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.

**26. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS :**

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.

**27. 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 <http://www.miflindia.com/>. 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.

**28. 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>)

**29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS :**

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

**30. 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.

**31. 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.

**32. PRESERVATION OF DOCUMENTS:**

All the documents as required under the Act, has been properly kept at the registered office of the Company.

**33. LISTING WITH STOCK EXCHANGE**

The Company confirms that it has not defaulted in paying the Annual Listing Fees for the financial year 2018-19 to the Bombay Stock Exchange Limited (BSE) where the shares of the Company are listed.

**34. 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, 2019, 99.95% of the equity shares of your Company were held in demat form.

**35. SECRETARIAL STANDARDS OF ICSI :**

The Company is in compliance with the relevant provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

**36. 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 : **21st Day of May, 2019**

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

## **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

[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 **M/s. Mangalam Industrial Finance Ltd. (CIN: L65993WB1983PLC035815)** (hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **M/s. Mangalam Industrial Finance Ltd.** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2019** (**‘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 Ltd.** (“the Company”) for the financial year ended on 31st March, 2019 according to the provisions of:

1. The Companies Act, 2013(the Act) and the rules made there under;
2. The Companies (Amendment) Act, 2017.
3. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the rules made there under;
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
5. 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;
6. 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 28th 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; **(Not applicable to the Company during the Audit Period);**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**
7. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof the Company has complied with the following laws applicable specifically to the Company:
- Reserve Bank of India Act, 1934 to the extent of provisions applicable to Non Deposit Taking NBFCs (NBFC–ND) and Directions, Guidelines and Circulars made thereunder.

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

- (i) Revised Secretarial Standard (SS-1) and Secretarial Standard (SS-2) 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 are 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 are 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, are 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 been directed to submit requisite information and documents under Section 45L of RBI Act, 1934 vide its letter dated 08.06.2018 (reference No – DNBS RO Kol No. 11851/03.07.003/2017-18). Upon receiving the letter, the Company has submitted the relevant information and documents to the Assistant General Manager (Department of Non-Banking Supervision) Reserve Bank of India on 15.06.2018. However the same is under process and no further communication has been received by the Company from Reserve Bank of India.

P D Rao & Associates  
Practising Company Secretaries

Place: Kolkata  
Date: 21.05.2019

Name : CS Puppala 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as are 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I 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. My 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

Place: Kolkata  
Date: 21.05.2019

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

## **Secretarial compliance report**

**of M/s Mangalam Industrial Finance Ltd. for the year ended 31.03.2019**

We, **P D Rao & Associates** have examined:

(a) all the documents and records made available to us and explanation provided by **M/s Mangalam Industrial Finance (L65993WB1983PLC035815)** (“the listed entity”),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31.03.2019 (“Review Period”) in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

(g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Audit Period)**

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) Securities and exchange Board of India (Depository and Participants) Regulations, 2018;

and based on the above examination, We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-



| Sr No | Compliance Requirements(Regulations/Circulars/guidelines including specific clauses) | Deviations | Observations/Remarks of the Practicing Company Secretary |
|-------|--|------------|--|
| Nil   | Nil  | Nil        | Nil  |

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr No | Action taken by | Details of Violation | Details of action taken E.g. fines, warning letter, debarment, etc | Observations/ remarks of the practicing Company Secretary, if any |
|-------|-----------------|----------------------|--|---|
| Nil   | Nil             | Nil                  | Nil  | Nil   |

The listed entity has taken the following actions to comply with the observations made in previous report:

| Sr No | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended 31.03.2019 | Actions taken by the Company, if any | Comments of the Practicing Company secretary on the actions taken by the listed entity |
|-------|--|--|--------------------------------------|--|
| Nil   | Nil  | Nil  | Nil                                  | Nil  |

P D Rao & Associates  
Practising Company Secretaries

Name : CS Puppala Doleswar Rao  
(Proprietor)

Mem No. : A38387

C. P. No. : 14385

Place: Kolkata

Date: 21.05.2019

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

***(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015***

**To**

**The Members**

**M/s. Mangalam Industrial Finance Ltd.**

**Subol Dutt Building, 13, Brabourne Road**

**Mezzanine Floor, Kolkata – 700001**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Mangalam Industrial Finance Ltd. (CIN : L65993WB1983PLC035815) and having registered office at Subol Dutt Building, 13, Brabourne Road, Mezzanine Floor, Kolkata – 700001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule-V Para-C clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Directors Identification Number (DIN) status at the portal i.e. www.mca.gov.in ) as considered necessary and explanations furnished to us by the Company & its Members, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2019 have been debarred or disqualified from being appointed or continuing Directorship in any Company by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), or any such other Statutory Authority.

| <b>Sr. No.</b> | <b>Name of Director</b>  | <b>DIN</b> | <b>Date of appointment in Company<br/>(DD/MM/YYYY)</b> |
|----------------|--------------------------|------------|--|
| 1.             | Mr. Utpal Dey            | 06931935   | 08/07/2015   |
| 2.             | Mr. Pradeep Kumar Daga   | 00080515   | 24/09/2014   |
| 3.             | Ms. Kirti Sharma         | 07434779   | 16/02/2016   |
| 4.             | Mr. Arun Chakraborty     | 00140430   | 22/12/2004   |
| 5.             | Mr. Rathindra Nath Ghosh | 00152267   | 30/12/2005   |
| 6.             | Mr. Sudarson Kayori      | 00165816   | 22/12/2004   |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

M/s. P D Rao & Associates  
Practising Company Secretaries

Place: Kolkata

Date: 21<sup>st</sup> May, 2019

Name : CS Puppala Doleswar Rao  
(Proprietor)

Mem No. : A38387

C.P No. : 14385

## FORM NO. MGT-9

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31st March, 2019**

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

## I. REGISTRATION AND OTHER DETAILS:

- i) CIN : **L65993WB1983PLC035815**
- ii) Registration Date : **08/02/1983**
- iii) Name of the Company : **Mangalam Industrial Finance Ltd.**
- iv) Category/Sub-Category of the Company : **Company Limited by Shares**
- v) Address of the Registered office : **Registered Office:**  
and Contact details **Subol Dutt Building**  
**13, Brabourne Road, Mezzanine Floor,**  
**Kolkata - 700001 (West Bengal)**  
**Tel. : +91 33 2231 5686 / 5687**  
**E-mail : info@miflindia.com**
- vi) Whether listed company : **YES**
- vii) Name, Address and Contact details of Registrar and Transfer Agent : **Niche Technologies Pvt. Ltd.**  
**3A Auckland Place, 7th Floor,**  
**Room No. 7A & 7B, Kolkata-700017**  
**Tel.: 033 2280 6616 / 17 / 18**  
**Fax: 033 2280 6619**

## 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                            | 59.37%                             |
| 2.      | Other NEC Trade                                  | 46909                            | 40.63%                             |

## 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/<br>HINDUUNDIVIDED<br>FAMILY  | 1000  | 0        | 1000      | 0.000             | 1000                                      | 0        | 1000      | 0.000             | 0%                       |
| CENTRAL<br>GOVERNMENT/STATE<br>GOVERNMENT(S)                                    | 0   | 0        | 0         | 0                 | 0   | 0        | 0         | 0                 | 0%                       |
| BODIES CORPORATE  | 255191000                                       | 0        | 255191000 | 26.537            | 255191000                                 | 0        | 255191000 | 26.537            | 0%                       |
| FINANCIAL<br>INSTITUTIONS/BANKS   | 0   | 0        | 0         | 0                 | 0   | 0        | 0         | 0                 | 0%                       |
| ANY OTHER<br>(SPECIFY)  | 0   | 0        | 0         | 0                 | 0   | 0        | 0         | 0                 | 0%                       |
| SUB-TOTAL (A)(1)  | 255192000                                       | 0        | 255192000 | 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<br>(SPECIFY)  | 0   | 0        | 0         | 0                 | 0   | 0        | 0         | 0                 | 0%                       |
| SUB-TOTAL(A)(2)   | 0   | 0        | 0         | 0                 | 0   | 0        | 0         | 0                 | 0%                       |
| TOTAL<br>SHAREHOLDINGOF<br>PROMOTER AND<br>PROMOTER GROUP (A)=<br>(A)(1)+(A)(2) | 255192000                                       | 0        | 255192000 | 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<br>INSTITUTIONS/BANKS   | 0   | 0        | 0         | 0                 | 0   | 0        | 0         | 0                 | 0%                       |
| CENTRAL GOVERNMENT/<br>STATE GOVERNMENT(S)                                      | 0   | 0        | 0         | 0                 | 0   | 0        | 0         | 0                 | 0%                       |

|  |           |        |           |         |           |        |           |         |        |
|--|-----------|--------|-----------|---------|-----------|--------|-----------|---------|--------|
| VENTURE CAPITALFUNDS   | 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   | 675994778 | 74000  | 676068778 | 70.303  | 654536048 | 74000  | 654610048 | 68.072  | -2.231 |
| INDIVIDUALS -<br>I. INDIVIDUAL SHAREHOLDERS<br>HOLDING NOMINAL SHARE CAPITAL UP TO RS. 1 LAKH. | 5350458   | 388450 | 5738908   | 0.597   | 7741052   | 372300 | 8113352   | 0.844   | 0.247  |
| II. INDIVIDUAL SHARE HOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS.1 LAKH.             | 7286983   | 0      | 7286983   | 0.758   | 8249228   | 0      | 8249228   | 0.858   | 0.100  |
| ANY OTHER (SPECIFY)<br>Clearing Mem /<br>Clearing Cor  | 17250922  | 0      | 17250922  | 1.794   | 35312840  | 0      | 35312840  | 3.672   | 1.878  |
| NRI's  | 105909    | 0      | 105909    | 0.011   | 166032    | 0      | 166032    | 0.017   | 0.006  |
| SUB-TOTAL (B)(2)   | 705989050 | 462450 | 706451500 | 73.463  | 706005200 | 446300 | 706451500 | 73.463  | 0.000  |
| TOTAL PUBLIC SHARE HOLDING (B)=(B)(1)+(B)(2)   | 705989050 | 462450 | 706451500 | 73.463  | 706005200 | 446300 | 706451500 | 73.463  | 0.000  |
| TOTAL (A)+(B)  | 961181050 | 462450 | 961643500 | 100.000 | 961197200 | 446300 | 961643500 | 100.000 | 0.000  |
| SHARES HELD BY CUSTODI-ANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED              | 0         | 0      | 0         | 0       | 0         | 0      | 0         | 0       | 0.000  |
| GRAND TOTAL (A)+(B)+(C)  | 961181050 | 462450 | 961643500 | 100.000 | 961197200 | 446300 | 961643500 | 100.000 | 0.000  |

