# MANGAL
## CREDIT & FINCORP LIMITED
(Formerly known as "Tak Machinery and Leasing ltd.")

Date: 06th September, 2019

To,
Listing Department
**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400 001

**Scrip Code:** 505850
**Scrip Id:** MANCREDIT

Dear Sir/ Madam,

**Sub.:** Annual Report for the F.Y. 2018-19 of Mangal Credit and Fincorp Limited

**Ref.:** Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 and Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the following documents, which are being dispatched / sent to the shareholders of the Company through permitted mode(s):

1. The Annual Report of the Company for the financial year 2018-19; and
2. Notice of the 57th Annual General Meeting of the Company scheduled to be held on Monday, 30 September 2019 at 11:00 a.m., Utkarsh Mandal Hall, Malviya Road, Vile Parle (East), Mumbai- 400057 along with Attendance Slip and Proxy Form.

The Annual Report of the Company for the financial year 2018-19 and Notice of the 57th Annual General Meeting of the Company along with Attendance Slip and Proxy Form are also available on the website of the Company at www.mangalfincorp.com

Please take the above on record and acknowledge receipt of the same.

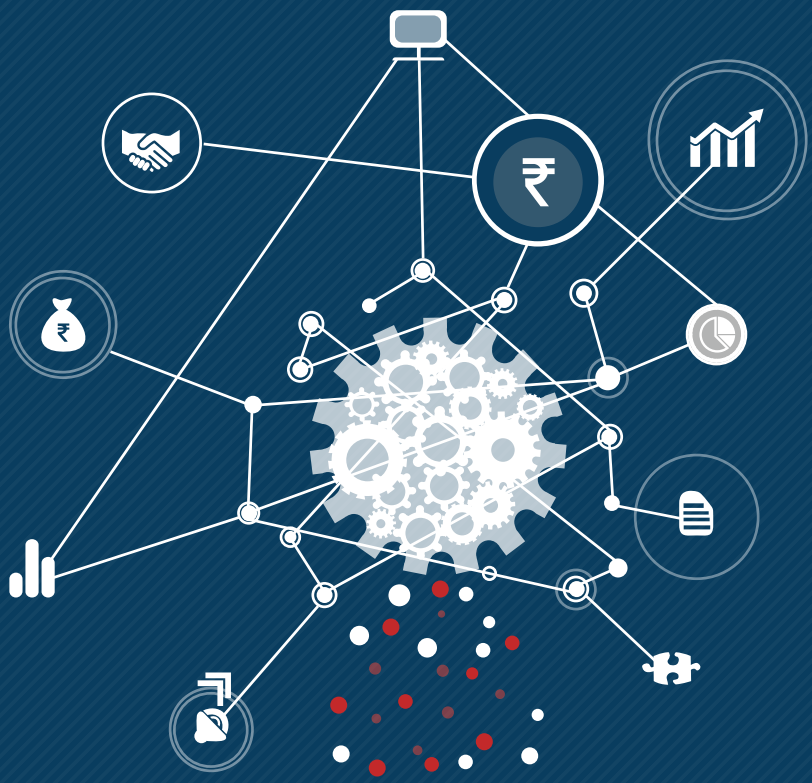
Thanking you,
Yours faithfully,

**For Mangal Credit and Fincorp Limited**

MANGAL CREDIT & FINCORP LTD.