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       | Pradeep Kumar Daga            | 1000                                      | 0.000                        | 0.000  | 1000                                 | 0.000                        | 0.000   | 0.000   |
| 2       | Responce Commodities LLP      | 250500000                                 | 26.049                       | 0.000  | 250500000                            | 26.049                       | 0.000   | 0.000   |
| 3       | Responce Securities Pvt. Ltd. | 4691000                                   | 0.488                        | 0.000  | 4691000                              | 0.488                        | 0.000   | 0.000   |
|         | Total                         | <b>255192000</b>                          | <b>26.537</b>                | <b>0.000</b>                                     | <b>255192000</b>                     | <b>26.537</b>                | <b>0.000</b>                                    | <b>0.000</b>  |

## 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>PRADEEP KUMAR DAGA</b><br>At the beginning of the year            | 1000                                      | 0.000                    |   |                          |
|         | Increase / (Decrease) in Promoters Share holding during the year.    | No Changes during the year                |                          |   |                          |
|         | At the End of the year   |   |                          | 1000                                    | 0.000                    |
| 2.      | <b>RESPONCE COMMODITIES LLP</b><br>At the beginning of the year      | 250500000                                 | 26.049                   |   |                          |
|         | Increase / (Decrease) in Promoters Share holding during the year.    | No Changes during the year                |                          |   |                          |
|         | At the End of the year   |   |                          | 250500000                               | 26.049                   |
| 3.      | <b>RESPONCE SECURITIES PVT. LTD.</b><br>At the beginning of the year | 4691000                                   | 0.488                    |   |                          |
|         | Increase / (Decrease) in Promoters Share holding during the year.    | No Changes during the year                |                          |   |                          |
|         | 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><br>At the beginning of the year                                     | 44500000                                  | 4.627                    |                                     |                          |
|         | Increase / (Decrease) in Shareholding during the year.   | No Changes during the year                |                          |                                     |                          |
|         | At the End of the year   |   |                          | 44500000                            | 4.627                    |
| 2.      | <b>DURGAGAN VINCOM PVT. LTD.</b><br>At the beginning of the year                                     | 0   | 0.000                    |                                     |                          |
|         | Increase / (Decrease) in Shareholding during the year.<br>06/04/2018 Transfer<br>29/03/2019 Transfer | 4055700<br>36815000                       | 0.422<br>3.828           | 4055700<br>40870700                 | 0.422<br>4.250           |
|         | At the End of the year   |   |                          | 40870700                            | 4.250                    |
| 3.      | <b>GOODVIEW OVERSEAS PVT. LTD.</b><br>At the beginning of the year                                   | 58720000                                  | 6.106                    |                                     |                          |
|         | Increase / (Decrease) in Share holding during the year.  | No Changes during the year                |                          |                                     |                          |
|         | At the End of the year   |   |                          | 58720000                            | 6.106                    |
| 4.      | <b>GUIDE DEALCOM LLP</b><br>At the beginning of the year   | 57121000                                  | 5.940                    |                                     |                          |

|     |   |                            |       |          |       |
|-----|---|----------------------------|-------|----------|-------|
|     | Increase / (Decrease) in Share holding during the year.             | No Changes during the year |       |          |       |
|     | At the End of the year  |                            |       | 57121000 | 5.940 |
| 5.  | <b>KIRTI COMMOTRADE PVT. LTD.</b><br>At the beginning of the year   | 57952500                   | 6.026 |          |       |
|     | Increase / (Decrease) in Share holding during the year.             |                            |       |          |       |
|     | 05/10/2018 Transfer   | 4985000                    | 0.518 | 62937500 | 6.545 |
|     | 29/03/2019 Transfer   | 6500                       | 0.001 | 62944000 | 6.545 |
|     | At the End of the year  |                            |       | 62944000 | 6.545 |
| 6.  | <b>MASSIVE DEALCOMM PVT. LTD.</b><br>At the beginning of the year   | 41184000                   | 4.283 |          |       |
|     | Increase / (Decrease) in Share holding during the year.             | No Changes during the year |       |          |       |
|     | At the End of the year  |                            |       | 41184000 | 4.283 |
| 7.  | <b>MOREPLUS MERCHANTS PVT. LTD.</b><br>At the beginning of the year | 46000000                   | 4.783 |          |       |
|     | Increase / (Decrease) in Share holding during the year.             | No Changes during the year |       |          |       |
|     | At the End of the year  |                            |       | 46000000 | 4.783 |
| 8.  | <b>NILANCHAL DEALCOMM PVT. LTD.</b><br>At the beginning of the year | 54046250                   | 5.620 |          |       |
|     | Increase / (Decrease) in Share holding during the year.             |                            |       |          |       |
|     | 07/12/2018 Transfer   | -10000000                  | 1.040 | 44046250 | 4.580 |
|     | At the End of the year  |                            |       | 44046250 | 4.580 |
| 9.  | <b>SMILE SUPPLIERS PVT. LTD.</b><br>At the beginning of the year    | 45800000                   | 4.763 |          |       |
|     | Increase / (Decrease) in Share holding during the year.             | No Changes during the year |       |          |       |
|     | At the End of the year  |                            |       | 45800000 | 4.763 |
| 10. | <b>SUPARAS IMPEX PVT. LTD.</b><br>At the beginning of the year      | 48218270                   | 5.014 |          |       |
|     | Increase / (Decrease) in Share holding during the year.             |                            |       |          |       |
|     | 07/12/2018 Transfer   | -3732000                   | 0.388 | 44486270 | 4.626 |
|     | 14/12/2018 Transfer   | -46800                     | 0.005 | 44439470 | 4.621 |
|     | At the End of the year  |                            |       | 44439470 | 4.621 |

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<br>At the beginning of the year | 1000                                      | 0.000                    |   |                          |
|         | Increase / (Decrease) in Share holding during the year:                     | No Changes during the year                |                          |   |                          |
|         | At the End of the year  |   |                          | 1000                                    | 0.000                    |

|   |  |   |       |   |       |
|---|--|---|-------|---|-------|
| 2 | <b>ARUN CHAKRABORTY</b> Independent Director<br>At the beginning of the year                   | 0 | 0.000 |   |       |
|   | Increase / (Decrease) in 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<br>At the beginning of the year                    | 0 | 0.000 |   |       |
|   | Increase / (Decrease) in 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<br>At the beginning of the year               | 0 | 0.000 |   |       |
|   | Increase / (Decrease) in Share holding during the year:  | 0 | 0.000 | 0 | 0     |
|   | At the End of the year   |   |       | 0 | 0.000 |
| 5 | <b>TAMANYA DEY</b> Chief Financial Officer (w.e.f. 01.10.2018)<br>At the beginning of the year | 0 | 0.000 |   |       |
|   | Increase / (Decrease) in 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<br>At the beginning of the year                        | 0 | 0.000 |   |       |
|   | Increase / (Decrease) in Share holding during the year:  | 0 | 0.000 | 0 | 0     |
|   | At the End of the year   |   |       | 0 | 0.000 |
| 7 | <b>KIRTI SHARMA</b> Non-Executive Director<br>At the beginning of the year                     | 0 | 0.000 |   |       |
|   | Increase / (Decrease) in Share holding during the year:  | 0 | 0.000 | 0 | 0     |
|   | At the End of the year   |   |       | 0 | 0.000 |
| 8 | <b>NAMRATA SABOO</b> Company Secretary (upto 01.04.2019)<br>At the beginning of the year       | 0 | 0.000 |   |       |
|   | Increase / (Decrease) in 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<br>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<br>Managing Director | Total Amount    |
| 1       | Gross salary  |   |                 |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 6,00,000                                | 6,00,000        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0                                       | 0               |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | 0                                       | 0               |
| 2       | Stock Option  | 0                                       | 0               |
| 3       | Sweat Equity  | 0                                       | 0               |
| 4       | Commission<br>- as % of profit<br>- others, specify                                 | 0                                       | 0               |
| 5       | Others, please specify  | 0                                       | 0               |
|         | <b>Total (A)</b>  | <b>6,00,000</b>                         | <b>6,00,000</b> |

## 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           |
|         | Kirti Sharma                         | 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    |
|---------|---|---|--|--|-----------------|
|         |   | Anand Kumar Jain, Chief Financial Officer (upto 13.08.2018) | Tamanya Dey, Chief Financial Officer (w.e.f. 01.10.2018) | Namrata Saboo, Company Secretary (upto 01.04.2019) |                 |
| 1       |   |   |  |  |                 |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 30,710  | 60,000   | 1,80,000   | 2,70,710        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0   | 0  | 0  | 0               |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | 0   | 0  | 0  | 0               |
| 2       | Stock Option  | 0   | 0  | 0  | 0               |
| 3       | Sweat Equity  | 0   | 0  | 0  | 0               |
| 4       | Commission<br>- as % of profit<br>- others, specify                                 | 0   | 0  | 0  | 0               |
| 5       | Others, please specify  | 0   | 0  | 0  | 0               |
|         | <b>Total (C)</b>  | <b>30,710</b>   | <b>60,000</b>  | <b>1,80,000</b>                                    | <b>2,70,710</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 director's report and the details as set out below are as per the SEBI guideline and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Amendments thereof.**

### 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, 2019. As on 31st March, 2019, 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 2018 to March 2019 | Attendance at the last AGM held on September 15, 2018 | No. of Directors held in other Public Limited companies | No. of Shares held in company as on March 31, 2019 | No. of Committee positions held in other Public Limited companies |        |
|--|------------------------------|--|---|---|--|---|--------|
|  |                              |  |   |   |  | Chairman  | Member |
| Mr. Pradeep Kumar Daga<br>(Chairman & Managing Director) | Executive Promoter Director  | 13   | Yes   | 7   | 1000   | Nil   | 1      |
| Mr. Utpal Dey  | Non-Executive Director       | 13   | Yes   | 1   | Nil  | Nil   | 2      |
| Ms. Kirti Sharma   | Non-Executive Woman Director | 13   | Yes   | 3   | Nil  | Nil   | Nil    |
| Mr. Sudarson Kayori                                      | Independent – Non Executive  | 13   | Yes   | 3   | Nil  | 1   | 3      |
| Mr. Arun Chakraborty                                     | Independent – Non Executive  | 13   | Yes   | 3   | Nil  | 3   | 3      |
| Mr. Rathindra Nath Ghosh                                 | Independent – Non Executive  | 14   | Yes   | 3   | Nil  | 2   | 2      |

##### 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.
3. Includes Membership of Audit and Stakeholders Relationship Committees of other Indian Public Limited Companies only.