**Meghraj Sohanlal Jain**
Managing Director
**DIN:** 01311041

MANGAL
CREDIT & FINCORP LIMITED



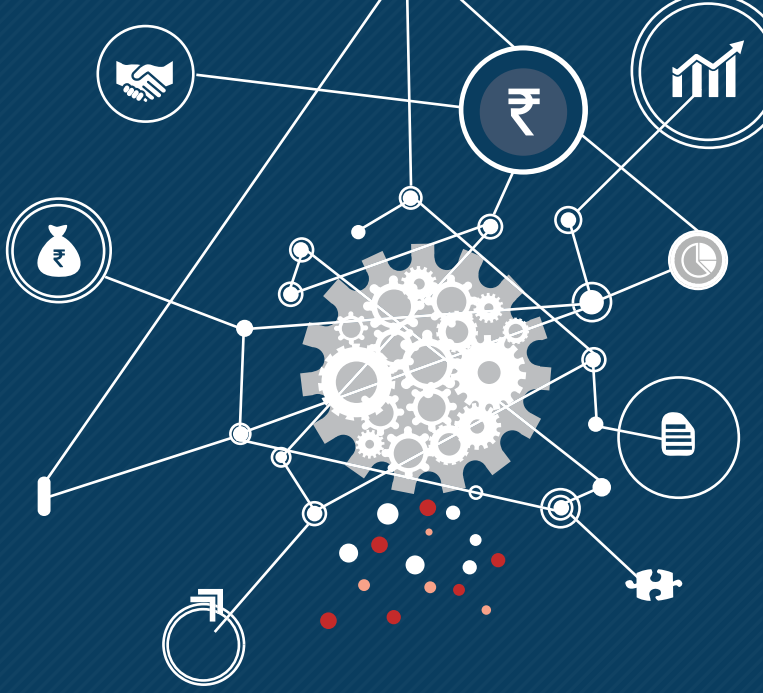
EVOLVE

ADVANCE

TRANSFORM

ANNUAL REPORT
2018-19

# MANGAL CREDIT & FINCORP LIMITED



# EVOLVE ADVANCE TRANSFORM

Change is inevitable. Likewise, to stay competitive, we at Mangal Credit and Fincorp learn to continually innovate which let us build sustainable growth and evolve as a company. Established in 2012, we are an NBFC company that provides financial assistance with loans and credit facilities, trade-in money market underwriting stocks and shares are some of our services to aid an advanced and aspiring population.

We believe that innovation is the only way to stay ahead in business and that's why we ensure to embrace the latest technologies into our business. Being relevant, innovative and competitive is the core principle of our business.

However, choosing the right approach to adaptation and growth is difficult. As a result we go above and beyond to provide complete customer satisfaction while also eliminating hurdles related to profitability, competition and operational challenges. Our objective is to transform the companies by providing best-in-class services and also aim to become the most preferred service provider in the financial space.

**THE ANNUAL REPORT ONLINE**

This 2018-19 Annual Report can also be downloaded as a PDF file from our website online at http://www.mangalfincorp.com/uploads/annual-report/

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**Disclaimer:** This information may contain certain forward-looking statements/details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/ shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following here in reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.

# Corporate Identity

We are arguably having interest in businesses spread across varied sectors which help us in diversifying sector specific risks. At Mangal Fincorp & Credit Limited (MCFL), We don't believe in good, or good enough. We don't believe in the short-term or taking short-cuts. We don't believe in putting business before people, anything before quality. We believe in great. Although we don't believe we're quite there yet. We believe in the importance of location and sustained growth and doing it right the first time. We believe in having integrity always. We believe that knowledge is everything and perfection is in the details. That it is the little things that add up to make the biggest difference. We always remind ourselves to keep going above and beyond for our customers, our shareholders. our partners and our staff. To be the best, we believe, relies on every single one of us working together. To this end, we believe we can be better than good. We believe we can be great.

Mangal Credit & Fincorp Limited was established in the year 2012. MCFL acquired a Fifty year old company TAK Machineries & Leasing Ltd (TMLL), a company with great competence of dealing in machinery and its leasing. MCFL is a renowned nonbanking financial company based in Mumbai, which is engaged in the business of providing loans, credit facilities, private educational funding, trade in money market, underwriting stocks and shares. It has a reputation among its clients, which has been shaped with high quality practices, customer driven approach and high focus on collaborative growth. Many years of devoted research and experience have empowered the organization to give brisk and customized finance choices and investment schemes for various clients who do not have access to mainstream commercial banks. This has helped in winning the respect and loyalty of their innumerable customers. Finding great fortune operating from its Mumbai office, the management also plans to enter multiple cities in other states apart from Maharashtra. With immense personal experience in the gold segment, the Managing Director aims to bring about a shift in the strategic focus of the company to becoming a provider of mass finance in the form of Secured loans and SME Loans along with personal loans.

# Key Facts

**2012**
established in the year

**1,016**
Total Revenue ₹ Lacs

**571**
Profit After Tax ₹ Lacs

**8,470**
Networth ₹ Lacs

**5,415**
Assets Under Management ₹ Lacs

**94.98%**
Capital Adequacy Ratio

**10.81%**
RoA

**1.13%**
Gross Non Performing Assets

**2.96**
Basic Earnings per share ₹

**0.50**
Dividend per Share ₹

# Our Vision

We aim at becoming the most preferred service provider in the financial space.

We aim to enter the Lending segment by harnessing our existent capabilities and succeed amid humongous competition.

We aim to expand geographically to penetrate into multiple cities across various states beyond Maharashtra.

We aim at achieving faster goals growing to become 5 times our current size and touch our 500 crore target by 2025.

# Our Mission

Our Group is motivated to dominate the industry by satisfying stakeholders, overseeing wealth maximisation, good governance and employee satisfaction. We aim to ensure eco-socio benefits and their positive impact by contributing towards nation-building.

# Our Values

### Excellence

We motivate our employees to strive for excelling irrespective of the obstacles that come in the way. We stress on knowing our purpose in life, growing to reach their maximum potential and sowing seeds that benefit others.

### Innovation

We encourage communication of new methods, ideas or modifications in the upward direction in our company. We have imbibed a culture of constant innovation within the company.

### Diversification

We aim to diversify, rationalize and globalize in all possible fields of financial sector and get the best out of our resources to fulfill all the requirements of our customer. All our strategies and decisions revolve around this primary principle followed by our entire organization.

### Customer focus

Our main aim is to put the needs of the customer first before anything else. We strive to provide them with the best quality of service and we are ever ready to put in dedication and persevere until we achieve our main goal: Customer satisfaction

### Transparency

The bigger picture of our goal is unique, as we render our time into building trust - the very foundation of every relationship. We encourage our employees to manifest this trust through absolute transparency with our stakeholders and clients.

# Message from Managing Director

**Meghraj S. Jain**
Managing Director

**Dear Shareholders,**

It gives us immense pleasure to present you the annual report of Mangal Credit and Fincorp Limited for the Year 2018-19. Having been in the business since a long time, we are pleased to announce that your company has earned ₹1016 Lakhs in FY19 as compared to Rs.983 Lakhs in the previous year, having a growth of 3.36%. Our EBITDA grew from ₹844 Lakhs to ₹858 Lakhs, a growth of 1.74%. Profit after tax grew from ₹458 Lakhs to ₹571 Lakhs, a growth of 24.67%. Our AUM grew to ₹5415 Lakhs. Our unique business model coupled with a strategic plan in place has brought positive changes to our business.

We aim to be a crucial part of nation-building process and to be the leading providers of financial credits to the unbanked segment of the society especially to the micro, small and medium enterprises (MSMEs), which is a strong base for entrepreneurship and innovation. Our deep understandings of the customer profile and their credit needs is what makes us unique in the market.

Over the last five years, your Company has consistently focussed on subsidiary businesses that have eventually contributed greatly to the revenue building process for your Company. The Board evaluated the performance and growth prospects of Investments made by the Company and found that the businesses in which investments made, are performing less than the expectations so as to fetch returns in future as desired. The opportunity loss on these investments are not compensatory in line with money invested in NBFC business. Hence by the end of this year we have decided to make a bit of change to our strategy, on 31st of March 2019 we have diluted our two subsidiaries; Mangal Buildhome Pvt LTD, which was in construction business and Mangal global Marble PVT Ltd which was in the business of Manufacturing Marbles. We have come up with this dilution with a motive of focusing more on our NBFC business. We are going to utilize the fund from this dilution for leveraging our NBFC business.

The Indian economy started the fiscal year 2018-19 with a healthy 8.2% growth on the back of domestic resilience. Growth eased to 7.3% in the second half due to rising global volatility, largely from financial instability, externalities from trade disputes, and investment rerouting.

Global economic crisis originated liquidity issues in the NBFC industry and volatility in the industry increased in FY 2018-19. The cost of borrowing become more expensive resulted minimum spread margin.

> Aim to be crucial part of nation-building process and to be leading providers of financial credit to the unbanked & MSME segment.

**24.67%.**
Profit after tax Growth

**5415** Lakhs
AUM

To manage this problem government has infused funds of Rs. 70,000 Cr., and is also allowing additional lending and liquidity to tune of approximately 5 Cr. by providing upfront capital. This will benefit Corporates, retail borrowers, MSMEs, small traders etc. Being in the MSME segment the company would be benefited by this.

The entire sector trying to focus more on Liquidity Management rather than Asset growth model. We believe that the NBFC sector will remain at the forefront and provide credit to lot of retail and business qualifying as un-banked or under-banked. This will prove to be crucial for the growth of the sector.
The NBFC segment is a backbone to the entire economic development of the nation as It provides necessary support in terms of GDP contribution. The situation is improving gradually but we hope that coming financial year will show more energy into the sector with various reforms by the Government and regulators.

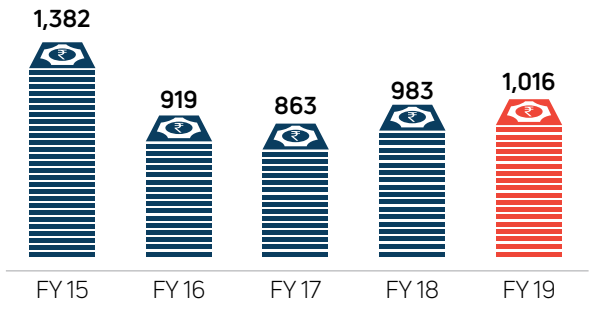
We are extremely thankful to all our shareholders for their trust and continuous support which has been an important factor for the growth of the company.