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

Mr. Utpal Dey (DIN: 06931935) 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. Utpal Dey 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 31.03.2019 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, 2019. These were held on 11.04.2018; 14.04.2018; 20.04.2018; 28.05.2018; 22.06.2018; 13.07.2018; 13.08.2018; 17.09.2018; 01.10.2018; 08.11.2018; 21.12.2018; 30.01.2019; 01.02.2019 and 19.03.2019.

| Date       | Type of Meeting | Pradeep Kumar Daga | Utpal Dey | Kirti Sharma | Sudarson Kayori | Arun Chakraborty | Rathindra Nath Ghosh |
|------------|-----------------|--------------------|-----------|--------------|-----------------|------------------|----------------------|
| 11.04.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 14.04.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 20.04.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 28.05.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 22.06.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 13.07.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 13.08.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 17.09.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 01.10.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 08.11.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 21.12.2018 | Board Meeting   |                    |           |              |                 |                  |                      |
| 30.01.2019 | Board Meeting   |                    |           |              |                 |                  |                      |
| 01.02.2019 | Board Meeting   |                    |           |              |                 |                  |                      |
| 19.03.2019 | 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 2018-2019. The declaration by Mr. Pradeep Kumar Daga, Managing Director of the Company regarding compliance by the Board members and Senior Management Personnel, with the said code of conduct is given in **Annexure-1** to this report. In addition to this a separate code of conduct for dealing in equity shares and other securities conferring voting rights in the Company is also in place and has been complied with.

**III. AUDIT COMMITTEE**

The Company has established an Audit Committee. The Committee comprises of one Executive and Two Non-Executive Independent Directors who are financially literate persons having vast experience

in the area of finance, accounts and industry. The Composition procedure, role / function of the Audit Committee comply with the requirements of the Listing Regulations. During the year under review 5 (five) 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 5 (five) meetings of the Audit Committee were held on 28.05.2018, 13.08.2018, 01.10.2018, 08.11.2018 and 30.01.2019. 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 | 5                                    | 5  |
| Mr. Rathindra Nath Ghosh  | Member   | 5                                    | 5  |
| Mr. Pradeep Kumar Daga    | Member   | 5                                    | 5  |

#### **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 2018-19 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 14.04.2018,

28.05.2018, 13.08.2018, 01.10.2018, 08.11.2018 and 30.01.2019. 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 | 6  | 6  |
| Mr. Rathindra Nath Ghosh  | Member   | 6  | 6  |
| Mr. Sudarson Kayori       | Member   | 6  | 6  |

### 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, 2018 to March, 2019 |
|--|-------------------------|---|
| Mr. Pradeep Kumar Daga                 | Managing Director       | Rs. 6,00,000/-                                      |
| Mr. Anand Kumar Jain (upto 13.08.2018) | Chief financial Officer | Rs. 30,710/-  |
| Mrs. Tamanya Dey (w.e.f. 01.10.2018)   | Chief financial Officer | Rs. 60,000/-  |
| Mrs. Namrata Saboo (upto 01.04.2019)   | Company Secretary       | Rs 1,80,000/-                                       |

#### Non-Executive Directors

Given below are the details of Sitting fees paid to Non-Executive Directors for the Financial Year ended 31.03.2019 for attending Board Meetings and various Committee Meetings.

| Name of the Director     | Category                    | Sitting Fees Paid |
|--------------------------|-----------------------------|-------------------|
| Mr. Utpal Dey            | Non-Executive               | Nil               |
| Ms. Kirti Sharma         | 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 comprised of three directors including two Independent Directors and Managing Director as member of the committee, to consider and resolve the grievances of the shareholders 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 22.06.2018, 04.09.2018, 21.12.2018 and 19.03.2019. 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 Kumar Daga    | Member   | 4   | 4   |

| Date       | Type of Meeting                              | Arun Chakraborty  | Rathindra Nath Ghosh   | Pradeep Kumar Daga  |
|------------|--|---|--|---|
| 22.06.2018 | Stakeholders' Relationship Committee Meeting |  |  |  |
| 04.09.2018 | Stakeholders' Relationship Committee Meeting |  |  |  |
| 21.12.2018 | Stakeholders' Relationship Committee Meeting |  |  |  |
| 19.03.2019 | Stakeholders' Relationship Committee Meeting |  |  |  |

 = Present in Meeting.

 = Absent in Meeting.

#### 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 2018-19, 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 31.03.2019.
- (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 was held on 07.01.2019.

**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 are 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>   |
|-----------------------|-------------|-------------|--|
| 2015-2016             | 23.09.2016  | 11:00 AM    | Conference Hall, 11, Clive Row, 5th. Floor, Kolkata-700001 |
| 2016-2017             | 12.09.2017  | 10:00 A.M   | Conference Hall, 11, Clive Row, 5th. Floor, Kolkata-700001 |
| 2017-2018             | 15.09.2018  | 2:00 P.M.   | Conference Hall, 11, Clive Row, 5th. Floor, Kolkata-700001 |

(ii) Details of Extra-Ordinary General Meeting held in the last three years:

| <u>Date of EGM</u>         | <u>Matter of Passing Ordinary Resolution</u>  |
|----------------------------|---|
| 18 <sup>th</sup> May, 2018 | Appointment of M/s. R. K. Kankaria & Co., Chartered Accountants (Firm Registration No. 321093E) as Statutory Auditors of the Company for the Financial Year 2017-18 to fill Casual Vacancy. |

(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>  |
|----------------------|--|
| 12th September, 2017 | To re-appoint Mr. Sudarson Kayori (DIN:00165816), Independent Director of the Company for a second term under the provisions of the Companies Act, 2013      |
| 12th September, 2017 | To re-appoint Mr. Rathindra Nath Ghosh (DIN:00152267), Independent Director of the Company for a second term under the provisions of the Companies Act, 2013 |
| 12th September, 2017 | To re-appoint Mr. Arun Chakraborty (DIN: 00140430), Independent Director of the Company for a second term under the provisions of the Companies Act, 2013    |

- (c) Whether any special resolution passed last year through postal ballot and details of voting pattern? - Not Applicable.
- (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 (an English daily) and Arthik Lipi, 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            | Saturday, the 24th day of August, 2019 at 2.00 P.M  |
| Financial Calendar                  | 1st April, 2018 To 31st March, 2019   |
| Date of Book Closure                | 19th August, 2019 to 24th August, 2019  |
| Listing on Stock Exchanges          | BSE Limited   |
| Stock Code                          | 537800  |
| Demat ISIN No. for CDSL and NSDL    | INE717C01025  |
| Listing Fee                         | Paid to the Exchange for the year 2019-2020   |
| Custodial Fees                      | Paid to the NSDL & CDSL for the year 2019-2020  |
| Registrar and Share Transfer Agents | Niche Technologies Pvt. Ltd.<br>3A Auckland Place, 7th Floor,<br>Room No. 7A & 7B, Kolkata-700017<br>Tel.: +91 33 2280 6616 / 17 / 18; Fax: +91 33 2280 6619<br>E-mail: nichetechpl@nichetechpl.com |

**(b) LISTING OF SECURITIES:**

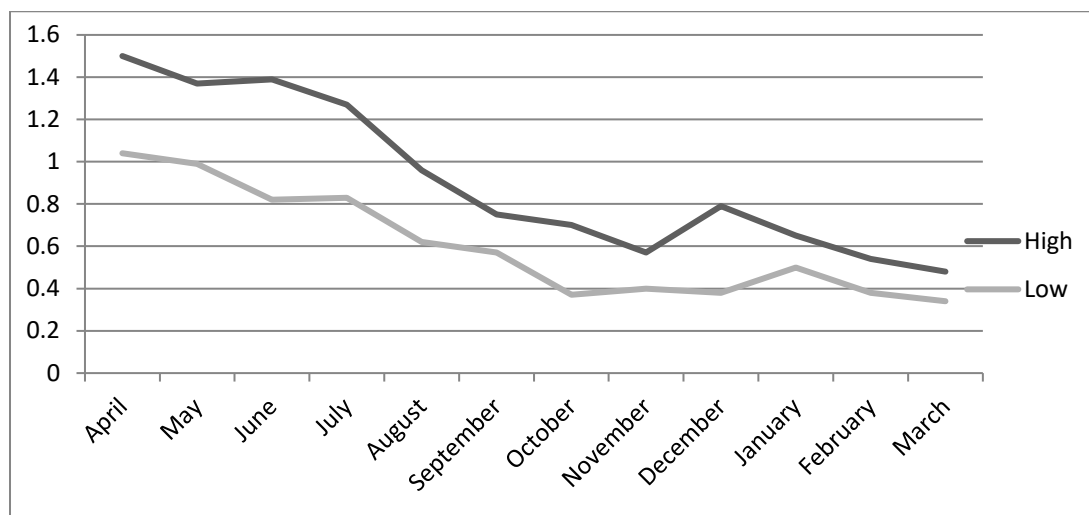
The Equity Shares of your Company are listed on BSE Limited. The names and addresses are given below:

| <u>Sr. No</u> | <u>Name and Address of the Stock Exchange</u>  | <u>Scrip code</u> | <u>Date of Listing</u> |
|---------------|--|-------------------|------------------------|
| 1.            | BSE Limited<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001<br>Web: <a href="http://www.bseindia.com">http://www.bseindia.com</a> | 537800            | 18.03.2014             |