Very Sincerely,

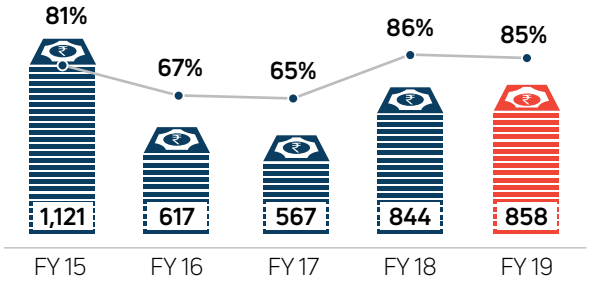
**Meghraj S. Jain**
Managing Director

# Financial Highlights (Standalone)

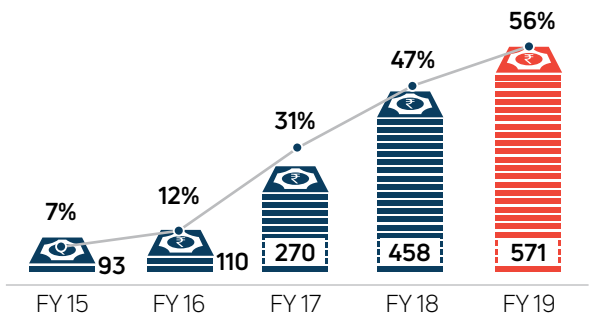
## Total Revenue (₹ Lakhs)