**Voluntarily delisted from The Calcutta Stock Exchange Ltd. w.e.f. 02.04.2018.**

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

| <u>Month,</u> | <u>Year</u> | <u>High</u> | <u>Low</u> |
|---------------|-------------|-------------|------------|
| April,        | 2018        | 1.50        | 1.04       |
| May,          | 2018        | 1.37        | 0.99       |
| June,         | 2018        | 1.39        | 0.82       |
| July,         | 2018        | 1.27        | 0.83       |
| August,       | 2018        | 0.96        | 0.62       |
| September,    | 2018        | 0.75        | 0.57       |
| October,      | 2018        | 0.70        | 0.37       |
| November,     | 2018        | 0.57        | 0.40       |
| December,     | 2018        | 0.79        | 0.38       |
| January,      | 2019        | 0.65        | 0.50       |
| February,     | 2019        | 0.54        | 0.38       |
| March,        | 2019        | 0.48        | 0.34       |



*The above chart shows the high and low of equity shares during the year 2018-19*

**(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 of the company is: INE717C01025.

The Company's Equity Shares are under Compulsory Demat trading by all categories of investors. As on **31st March, 2019**, 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, 2019**

The shareholding distribution of equity shares of face value of Re. 1/- each as at 31st March, 2019 is given below:-

| No. of Equity Shares held<br>From - To |   |        | Shareholders |                 | Shareholding        |                 |
|--|---|--------|--------------|-----------------|---------------------|-----------------|
|  |   |        | Nos.         | %               | Nos.                | %               |
| 001                                    | - | 500    | 811          | 36.4167         | 1,57,363            | 0.0164          |
| 501                                    | - | 1000   | 587          | 26.3583         | 5,65,078            | 0.0588          |
| 1001                                   | - | 5000   | 446          | 20.0269         | 12,66,527           | 0.1317          |
| 5001                                   | - | 10000  | 148          | 6.6457          | 11,76,119           | 0.1223          |
| 10001                                  | - | 50000  | 166          | 7.4540          | 39,55,455           | 0.4113          |
| 50001                                  | - | 100000 | 20           | 0.8981          | 14,92,797           | 0.1552          |
| 100001                                 | & | Above  | 49           | 2.2003          | 95,30,30,161        | 99.1043         |
| <b>TOTAL</b>                           |   |        | <b>2227</b>  | <b>100.0000</b> | <b>96,16,43,500</b> | <b>100.0000</b> |

**(j) SHAREHOLDING PATTERN AS ON MARCH 31, 2019 :**

| 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              | 26.537                     |
| - Foreign Promoters                                 | Nil                       | 0.000                      |
| <b>Sub - Total</b>                                  | <b>25,51,92,000</b>       | <b>26.537</b>              |
| <b>B. Non - Promoters Holding</b>                   |                           |                            |
| <b>2. Institutional investors</b>                   |                           |                            |
| - Mutual Funds and UTI                              | Nil                       | 0.000                      |
| - Banks, Financial Institution, Insurance Companies | Nil                       | 0.000                      |
| - FIIS  | Nil                       | 0.000                      |
| <b>Sub - Total</b>                                  | <b>Nil</b>                | <b>0.000</b>               |
| <b>3. Others</b>                                    |                           |                            |
| - Body Corporate                                    | 654610048                 | 68.072                     |



| Category                       | No. of equity shares held | Percentage of shareholding |
|--------------------------------|---------------------------|----------------------------|
| - Indian Public                | 16362580                  | 1.702                      |
| - NRI / OCBs                   | 166032                    | 0.017                      |
| - Any other – Clearing Members | 35312840                  | 3.672                      |
| <b>Sub – Total</b>             | <b>70,64,51,500</b>       | <b>73.463</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,<br>13, Brabourne Road, Mezzanine Floor,<br>Kolkata - 700001 (W.B.) India |
| <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; &<br>mifl_1983@yahoo.co.in  |

**(l) NON-MANDATORY REQUIREMENTS**

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

**(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, 2019.

*For and on behalf of the Board*

**Pradeep Kumar Daga**  
(DIN 00080515)

*Managing Director cum CEO*

Place: **Kolkata**

Date : **21<sup>st</sup> Day of May, 2019**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Directors have pleasure in presenting the Management Discussion and Analysis Report for the year ended on 31<sup>st</sup> March, 2019. This Report have been included in consonance with the Code of Corporate Governance as approved by the Securities and Exchange Board of India (SEBI).

The Management of the Company is presenting herein the overview, opportunities, threats and overall strategy of the Company and its outlook for the future. This outlook is based on Management's own assessment and it may vary due to Economic and other future developments in the Country.

### **ECONOMIC OVERVIEW**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2018-19 the Indian economy is expected to grow at 7 to 8.25 per cent during FY 2019-20, despite the uncertainties in the global market.

Uncertainties, however, continue to loom over the global economy, which could have a cascading effect on the Indian economy. The build-up of financial vulnerabilities remains a key concern. Non-financial corporate debt has also grown rapidly in some emerging markets, necessitating a policy response. Other factors that could impact global investments are increase in trade barriers and regulatory realignments, while a rise in commodity prices could also adversely affect the non-OPEC (Organization of the Petroleum Exporting Countries) markets.

The overall forecast for the coming years appears positive, with growth rates for many of the Eurozone economies having been revised upwards. Germany, Italy and the Netherlands are, in particular, reflecting stronger momentum in domestic demand and higher external demand. In EMDEs (Emerging Markets & Domestic Economies), pickup of growth in commodity exports (forecast to rise to an average of 3.1% in 2019-20) is expected to boost growth to an average of 4.7% in 2019-20.

The Advance Estimates released by the Central Statistics Office, the growth rate of GDP at constant market prices for the year 2018-2019 is placed at 7.0%, as against 6.5% in 2017-18. The major driver for this estimate is the Government final consumption expenditure in the current year.

### **INDUSTRY OVERVIEW**

There are several large and profitable opportunities for NBFC'S and the sector plays an important role in the Indian Financial system. The key is for the NBFC sector to grow in a prudential manner while focusing on financial innovation and in having in place, the adequate risk management systems and procedures before entering into risky areas.

The Indian financial services sector, comprising of a range of institutions from commercial and co-operative banks, pension funds and Non-Banking Financial Companies (NBFCs) to Mutual Funds, insurance companies, etc., is diverse and expanding rapidly. Over the years, the Government of India has initiated several reforms to liberalize this industry and expand its reach to individuals in the hinterlands and Micro, Small and Medium Enterprises (MSMEs) in need of credit and other financial services. Adding a further dimension, the Government and RBI have also allowed new entities such as Payment Banks and Small Finance Banks to enter the financial sector.

Financing needs in India have risen with the notable growth recorded by the economy over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. The regulator constantly endeavors to balance the multiple objectives of financial stability, consumer and depositor protection and regulatory arbitrage concerns.

The financial sector in India predominantly comprises of the banking sector, with commercial banks accounting for more than 58% of the total assets held by the financial system. However, the role of the NBFC sector has been growing. The balance sheet of the NBFC sector expanded by 16.5% during financial year 2017-18. Despite the growth, NBFCs managed their asset quality better than the banks. Gross bad loans of the NBFC industry stood at 4.4% in March 2017, down from 4.9% in September 2018, when banks in general witnessed a rise. Net NPAs as a percentage of total advances also declined from 2.7% to 2.3%.

**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.

**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.

**FINANCIAL PERFORMANCE**

The details of the financial performance of the Company is given in the Directors' Report.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control system commensurate with its size and business and has vigilant process to monitor the internal control system. The management has devised its internal control system to safeguard its assets, efficiency in operations and compliance of statutes. The Audit Committee of the Company consisting of Non-Executive Independent Directors, periodically reviews and recommends the financial statements of the Company. The Audit Committee also monitors the implemented suggestions.

**HUMAN RESOURCES**

The Company strongly believes that its success lies on its employees achieving their personal and professional goals. The Company's constant endeavour is that its employees feel invested in, and in turn, they invest in the Company, its growth and mission.

To foster a positive workplace environment, free from harassment of any nature, the Company has framed a policy for Prevention of Sexual Harassment at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and reviews the same periodically.

**CAUTIONARY STATEMENT**

Statements in the MD&A, describing the Company's objective, projections and estimates, are forward looking statements and progressive within the meaning of applicable security laws and regulations. These statements involve a number of risks, uncertainties and other factors namely; economic conditions, Government Policies that could cause actual results to differ materially from those that may be implied by these forward looking statements.

**For and on behalf of board of directors**

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

**Place: Kolkata**  
**Date : 21st Day of May, 2019**

**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 cum CEO 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 : 21st Day of May, 2019**

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

**CEO and CFO CERTIFICATION**

We have reviewed financial statements and the Cash Flow statement for the financial year 2018-19 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 violate 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: 21st Day of May, 2019**

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

**Tamanya Dey**  
**Chief Financial Officer**



**R. K. KANKARIA & CO**

Chartered Accountants

33, BRABOURNE ROAD, 3<sup>RD</sup> FLOOR

KOLKATA : 700 001

Phone : 2242-5812, (O) 9836121421

E-mail : rajesh.kankaria@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, 2019**, 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 R. K. KANKARIA & CO.**

Chartered Accountants

Firm Reg. No. : 321093E

(R. K. KANKARIA)

(Partner)

M. No. : 082796

Place : Kolkata

Date : 21.05.2019



**R. K. KANKARIA & CO**

Chartered Accountants

33, BRABOURNE ROAD, 3<sup>RD</sup> FLOOR

KOLKATA : 700 001

Phone : 2242-5812, (O) 9836121421

E-mail : rajesh.kankaria@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, 2016 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 31.03.2019 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 31.03.2019 in our opinion the Company may be classified as **LOAN/ 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, 2019.
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 systemically 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 R. K. KANKARIA & CO.**

Chartered Accountants

Firm Reg. No. : 321093E

(R. K. KANKARIA)

(Partner)