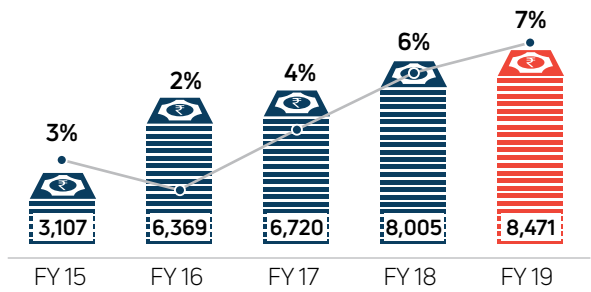

## EBITDA (₹ Lakhs) & EBITDA Margin (%)



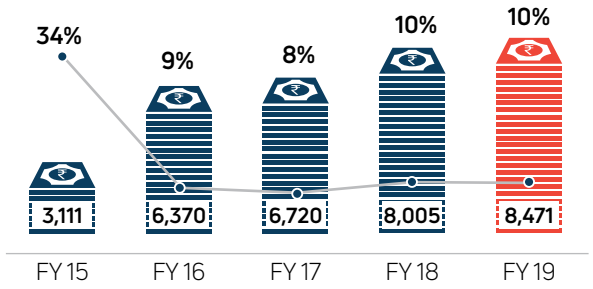

## PAT (₹ Lakhs) & PAT Margin (%)



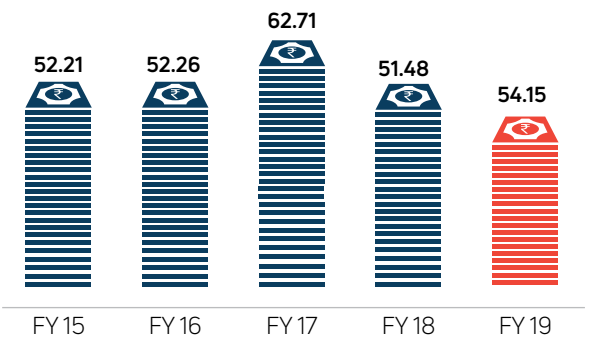

## Networth (₹ Lakhs) & Return on Equity (%)




## Capital Employed (₹ Lakhs) & ROCE (%)

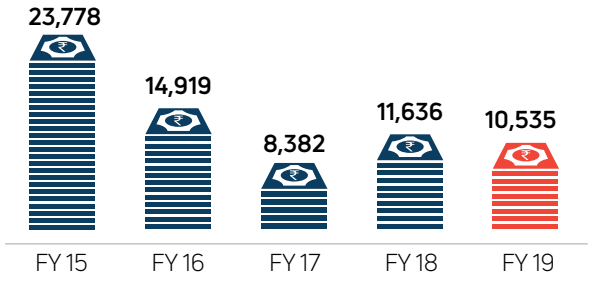



## Assets Under Management (₹ Cr.)

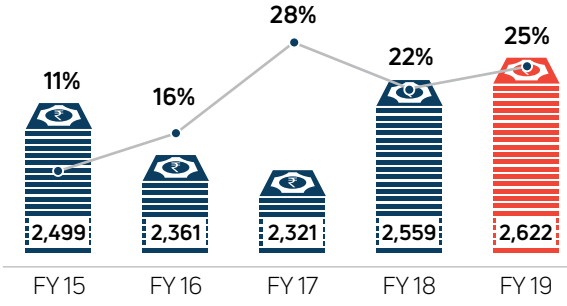


# Financial Highlights (Consolidated)

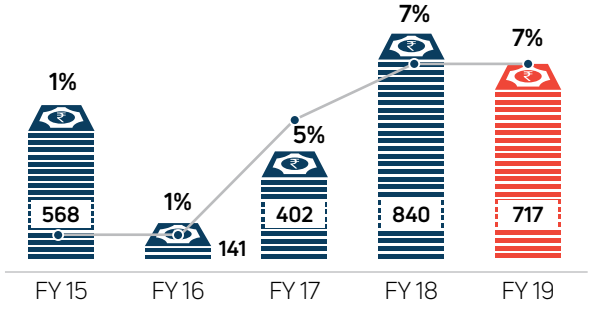
## Total Revenue (₹ Lakhs)



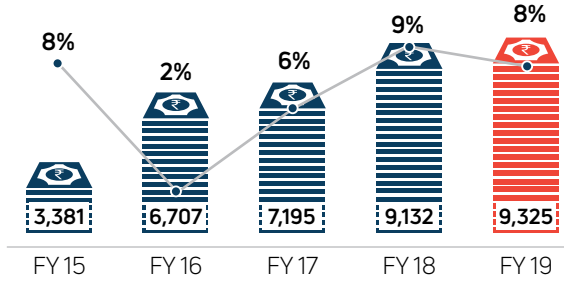

## EBITDA (₹ Lakhs) & EBITDA Margin (%)



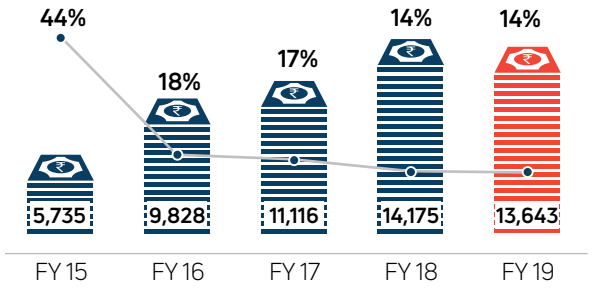

## PAT (₹ Lakhs) & PAT Margin (%)




## Networth (₹ Lakhs) & Return on Equity (%)




## Capital Employed (₹ Lakhs) & ROCE (%)



# Board of Directors

**Meghraj S. Jain |** (Managing Director )

Mr. Meghraj Jain is an Entrepreneur and Businessman. For more than two decades, he contributed to several family companies in India in various positions. He is Co-founder & promoter of MCFL and has more than 2 decades experience of handling money lending business and his family is in Gems & jewellery business. He directs planning the marketing and business development function of the Company and is also responsible for developing strategic business relationships for different business. His key focus areas comprises of business development, strategic market analysis, delivery and service quality assurance, mentoring and motivating teams.mentoring and motivating teams.

**Sandeep Maloo |** (Director )

Mr. Sandeep Maloo is a Chartered Accountant with over 20 years of experience. He is the major driving force behind the success of MCFL. His role in MCFL includes Strategizing Finance, Corporate Planning, and Risk Management. Over the years, he has built long-term relationships with CA fraternity and people based on Trust, Integrity and Conviction. Under his leadership and guidance, the Company has taken great strides in terms of disbursements, profitability and performance. His dynamic vision, strategic focus, and entrepreneurial skills continue to guide the growth of the Company's businesses across demanding markets and competitive scenarios.

**Naval Maniyar |** (Director & CFO)

Mr. Naval holds a Bachelor's degree in Commerce and is a qualified Chartered Accountant (CA) and with 8 years of professional experience in Accounts & audit, Financial Management & Compliance. He assists to provide a professional platform of wealth management and financial planning services. He has spent credible years in the areas of Financial Statement Analysis, Audit and Asset Management.

**Srichand Teckchand Gerela |** (Non executive Director)

Mr. S T Gerela is MA LL.B, CAIIB. He has worked in senior positions with RESERVE BANK OF INDIA (RBI), SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) and Stock Exchange, Mumbai (BSE) for over 4 decades and has experience in the areas of Banking, Finance and Risk Management and Supervision. He has also worked on several committees set up by Government, SEBI, CDSL and BSE, on capital market related areas. He has authored a book on "Working of the Stock Exchange, Mumbai". He is a visiting faculty member to various management and training institutes of repute. He has joined Satco as a chief executive officer in April, 2004. He is working as a whole–time director of Satco since 19th July, 2007.