M. No. : 082796

Place : Kolkata

Date : 21.05.2019





**R. K. KANKARIA & CO**

Chartered Accountants

33, BRABOURNE ROAD, 3<sup>RD</sup> FLOOR

KOLKATA : 700 001

Phone : 2242-5812, (O) 9836121421

E-mail : rajesh.kankaria@gmail.com

## **INDEPENDENT AUDITORS' REPORT**

To the members of **M/s. Mangalam Industrial Finance Limited**

### **Report on the Audit of Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Mangalam Industrial Finance Limited** (“*the Company*”) which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the ‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2019, and profit/loss (financial performance) and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

| SN | Key Audit Matter   | Auditor's Response  |
|----|--|---|
| 1  | <p><b>Revenue Recognition and NPA</b><br/>The Company has to comply with prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in the terms of NBFC – Non Systemically Important Non Deposit taking company (Reserve Bank) Directions, 2016.</p> | <p><b>Our procedures included, but were not limited to the following:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around compliance with prudential norms encompassing income recognition, income from investments, accounting standards, accounting for investments, asset classification, provisioning for bad and doubtful debts in the terms of Directions.</li> <li>• Examination of whether the management has framed and implemented policy for grant and demand of loans and other credit facilities.</li> <li>• Examination of whether advances and other credit facilities have been properly classified as standard/sub standard/doubtful/loss and that proper provision has been made in accordance with the Directions.</li> <li>• Examination in respect of a Non-Performing Assets, whether the unrealised income in respect of such assets has not been taken to the Profit &amp; Loss Account on accrual basis.</li> <li>• Examination of whether all accounts which have been classified as NPAs in the previous year also continue to be shown as such in the current year also. If the same is not treated as a NPA in the current year, specific examination of such accounts to ascertain whether the account has become regular and the same can be treated as performing as per the Directions.</li> </ul> |

## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Report on Other Legal and Regulatory Requirements**

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure-B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impacts its financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For R. K. KANKARIA & CO.**

Chartered Accountants

Firm Reg. No. : 321093E

(R. K. KANKARIA)

Partner

M. No. : 082796

Place: Kolkata

Date: 21.05.2019



**R. K. KANKARIA & CO**

Chartered Accountants

33, BRABOURNE ROAD, 3<sup>RD</sup> FLOOR

KOLKATA : 700 001

Phone : 2242-5812, (O) 9836121421

E-mail : rajesh.kankaria@gmail.com

### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- I. In respect of its fixed assets:
  - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets of the Company are physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion the periodicity of the 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, the Company does not have immovable property. Thus, paragraph 3(i) (c) of the Order is not applicable to the Company.
- II. In respect of its Inventories:

The Company does not hold any inventory within the meaning of inventories, as defined in Accounting Standard -2. So in our opinion, Paragraph 3(ii) of the order is not applicable to the Company.
- III. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the Register maintained under Section 189 of the Act. So in our opinion the provisions of paragraph 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable.
- IV. The Company is a Non-Banking Financial Company and it has complied with the provisions of section 185 & 186 of the Act, to the extent applicable to the Company.
- V. The Company has not accepted any deposits from the public.
- VI. The Central Government has not specified maintenance of cost records under section 148 (1) of the Act for any of the services rendered by the Company.
- VII. In respect of statutory dues:
  - (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on last day of the financial year concerned for a period of more than six months from the date they became payable.

- (b) There are no dues in respect of income-tax, sales-tax, service tax or duty of customs or duty of excise or value added tax or GST that have not been deposited with the appropriate authorities on account of any dispute.
- VIII. The Company has no dues payable to a financial institution, Bank, Government or to debenture-holders during the year. Accordingly, the provision of paragraph 3(viii) of the Order is not applicable.
- IX. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, the provision of paragraph 3(ix) of the Order is not applicable.
- X. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- XI. According to the information and explanations given 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 of the Act.
- XII. 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.
- XIII. 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 the provision of section 177 & 188 of the Act, where applicable and details of such transactions have been disclosed in the notes to financial statements as required by the applicable accounting standards.
- XIII. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- XIV. The company has not entered into any non-cash transactions with its directors or persons connected with him, so the provisions of section 192 of the Act is not required to be complied with.
- XVI. The company is Non-Banking Financial Company and is duly registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R. K. KANKARIA & CO.**

Chartered Accountants  
Firm Reg. No. : 321093E

(R. K. KANKARIA)  
Partner  
M. No. : 082796  
Place: Kolkata  
Date: 21.05.2019



## **Annexure - B to the Independent Auditors' Report on the Financial Statements of Mangalam Industrial Finance Limited**

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

### **To the members of M/s. Mangalam Industrial Finance Limited**

We have audited the internal financial controls over financial reporting of M/s. Mangalam Industrial Finance Limited (“the Company”) as of 31 March 2019 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 auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 2019, 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 R. K. KANKARIA & CO.**

Chartered Accountants

Firm Reg. No. : 321093E

(R. K. KANKARIA)

(Partner)

M. No. : 082796

Place : Kolkata

Date : 21.05.2019

**BALANCE SHEET AS AT 31ST MARCH, 2019**

| Particulars                         | Note No | Current Year        | Previous Year       |
|-------------------------------------|---------|---------------------|---------------------|
|                                     |         | Rs                  | Rs                  |
| <b>I. EQUITY AND LIABILITIES</b>    |         |                     |                     |
| <b>(1) Shareholder's Funds</b>      |         |                     |                     |
| ( a ) Share Capital                 | 2       | 96,16,43,500        | 96,16,43,500        |
| ( b ) Reserve & Surplus             | 3       | 10,29,047           | 7,66,583            |
| <b>(2) Non-Current Liabilities</b>  |         |                     |                     |
| ( a ) Deferred Tax Liability (Net)  | 4       | -                   | 533                 |
| <b>(3) Current Liabilities</b>      |         |                     |                     |
| ( a ) Other current liabilities     | 5       | 51,170              | 1,01,472            |
| ( b ) Short-term provisions         | 6       | 63,06,662           | 63,01,139           |
| <b>TOTAL</b>                        |         | <b>96,90,30,379</b> | <b>96,88,13,227</b> |
| <b>II. ASSETS</b>                   |         |                     |                     |
| <b>(1) Non-current assets</b>       |         |                     |                     |
| ( a ) Fixed Assets – Tangible       | 7       | 5,692               | 15,452              |
| ( b ) Non-current investments       | 8       | 70,21,00,000        | 70,21,00,000        |
| ( c ) Long Term Loans and Advances  | 9       | 22,42,35,268        | 22,61,53,657        |
| ( d ) Deferred Tax Asset (Net)      | 4       | 1,652               | -                   |
| <b>(2) Current assets</b>           |         |                     |                     |
| ( a ) Inventories                   | 10      | -                   | -                   |
| ( b ) Cash and cash equivalents     | 11      | 91,25,368           | 1,20,05,868         |
| ( c ) Short-term loans and advances | 12      | 2,96,27,805         | 2,55,00,000         |
| ( d ) Other current assets          | 13      | 39,34,593           | 30,38,250           |
| <b>TOTAL</b>                        |         | <b>96,90,30,379</b> | <b>96,88,13,227</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 R. K. KANKARIA & CO.**  
**Firm Registration No. 321093E**  
**( Chartered Accountants )**

**Kirti Sharma**  
 Director  
 (DIN : 07434779)

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

**CA. Rajesh Kumar Kankaria**  
**(Partner)**  
**Membership No : 082796**

**Tamanya Dey**  
 Chief Financial Officer

**Surbhi Raivadera**  
 Company Secretary  
 ACS :40654

Place : Kolkata

Date : 21st Day of May, 2019

**STATEMENT OF PROFIT & LOSS  
FOR THE YEAR ENDED ON 31ST MARCH, 2019**

| PARTICULARS |   | Note No | Current Year       | Previous Year      |
|-------------|---|---------|--------------------|--------------------|
|             |   |         | Rs                 | Rs                 |
| <b>I</b>    | <b>REVENUE FROM OPERATIONS</b>                  | 14      | 3,78,18,145        | 7,00,91,742        |
| <b>II</b>   | <b>OTHER INCOME</b>                             | 15      | 5,73,829           | 789                |
| <b>III</b>  | <b>TOTAL REVENUE ( I + II )</b>                 |         | <b>3,83,91,974</b> | <b>7,00,92,531</b> |
| <b>IV</b>   | <b>EXPENSES</b>                                 |         |                    |                    |
|             | Purchase of Stock in trade                      |         | 3,61,09,800        | 6,35,08,844        |
|             | Change in inventory level                       | 16      | -                  | -                  |
|             | Employee Benefit Expenses                       | 17      | 8,70,710           | 11,60,800          |
|             | Depreciation and Amortization Expense           | 18      | 9,760              | 26,492             |
|             | Other Expenses                                  | 19      | 10,41,664          | 14,57,661          |
|             | <b>TOTAL EXPENSES</b>                           |         | <b>3,80,31,934</b> | <b>6,61,53,797</b> |
| <b>V</b>    | <b>Profit Before Exceptional Items (III-IV)</b> |         | <b>3,60,040</b>    | <b>39,38,734</b>   |
| <b>VI</b>   | Less: Exceptional Items                         |         | -                  | -                  |
| <b>VII</b>  | <b>Profit Before Tax (V-VI)</b>                 |         | <b>3,60,040</b>    | <b>39,38,734</b>   |
| <b>VIII</b> | <b>TAX EXPENSES</b>                             |         |                    |                    |
|             | a Current Tax                                   |         | (94,238)           | (10,16,052)        |
|             | b Mat Tax Credit                                |         | -                  | -                  |
|             | c Deferred Tax                                  |         | 2,185              | 2,001              |
| <b>IX</b>   | <b>Profit/(Loss) for the Period (VII -VIII)</b> |         | <b>2,67,987</b>    | <b>29,24,683</b>   |
| <b>X</b>    | <b>Earning Per Equity Share</b>                 |         |                    |                    |
|             | a Basic   | 20      | 0.000              | 0.003              |
|             | b Diluted                                       | 20      | 0.000              | 0.003              |

SIGNIFICANT ACCOUNTING POLICIES 1  
OTHER NOTES ON ACCOUNTS 21

For and behalf of the Board

In terms of our report of even date  
**FOR R. K. KANKARIA & CO.**  
**Firm Registration No. 321093E**  
**( Chartered Accountants )**

**Kirti Sharma**  
Director  
(DIN : 07434779)

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

**CA. Rajesh Kumar Kankaria**  
**(Partner)**  
**Membership No : 082796**

**Tamanya Dey**  
Chief Financial Officer

**Surbhi Raivadera**  
Company Secretary  
ACS :40654

**Place : Kolkata**  
**Date : 21st Day of May, 2019**

**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 less  
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.007/03.10.119/2016-17 Dated September 1, 2016** has issued direction to all NBFCs to make provision of 0.25% on STANDARD ASSETS with immediate effect. Accordingly the Company has made provision @0.25% 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, 2019**

| PARTICULARS  | Current Year        | Previous Year       |
|--|---------------------|---------------------|
|  | Rs                  | Rs                  |
| <b>NOTE - 2</b>  |                     |                     |
| <b>SHARE CAPITAL</b>   |                     |                     |
| <b>Authorised</b><br>96,17,00,000 Equity Shares of Re.1/- each                       | <b>96,17,00,000</b> | <b>96,17,00,000</b> |
| <b>Issued, Subscribed &amp; Paid up</b><br>96,16,43,500 Equity Shares of Re.1/- each | 96,16,43,500        | 96,16,43,500        |
|  | <b>96,16,43,500</b> | <b>96,16,43,500</b> |

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

|   | Current Year |              | Previous Year |              |
|---|--------------|--------------|---------------|--------------|
|   | Nos.         | Amount       | Nos.          | Amount       |
| Shares outstanding at the beginning of the year | 96,16,43,500 | 96,16,43,500 | 96,16,43,500  | 96,16,43,500 |
| Shares issued during the year*                  | -            | -            | -             | -            |
| Shares outstanding at the end of the year       | 96,16,43,500 | 96,16,43,500 | 96,16,43,500  | 96,16,43,500 |

\* Equity shares increase by splitting of equity shares from Rs. 10/- to Re. 1/-.

**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<br>(EQUITY SHARES OF RE 1/- EACH FULLY PAID UP ) | Current Year |       | Previous Year |       |
|--|--------------|-------|---------------|-------|
|  | Nos.         | %     | Nos.          | %     |
| RESPONCE COMMODITIES LLP   | 25,05,00,000 | 26.05 | 25,05,00,000  | 26.05 |
| GUIDE DEALCOM LLP  | 5,71,21,000  | 5.94  | 5,71,21,000   | 5.94  |
| KIRTI COMMOTRADE PVT. LTD.   | 6,29,44,000  | 6.55  | 6,79,52,500   | 6.03  |
| NILANCHAL DEALCOMM PVT. LTD.   | -            | -     | 5,40,46,250   | 5.62  |
| GOODVIEW OVERSEAS PVT. LTD.  | 5,87,20,000  | 6.11  | 5,87,20,000   | 6.11  |
| SUPARAS IMPEX PVT. LTD.  | -            | -     | 4,82,18,270   | 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 shareholder represents legal ownership of shares.

**D. SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH**

Out of the above 94,94,50,000 (PY: 94,94,50,000) 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, 2019**

| PARTICULARS                                      | Current Year       | Previous Year      |
|--|--------------------|--------------------|
|  | Rs                 | Rs                 |
| <b>NOTE - 3</b>                                  |                    |                    |
| <b><u>RESERVES &amp; SURPLUS</u></b>             |                    |                    |
| <b>Capital Reserve</b>                           |                    |                    |
| OP. Balance                                      | 3,70,630           | 3,70,630           |
| <b>A</b>   | <b>3,70,630</b>    | <b>3,70,630</b>    |
| <b>Amalgamation Reserve</b>                      |                    |                    |
| OP. Balance                                      | 10,50,000          | 10,50,000          |
| <b>B</b>   | <b>10,50,000</b>   | <b>10,50,000</b>   |
| <b>Reserve Fund</b>                              |                    |                    |
| OP. Balance                                      | 1,08,749           | 1,08,749           |
| <b>C</b>   | <b>1,08,749</b>    | <b>1,08,749</b>    |
| <b>Special Reserve</b>                           |                    |                    |
| OP. Balance                                      | 19,16,187          | 13,31,250          |
| Add : Created During the year                    | 53,597             | 5,84,937           |
| <b>D</b>   | <b>19,69,784</b>   | <b>19,16,187</b>   |
| <b>Profit &amp; Loss Account</b>                 |                    |                    |
| OP. Balance                                      | (26,78,983)        | 2,94,344           |
| Add: Additions during the year                   | 2,67,987           | 29,24,683          |
| Add: Provision of Doubtful Assets                | -                  | (56,86,220)        |
| Less : Contingency provision for standard Assets | (5,523)            | 3,73,147           |
| Less : Transfer to Reserve Fund                  | (53,597)           | (5,84,937)         |
| <b>E</b>   | <b>(24,70,116)</b> | <b>(26,78,983)</b> |
| <b>TOTAL ( A+B+C+D+E )</b>                       | <b>10,29,047</b>   | <b>7,66,583</b>    |
| <b>NOTE - 4</b>                                  |                    |                    |
| <b><u>DEFERRED TAX ASSETS (NET)</u></b>          |                    |                    |
| <b><u>DEFERRED TAX ASSETS</u></b>                |                    |                    |
| Op. Balance                                      | -                  | -                  |
| Add : Generated                                  | 2,185              | 2,001              |
| Less: Reversed                                   | -                  | -                  |
| Cl . Balance                                     | <b>2,185</b>       | <b>2,001</b>       |
| <b><u>DEFERRED TAX LIABILITIES</u></b>           |                    |                    |
| Op. Balance                                      | 533                | 2,534              |
| Add : Generated                                  | -                  | -                  |
| Less: Reversed                                   | -                  | -                  |
| Cl . Balance                                     | <b>533</b>         | <b>2,534</b>       |
| <b>NET BALANCE</b>                               | <b>1,652</b>       | <b>(533)</b>       |



| PARTICULARS  | Current Year     | Previous Year    |
|--|------------------|------------------|
|  | Rs               | Rs               |
| <b>NOTE - 5</b>  |                  |                  |
| <b><u>OTHER CURRENT LIABILITIES</u></b>                  |                  |                  |
| Professional Tax Payable                                 | 4,030            | 4,000            |
| TDS Payable  | 7,600            | 72,472           |
| Liabilities For Expenses                                 | 39,540           | 25,000           |
|  | <b>51,170</b>    | <b>1,01,472</b>  |
| <b>NOTE - 6</b>  |                  |                  |
| <b><u>SHORT TERM PROVISION</u></b>                       |                  |                  |
| Provision for Taxation ( Shown Net of TDS refer note 13) | -                | -                |
| Contingency Provision for Standard Assets                | 6,20,442         | 6,14,919         |
| Provision for Doubtful Assets                            | 56,86,220        | 56,86,220        |
|  | <b>63,06,662</b> | <b>63,01,139</b> |

| <b>NOTE - 7</b>               |                 |          |          |                |                 |              |                 |              |               |
|-------------------------------|-----------------|----------|----------|----------------|-----------------|--------------|-----------------|--------------|---------------|
| <b><u>FIXED SSETS</u></b>     |                 |          |          |                |                 |              |                 |              |               |
| (Amount in Rs.)               |                 |          |          |                |                 |              |                 |              |               |
| Description                   | Gross Block     |          |          |                | Depreciation    |              |                 | Net Block    |               |
|                               | As at           |          |          | As at          | Upto            | For the      | Upto            | As at        | As at         |
|                               | 01.04.18        | Addition | Deletion | 31.03.19       | 31.03.18        | year         | 31.03.19        | 31.03.19     | 31.03.18      |
| <b><u>Tangible Assets</u></b> |                 |          |          |                |                 |              |                 |              |               |
| COMPUTER                      | 1,25,423        | -        | -        | 125,423        | 1,09,971        | 9,760        | 1,19,731        | 5,692        | 15,452        |
| <b>Total</b>                  | <b>1,25,423</b> | <b>-</b> | <b>-</b> | <b>125,423</b> | <b>1,09,971</b> | <b>9,760</b> | <b>1,19,731</b> | <b>5,692</b> | <b>15,452</b> |
| Previous Year                 | <b>1,25,423</b> | <b>-</b> | <b>-</b> | <b>125,423</b> | 83,479          | 26,492       | 1,09,971        | 15,452       | -             |

| <b>NOTE - 8</b>                               |            |                    |                     |            |                    |                     |  |
|---|------------|--------------------|---------------------|------------|--------------------|---------------------|--|
| <b><u>NON CURRENT INVESTMENTS</u></b>         |            |                    |                     |            |                    |                     |  |
| <b>(Long Term, Non Trade, Valued at Cost)</b> |            |                    |                     |            |                    |                     |  |
| (Amount in Rs.)                               |            |                    |                     |            |                    |                     |  |
| Particulars                                   | Face Value | Current Year       |                     | Face Value | Previous Year      |                     |  |
|   |            | No. of Shares      | Amount              |            | No. of Shares      | Amount              |  |
| <b><u>In Others</u></b>                       |            |                    |                     |            |                    |                     |  |
| Brg Iron & Steel Co. Pvt. Ltd.                | 10         | 20,00,000          | 3,00,00,000         | 10         | 20,00,000          | 3,00,00,000         |  |
| Bhuvve Stenovate Pvt Ltd.**                   | 10         | 12,25,000          | 2,45,00,000         | 10         | 12,25,000          | 2,45,00,000         |  |
| Priyanka Trexim & Commerce P. Ltd.            | 10         | 1,17,750           | 4,71,00,000         | 10         | 1,17,750           | 4,71,00,000         |  |
| Unicon Management Pvt. Ltd.                   | 10         | 90,000             | 4,50,00,000         |            | 90,000             | 4,50,00,000         |  |
| Rabirun Vinimay Pvt. Ltd.                     | 10         | 1,38,87,500        | 55,55,00,000        | 10         | 1,38,87,500        | 55,55,00,000        |  |
| <b>TOTAL</b>                                  |            | <b>1,73,20,250</b> | <b>70,21,00,000</b> |            | <b>1,73,20,250</b> | <b>70,21,00,000</b> |  |
| <b>GRAND TOTAL :</b>                          |            | <b>1,73,20,250</b> | <b>70,21,00,000</b> |            | <b>1,73,20,250</b> | <b>70,21,00,000</b> |  |