**Nirupama Pendukar |** (Independent Director)

Mrs. Nirupama Pendukar graduated from Sydenham College of Commerce and Economic, Churchgate, Mumbai. She studied Law from Government Law College, Mumbai. She did her Marketing Management from Indian Merchant Chamber and Import/Export from Indo-American Society. She is a dynamic and well established Entrepreneur with a social conscience and has an experience in the commodity field for more than 20 years. She is the Managing Director of CNX Corporation Limited, a Commodity Based Company. She has pioneered the business of Collateral Management in India in association with ICICI Bank and has established business with several banksnd is a consultant on Agricultural based project management.

**A. Ramanathan |** (Independent Director)

A. Ramanathan is an MBA from PSG College of Technology (University of Madras) and has done Study Programme at Postgraduate Level from Institute of Development Policy & Management, University of Manchester, United Kingdom. He has over 35 years of experience in Management of Rural Financial Institutions/ Micro Finance Institutions/ Training organisations/ Business Schools. He has been associated with NABARD since 1979 and has carried out various important activities.

**Abhishek Jain |** (Independent Director)

Abhishek Jain is a Chartered Accountant of 2003 batch. In the illustrious post qualification working span of over 15 years he has worked with PriceWaterHouseCoppers' assurance division and CITIBANK N.A. in various functions biz Credit and Business. Presently he is heading auditing and consulting firm *AVCS & ASSOCIATES* having operations in Mumbai, Jaipur, Alwar and New Delhi. He brings with him the expert knowledge of Credit underwriting, Fund Raising, Product Structuring and Advance Digital Lending.

**Subramanyam Ganesh |** Additional Director (Independent)

Subramanyam Ganesh is a Chartered Accountant and runs his own practice since 1991. He has over 25 years of rich experience in Loan Syndication & arranging of funds from Financial Institutions for Corporate borrowers, private placement of Equities & Debt with FI's & Fund Houses. He is heading auditing and consulting firm S. Ganesh & Associates having operations in Mumbai. He brings with him the expert knowledge of Credit underwriting, Fund Raising and Product Structuring.

# MCFL Team

# Corporate Information

( as on 31st March 2019 )

## Board of Directors

**Mr. Meghraj Jain** (S)
Managing Director
(DIN: 01311041)

**Mr. Sandeep Maloo**
Director
(DIN: 01145616)

**Mr. Naval Maniyar**
Director & CFO
(DIN: 06657440)

**Mr. Srichand Teckchand Gerela** (A) (N) (S)
Director (Resigned w.e.f. -01/04/2019)
(DIN: 01565534)

**Mr. Ramanathan Annamalai** (A) (N)
Independent Director
(DIN: 02645247)

**Mrs. Nirumpama Dattatray** (N) (S)
Independent Director
(DIN: 01605060)

**Mr. Abhishek Jain**
Independent Director
(DIN: 02147449)

**Mr. Ganesh Subramanyam** (A)
Additional Director (Independent)
(DIN: 01718431)

## Auditors

**M/s MGB & CO. LLP,**
Chartered Accountants

## Bankers

**Axis Bank**
**HDFC Bank**
**Bharat Bank**

## Key Managerial Personnel

**Mr. Meghraj Jain**
Managing Director

**Mr. Naval Maniyar**
Chief Financial Officer

**Ms. Supriya Agarwal**
Company Secretary & Compliance Officer

## Listing on the Stock Exchange

**Bombay Stock Exchange**

## Registrar and Transfer Agent

**Link InTime India Pvt Ltd.**
C-101, 247 Park, LBS Marg, Vikroli West,
Mumbai-400083,
Tel No.+91 22 4918 6000
Fax No.+91 22 4918 6060
Email Id: rnt.helpdesk@linkintime.co.in

## Registered & Corporate Office

Office No.1701/1702, 17th Floor,
A-Wing, Lotus Corporate Park,
Western Express Highway,
Goregaon (East) Mumbai-400063
Tel no.+91 22 4246 1300
Email Id: compliance@mangalfincorp.com

## Committees

Audit Committee (A)
Nomination & Remuneration Committee (N)
Stakeholders Relationship Committee (S)

# Management Discussion & Analysis

**Global Economy**

The year 2018 was a promising year in terms of global economic activity. According to the International Monetary Fund (IMF), the global growth was assessed at 2.6%, accentuated by the progress achieved in nearly all regions. However, the scenario is not the same in 2019, as the world economy is experiencing turmoil and has shown little signs of progress. The IMF has therefore, expected the global economy to be 3.3% for the year 2019. A few of the other estimates are more dismal, as the World Bank predicts the global growth to plunge to 2.6% for 2019.