\*\*The Name of Integrated Equipment & Infraserivices (P) Limited has been changed to Bhuvve Stenovate Private Limited

| <u>PARTICULARS</u>                             | Current Year        | Previous Year       |
|--|---------------------|---------------------|
|  | Rs                  | Rs                  |
| <b><u>NOTE - 9</u></b>                         |                     |                     |
| <b><u>LONG TERM LOANS &amp; ADVANCES</u></b>   |                     |                     |
| (Unsecured, Considered good)                   |                     |                     |
| Loans to Corporate                             | 16,59,26,818        | 16,72,20,800        |
| Loans to Others                                | 5,26,22,230         | 5,32,46,637         |
| Doubtful Assets                                | 56,86,220           | 56,86,220           |
|  | <b>22,42,35,268</b> | <b>22,61,53,657</b> |
| <b><u>NOTE - 10</u></b>                        |                     |                     |
| <b><u>INVENTORIES</u></b>                      |                     |                     |
| Closing Stock of Shares                        | -                   | -                   |
|  | -                   | -                   |
| <b><u>NOTE - 11</u></b>                        |                     |                     |
| <b><u>CASH &amp; CASH EQUIVALENTS</u></b>      |                     |                     |
| Cash in hand (As certified)                    | 1,47,844            | 74,389              |
| Balances with Schedule Bank in Current Account | 89,77,524           | 1,19,31,479         |
|  | <b>91,25,368</b>    | <b>1,20,05,868</b>  |
| <b><u>NOTE - 12</u></b>                        |                     |                     |
| <b><u>SHORT TERM LOANS &amp; ADVANCES</u></b>  |                     |                     |
| (Unsecured, Considered good )                  |                     |                     |
| Loans to Corporate                             | 1,64,72,463         | 2,55,00,000         |
| Loans to Others                                | 1,31,55,342         | -                   |
|  | <b>2,96,27,805</b>  | <b>2,55,00,000</b>  |
| <b><u>NOTE - 13</u></b>                        |                     |                     |
| <b><u>OTHER CURRENT ASSETS</u></b>             |                     |                     |
| T.D.S. (Net of Provision for Income Tax )      | 39,34,593           | 29,75,315           |
| Advanced Salary                                | -                   | 61,200              |
| Amount Receivable in Cash or in Kind           | -                   | 1,735               |
|  | <b>39,34,593</b>    | <b>30,38,250</b>    |
| <b><u>NOTE - 14</u></b>                        |                     |                     |
| <b><u>REVENUE FROM OPERATIONS</u></b>          |                     |                     |
| Sale of shares                                 | 1,53,66,088         | 4,10,83,366         |
| Interest                                       | 2,24,52,057         | 2,90,08,376         |
|  | <b>3,78,18,145</b>  | <b>7,00,91,742</b>  |
| <b><u>NOTE - 15</u></b>                        |                     |                     |
| <b><u>OTHER INCOME</u></b>                     |                     |                     |
| Profit on Sale of Mutual Fund                  | 4,88,333            | -                   |
| Speculation Profit                             | -                   | 789                 |
| Interest on IT Refund                          | 85,496              | -                   |
|  | <b>5,73,829</b>     | <b>789</b>          |
| <b><u>NOTE - 16</u></b>                        |                     |                     |
| <b><u>CHANGE IN INVENTORIES</u></b>            |                     |                     |
| Closing Stock                                  | -                   | -                   |
| Opening Stock                                  | -                   | -                   |
|  | -                   | -                   |
| <b><u>NOTE - 17</u></b>                        |                     |                     |
| <b><u>EMPLOYEE BENEFIT EXPENSES</u></b>        |                     |                     |
| Salary   | 2,70,710            | 5,60,800            |
| Directors Remuneration                         | 6,00,000            | 6,00,000            |
|  | <b>8,70,710</b>     | <b>11,60,800</b>    |

| <b><u>PARTICULARS</u></b>                                    | <b>Current Year</b> | <b>Previous Year</b> |
|--|---------------------|----------------------|
|  | <b>Rs</b>           | <b>Rs</b>            |
| <b><u>NOTE - 18</u></b>                                      |                     |                      |
| <b><u>DEPRECIATION &amp; AMORTISATION</u></b>                |                     |                      |
| Depreciation   | 9,760               | 26,492               |
|  | <b>9,760</b>        | <b>26,492</b>        |
| <b><u>NOTE - 19</u></b>                                      |                     |                      |
| <b><u>OTHER EXPENSES</u></b>                                 |                     |                      |
| Advertisement Expenses                                       | 58,232              | 66,869               |
| Payment To Auditors  |                     |                      |
| As Audit Fees*   | 38,940              | -                    |
| For Tax Audit Fees*  | 11,800              | -                    |
| Bank Charges   | 413                 | 3,034                |
| Bad Debts  | -                   | 4,53,698             |
| Certification Fees   | 17,500              | 15,000               |
| Demat Expenses   | 1,000               | 1,185                |
| Depository Expenses  | 1,87,000            | 1,72,500             |
| Delisting Fees   | -                   | 1,18,000             |
| E-Voting Processing Fees                                     | 15,340              | 1,180                |
| Electricity Expenses   | 1,38,840            | 80,320               |
| Interest on TDS  | 205                 | 680                  |
| Internal Audit Fees  | 5,000               | 5,000                |
| Filing Fees  | 6,800               | 15,000               |
| General Expenses   | 25,144              | 24,832               |
| Legal and Professional Fees                                  | 52,400              | 8,090                |
| Round Off  | 2,638               | -                    |
| Listing Fees   | 2,95,000            | 3,21,279             |
| Meeting Expenses   | 3,000               | 1,500                |
| Postage & Telegram   | 52,380              | 23,668               |
| Printing & Stationery  | 83,432              | 70,876               |
| Processing Fees  | -                   | 23,600               |
| Rates & Taxes  | 2,500               | 2,150                |
| Secretarial Audit Fees                                       | 15,000              | 15,000               |
| Transfer Agent Fees  | 23,600              | 28,900               |
| Website expenses   | 5,500               | 5,300                |
|  | <b>10,41,664</b>    | <b>14,57,661</b>     |
| *Please refer note 21(x) of other notes on Accounts          |                     |                      |
| <b><u>NOTE - 20</u></b>                                      |                     |                      |
| <b><u>EARNING PER SHARE</u></b>                              |                     |                      |
| Net Profit after tax as per Statement of Profit and Loss (A) | 2,67,987            | 29,24,683            |
| weighted Average number of equity shares outstanding (B)     | 96,16,43,500        | 96,16,43,500         |
| Basic and Diluted Earnings per share (Rs.) (A/B)             | 0.000               | 0.003                |
| Face value per equity share (Re. / Rs.)                      | 1.00                | 1.00                 |

**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 Directorcum CEO |
| 2. Anand Kumar Jain(Resigned w.e.f 13.08.2018)  | : Chief Financial Officer  |
| 3. Tamanya Dey (Appointed w.e.f 01.10.2018)     | : Chief Financial Officer  |
| 4. Surbhi Raivadera (Appointed i.e. 08.04.2019) | : Company Secretary        |
| 5. Namrata Saboo (Resigned i.e. 01.04.2019)     | : Company Secretary        |

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

**RELATED PARTY TRANSACTION**

| Sl. No. | Nature of Transaction                  | Relation                | 31/03/2019<br>( Rs. ) | 31/03/2018<br>( Rs. ) |
|---------|--|-------------------------|-----------------------|-----------------------|
|         | <b>Directors Remuneration - Salary</b> |                         |                       |                       |
| 1       | Pradeep Kumar Daga                     | Managing Director       | 6,00,000              | 6,00,000              |
|         | <b>Salary</b>                          |                         |                       |                       |
| 1       | Anand Kumar Jain                       | Chief Financial Officer | 30,710                | 84,000                |
| 2       | Tamanya Dey                            | Chief Financial Officer | 60,000                | -                     |
| 3       | Namrata Saboo (Resign i.e. 01.04.2019) | Company Secretary       | 1,80,000              | 1,22,400              |

- v The Company has Complied this information based on the current information in its possession as at 31.03.2019, 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 31.03.2019 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>2018-2019</u> | <u>2017-2018</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** Keeping in view the introduction of GST and to align the same with books of accounts regarding the audit fees for the financial year 2018-19 have not been made in book of accounts of this financial year. The same shall be taken in the books of accounts as and when we raise the bill for audit fees. Consequently do not deduct the TDS on the audit fees in the quarter ending on 31.03.2019 and the same shall be deducted in the quarter when the bill will be raised. Due notes shall be given in Financial Statements regarding this. Kindly note that this is being done so that there can be seamless flow of ITC.
- 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 recognised 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, 2019

|           |  | Current Year |                    | Previous Year |                      |
|-----------|--|--------------|--------------------|---------------|----------------------|
|           |  | Rs           |                    | Rs            |                      |
| <b>1.</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                     |              |                    |               |                      |
|           | Net Profit/(Loss) before Tax (a)                               |              | 3,60,040           |               | 39,38,734            |
|           | Add : Depreciation   | 9,760        |                    | 26,492        |                      |
|           | Less: Depreciation Income                                      | -            |                    | -             |                      |
|           | Sub Total - (b)  |              | 9,760              |               | 26,492               |
|           | <b>Operating Profit before Working Capital Changes (a)+(b)</b> |              | <b>3,69,800</b>    |               | <b>39,65,226</b>     |
|           | <b>Adjustments</b>   |              |                    |               |                      |
|           | Decrease/(Increase) in Inventories                             | -            |                    | -             |                      |
|           | Decrease/(Increase) in Loans & Advances                        | (22,09,416)  |                    | 3,06,50,996   |                      |
|           | Increase / ( Decrease ) in Current Liabilities                 | (50,302)     |                    | 23,392        |                      |
|           | Decrease/(Increase) in Current Assets                          | 62,935       | (21,96,783)        | (61,200)      | 3,06,13,188          |
|           | Sub Total - (c)  |              | <b>(18,26,983)</b> |               | <b>3,45,78,414</b>   |
|           | <b>Less: Taxes Paid</b>  |              | <b>(10,53,517)</b> |               | <b>(27,94,431)</b>   |
|           | <b>Net Cash from Operating Activities (a+b+c) A</b>            |              | <b>(28,80,500)</b> |               | <b>3,17,83,983</b>   |
| <b>2.</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                     |              |                    |               |                      |
|           | (Increase) / Decrease in Investments                           | -            |                    | (3,27,33,400) |                      |
|           | <b>Net Cash from Investing Activities B</b>                    |              | <b>-</b>           |               | <b>(3,27,33,400)</b> |
| <b>3.</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                     |              |                    |               |                      |
|           | <b>Net Cash from Financing Activities C</b>                    |              | <b>-</b>           |               | <b>-</b>             |
|           | Net Increase in Cash/Cash Equivalent (A+B+C)                   |              | (28,80,500)        |               | (9,49,417)           |
|           | Cash/Cash Equivalents (Opening)                                |              | 1,20,05,868        |               | 1,29,55,285          |
|           | <b>Cash/Cash Equivalents (Closing)</b>                         |              | <b>91,25,368</b>   |               | <b>1,20,05,868</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

|          |  | Current Year     | Previous Year      |
|----------|--|------------------|--------------------|
| <b>2</b> | <b>Cash &amp; Cash Equivalents Comprise</b>    |                  |                    |
|          | Cash in Hand                                   | 1,47,844         | 74,389             |
|          | Balance With Schedule Banks in current Account | 89,77,524        | 1,19,31,479        |
|          |  | <b>91,25,368</b> | <b>1,20,05,868</b> |

In terms of our report of even date

**FOR R. K. KANKARIA & CO.**  
Firm Registration No. 321093E  
( Chartered Accountants )

**CA. Rajesh Kumar Kankaria**  
(Partner)  
Membership No : 082796

Place : Kolkata  
Date : 21st Day of May, 2019

For and behalf of the Board

**Kirti Sharma**  
Director  
(DIN : 07434779)

**Tamanya Dey**  
Chief Financial Officer

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

**Surbhi Raivadera**  
Company Secretary  
ACS :40654

## ANNEXURE REFERRED TO IN NOTE NO - 21 (xvi) TO ACCOUNTS

ANNEXED AS PER RESERVE BANK OF INDIA PRUDENTIAL NORMS AS ON 31.03.2019  
AS REQUIRED IN TERMS OF PARAGRAPH 13 OF A NON BANKING FINANCIAL (NON DEPOSIT  
ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007

| <b><u>PARTICULARS</u></b><br><b><u>LIABILITIES SIDE</u></b>                                      |   | ( in Lacs)            |                   |
|--|---|-----------------------|-------------------|
| LOANS AND ADVANCES AVAILED BY THE NBFCS<br>INCLUSIVE OF INTEREST ACCRUED THEREON BUT NOT<br>PAID |   | AMOUNT<br>OUTSTANDING | AMOUNT<br>OVERDUE |
| 1  | DEBENTURES  |                       |                   |
|  | SECURED   | NIL                   | NIL               |
|  | UNSECURED<br>( OTHER THAN FALLING WITHIN THE<br>MEANING OF PUBLIC DEPOSIT ) | NIL                   | NIL               |
| 2  | DEFERRED CREDITS  | NIL                   | NIL               |
| 3  | TERM LOANS  | NIL                   | NIL               |
| 4  | INTER-CORPORATE LOANS AND BORROWINGS  | NIL                   | NIL               |
| 5  | COMMERCIAL PAPER  | NIL                   | NIL               |
| 6  | PUBLIC DEPOSIT  | NIL                   | NIL               |
| 7  | OTHER LOANS ( SPECIFY NATURE )  | NIL                   | NIL               |
|  | Please see note- 1 below  |                       |                   |

**ASSET SIDE**

|   | BREAK UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES<br>OTHER THAN THOSE INCLUDED IN ( 4 ) BELOW   | AMOUNT<br>OUTSTANDING |
|---|--|-----------------------|
|   | SECURED  | NIL                   |
|   | UNSECURED  | 2538.63               |
|   | BREAK UP OF LEASED ASSETS AND STOCK ON HIRE AND HYPOTHECATION<br>LOANS COUNTING TOWARDS EL/HP ACTIVITIES | NIL                   |
| 1 | LEASE ASSETS INCLUDING LEASE RENTALS UNDER SUNDRY DEBTORS  |                       |
|   | FINANCIAL LEASE  | NIL                   |
|   | OPERATING LEASE  | NIL                   |
| 2 | STOCK ON HIRE INCLUDING HIRE CHARGES UNDER SUNDRY DEBTORS  |                       |
|   | ASSETS ON HIRE   | NIL                   |
|   | REPOSSESSED ASSETS   | NIL                   |
| 3 | HYPOTHECATION LOANS COUNTING TOWARDS EL/HP ACTIVITIES  |                       |
|   | LOANS WHERE ASSETS HAVE BEEN REPOSSESSED   | NIL                   |
|   | LOANS OTHER THAN ABOVE   | NIL                   |

**BREAK UP OF INVESTMENTS\*\***

|   |   | AMOUNT<br>OUTSTANDING |
|---|---|-----------------------|
|   | <b>CURRENT INVESTMENTS (STOCK IN TRADE)</b> |                       |
| 1 | QUOTED                                      |                       |
|   | SHARES                                      |                       |
|   | EQUITY                                      | NIL                   |
|   | PREFERENCE                                  | NIL                   |
|   | DEBENTURES AND BONDS                        | NIL                   |
|   | UNITS OF MUTUAL FUNDS                       | NIL                   |
|   | GOVERNMENT SECURITIES                       | NIL                   |
|   | OTHERS                                      | NIL                   |
| 2 | UNQUOTED                                    |                       |
|   | SHARES                                      |                       |
|   | EQUITY                                      | NIL                   |
|   | PREFERENCE                                  | NIL                   |
|   | DEBENTURES AND BONDS                        | NIL                   |
|   | UNITS OF MUTUAL FUNDS                       | NIL                   |
|   | GOVERNMENT SECURITIES                       | NIL                   |
|   | OTHERS                                      | NIL                   |
|   | <b>LONG TERM INVESTMENTS</b>                |                       |
| 1 | QUOTED                                      |                       |
|   | SHARES                                      |                       |
|   | EQUITY                                      | NIL                   |
|   | PREFERENCE                                  | NIL                   |
|   | DEBENTURES AND BONDS                        | NIL                   |
|   | UNITS OF MUTUAL FUNDS                       | NIL                   |
|   | GOVERNMENT SECURITIES                       | NIL                   |
|   | OTHERS                                      | NIL                   |
| 2 | UNQUOTED                                    |                       |
|   | SHARES                                      |                       |
|   | EQUITY                                      | 7021                  |
|   | PREFERENCE                                  | NIL                   |
|   | DEBENTURES AND BONDS                        | NIL                   |
|   | UNITS OF MUTUAL FUNDS                       | NIL                   |
|   | GOVERNMENT SECURITIES                       | NIL                   |
|   | OTHERS                                      | NIL                   |

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



**BORROWER GROUP WISE CLASSIFICATION OF ALL LEASED ASSETS, STOCK ON HIRE AND LOANS AND ADVANCES**

| CATEGORY |   | AMOUNT NET OF PROVISIONS          |            |                |                |
|----------|---|-----------------------------------|------------|----------------|----------------|
| 1        |   | RELATED PARTIES                   | SECURED    | UNSECURED      | TOTAL          |
|          | a | SUBSIDIARIES                      | NIL        | NIL            | NIL            |
|          | b | COMPANIES IN THE SAME GROUP       | NIL        | NIL            | NIL            |
|          | c | OTHER RELATED PARTIES             | NIL        | NIL            | NIL            |
| 2        |   | <b>OTHER THAN RELATED PARTIES</b> | <b>NIL</b> | <b>2538.63</b> | <b>2538.63</b> |
|          |   | <b>TOTAL</b>                      | <b>NIL</b> | <b>2538.63</b> | <b>2538.63</b> |

**INVESTOR GROUP WISE CLASSIFICATION OF ALL INVESTMENTS ( CURRENT AND LONG TERM ) IN SHARES AND SECURITIES ( BOTH QUOTED AND UNQUOTED )**

| CATEGORY |   | MARKET VALUE<br>/BREAK UP OF FAIR<br>VALUE OR NAV | BOOK VALUE<br>(NET OF<br>PROVISION) |
|----------|---|---|-------------------------------------|
| 1        |   | RELATED PARTIES                                   |                                     |
|          | a | SUBSIDIARIES                                      | NIL                                 |
|          | b | COMPANIES IN THE SAME GROUP                       | NIL                                 |
|          | c | OTHER RELATED PARTIES                             | NIL                                 |
| 2        |   | <b>OTHER THAN RELATED PARTIES</b>                 | <b>7021</b>                         |
|          |   | <b>TOTAL</b>                                      | <b>7021</b>                         |

**OTHER INFORMATION**

| PARICULARS |  | AMOUNT |
|------------|--|--------|
| I)         | <b>GROSS NON-PERFORMING ASSETS</b>       |        |
|            | A RELATED PARTIES                        | NIL    |
|            | B OTHER THAN RELATED PARTIES             | 56.86  |
| II)        | NET NON- PERFORMING ASSETS               |        |
|            | A RELATED PARTIES                        | NIL    |
|            | B OTHER THAN RELATED PARTIES             | 56.86  |
| III)       | ASSETS ACQUIRED IN SATISFACTION OF DEBTS | NIL    |

In terms of our report of even date

**For R. K. KANKARIA & CO.**

Chartered Accountants

Firm Reg. No. : 321093E

(R. K. KANKARIA)

(Partner)

M. No. : 082796

Place : Kolkata

Date : 21.05.2019

**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.**  
**3A Auckland Place,**  
**7th Floor, Room, No. 7A & 7B**  
**Kolkata-700017**

**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:



# **BOOK POST**

If undelivered please return to :

**Mangalam Industrial Finance Limited**

Subol Dutt Building, 13, Brabourne Road, Mezzanine Floor,

Kolkata - 700 001 (WB) India