The crucial reasons for this pessimistic scenario in world economy are the economic tension between two global superpowers, US and China, the chance of a no-deal Brexit, economic problems in Argentina and Turkey, and the escalated conflicts in the Middle East and Korean peninsula. The gloomy mood can also be due to stricter credit policies in China, and major problems arising in numerous emerging markets. Bringing positivity into the current economic atmosphere is proving to be a challenge for many developing nations, and India is also unlikely to remain unaffected.

As a step towards better global economy and ensure the safeguarding of the US economy, the US Federal Reserve decided to slash the interest rates by 25 bps (100 basis points or bps is One Percentage Point) in their latest monetary policy decision. Although the Fed has hinted that this is not the beginning of a rate cut cycle, it remains unclear how the monetary regulation body will act in the coming twelve months. It is understood that their decision will largely depend on the international macroeconomic factors arising in the near future.

For a sustainable global economy, one of the crucial variables is the mutual and peaceful resolution of the US-China regarding trade issues, a Brexit which is acceptable to both Britain and the European Union, and the end of hostilities in the Middle East.

**Indian Economy**

India continues to be one of the fastest-growing economies in the world, and despite a recent hiccup its economy continues to gain importance for the world. The GDP of the country grew at a rate of 6.9% in FY19, which is less than 7.2% achieved in FY18. Evidently, the growth rate is not satisfactory, and does not reflect the nation's potential, but is still respectable considering the world economic scenario. India is driven by traditional manufacturing and 4500+ start-ups, which makes the country the world's third largest start-up base. The country's economic performance is highly crucial to the development of the Asia-Pacific region.

Over the last year, the country has overseen underperformance in several important sectors and the data points of many lead indicators of the economy are not promising. Concerns are raised on the drop in fixed investment growth, stressful financial conditions, and a weak external sector. Another issue to be tackled is the consumption slowdown, as the sale of passenger and commercial vehicles has dropped significantly and the feedback from FMCG (Fast Moving Consumer Goods) corporations is not ecstatic.

The proper handling of the economic situation will require expert manoeuvring as the risks are significant. The economy is exposed to domestic and international risks, especially political changes, which can impact the current and fiscal account deficit. The inflationary issues are less of a priority now, however, this can change depending on the progress of monsoon. While the growth remains heavily influenced by the fiscal expansion, the government treasury might be used if there is slow private investment.

A consistent and well-aid policy needs to be in place with a stable Central Government under a responsive and dynamic leadership. Fixed investment will improve with the right policies, disciplined spending by the government will support the demand, and a better monetary policy will help in tackling the challenges. To reduce the pressure of non-performing loans, the Government will bring reforms in the public sector banks and take steps for the resolution of stressed assets. The success of initiatives like "Start-up India", "Make in India", and many more, will provide necessary support to the economy.

**About NBFC Sector**

There is an increasing number of the younger population joining the workforce due to the positive demographics that are boosting disposable income of Indian households. By the end of 2030, India is going to have 962 million working officials, making it one of the largest working-age population in the world. All this is expected to happen due to the increased disposable income along with improved access to credit.

There has been improvement in the liquidity scenario that slowed down sanctioning and disbursement of new loans. Even RBI has relaxed the norms for direct assignments of loans by NBFCs. However, the NBFCs are rapidly gaining prominence as intermediaries in the retail finance space. NBFC has been activity financing more than 80% of the equipment leasing and hires purchase that takes place in India. The public deposit of NBFCs increased from US$ 0.29 billion in 2009 to Rs 319.05 billion (US$ 4.95 billion) in 2018, registering a Compound Annual Growth Rate (CAGR) of 36.86 per cent. With serving unbanked customers by pioneering into retail asset-backed lending, NBFC aspires to be the one-stop-shop for all the financial services.

Over the years, NBFC has been successful in sustaining consumption demand as well as capital formation in the small and medium industrial segment. NBFC is not only a financial support system to the micro, small and medium enterprises by providing working capital, but it is also providing easy loans to help create consumption demand in several sectors like auto, consumer durable, and many others.

As of now, there is 21% year-on-year (y-o-y) growth for the retail lending business that was led by a 32% y-o-y volume growth in credit card loans. The number of retail loan accounts increased by 28% to over 107 million by the end of September 2019. Also, there were 9,659 NBFCs registered with RBI as on 31 March 2019, of which 88 were deposit accepting and 263 systemically important non-deposit accepting NBFCs. The consolidated balance sheet size of the NBFC sector grew 20.6% to ₹28.8 trillion in FY19 as against an increase of 17.9% to ₹24.5 trillion in FY18. The gross bad loans of the NBFC sector of total advances increased from 5.8% in FY18 to 6.6% in FY19, according to the data from the RBI. However, the net non-performing asset ratio declined marginally from 3.8% in 2017-18 to 3.7% in 2018-19. Having this in the backdrop, it is very important to also consider that, the capital adequacy of the sector declined 350 basis points year-on-year to 19.3% in FY19. These numbers show that the future for credit demand in India is brighter. Moreover, lenders are making credits available for borrowers with much ease. Technological advancements have made borrowing credits less messy and has now become a faster process.

With the use of latest technology, NBFC will be able to target higher growth in MSME capital lending as well as significantly improve the quality of credit managed by these institutions. However, liquidity can no longer be taken as a given. With the regulatory norms getting tightened, cash will be coming to only solvent NBFCs. In simple words, the liquidity situation for NBFCs with lower creditworthiness may continue to remain tight.

**Micro, Small and Medium Size Enterprises**

The small and medium enterprise segment in India has gone through several phases of development over the period and promises to be one of the fastest-growing sectors in the coming years. According to world bank, India only seconds China in terms of unbaked population with about 190 million Indian adults still don't have a bank account. A research by International Finance Corporation suggests that Indian MSME sector face a credit gap of around 16 lakh crores. Another study suggests that 70% of microenterprises have a bank account but only 5% have access to term loans from banks and 1% to working capital loans from banks. In its latest monetary policy, RBI has allowed on lending to Priority Sector by NBFC to be included in the minimum specified lending to Priority sector by banks. Because of the above two factors, scope of NBFC's in lending to MSME sector has increased. There are numbers of lending institutions that let entrepreneurs borrow loans through their official websites.

India has the biggest small and medium-sized enterprise in the world, next to China. This sector approximately manufactures 6000 products that range between traditional and hi-tech items.

In 2018, BSE (Bombay Stock Exchange) created a sub-segment for including start-up companies in India under its existing SME segment.

In 2018, the overall credit supply to the MSME sector grew 16.1%. "MSME lending by private-sector NBFCs grew 23.4%, while PSBs saw a growth of 5.5% for the year to June 2018, said the quarterly report by TransUnion CIBIL and Small Industries Development Bank of India (Sidbi).

With this initiative, the small and medium enterprises (MSME) segment in India is expected growth at a CAGR 11% within the next two years and the size of its market is expected to be around ₹ 14 lakh crores.

Just a few years back, getting a loan granted from traditional banks for SMEs was tedious. The traditional banks disapproved loans and credits for small business due to factors such as low credit score, poor credit history, lesser number of years in business, and inadequate collateral. Even though the loan gets granted under rare circumstances, the traditional banks would take additional time to process and disburse business loans. Off late, NBFCs and Fintech companies have come into the limelight with providing loans to SMEs in a simpler and faster way. Loans through some of the rely mostly on the lending institution than the traditional banks.

Apart from this, the Government of India has also taken initiatives to enhance support for small and medium enterprises in India. Initiatives like Pradhan Mantri MUDRA Yojana (PMMY), enables entrepreneurs avail loans from Rs.50,000 to Rs.50 lakh depending on their requirement. Loans are approved for businesses that are yet to be started and for expansion of the existing business.

**Personal Loan**

In 2018, the demand for credit cards, personal loans and consumer durable loans increased to 31.3% year-on-year, according to TransUnion CIBIL. Whereas, secured lending categories such as loans against property (LAP), auto loans and home loans experienced more moderate total balance growth, by comparison, expanding at the still-robust levels of 21.8%, 17.4% and 17.1%, respectively.

Technology has become the biggest catalyst for the rise in consumption. With the introduction of digitization, online personal loans are increasingly gaining popularity and the trends in personal loans are also drastically changing. In India, almost all the banks and NBFCs provide personal loans to customers promptly in an efficient way.

Banks have made it easier to avail personal loans with lesser document requirement. Your address proof, identity proof and bank statements are enough to get the personal loan granted.

Moreover, it is witnessed that consumers are increasingly considering personal loan as a necessity rather than what was considered as a liability or a taboo. As people are increasing their standard of living, they have increasingly started to explore such opportunities.

Currently, there is a raise in the unsecured loans segment in India and the future there is going to be an increasing number of people to take loans. This is due to the keen interest that governments and financial institutions have been taking. Easy and faster lending mechanism has played a major role in the process of lending loans to people. There are many start-ups and e-commerce platforms that have been increasingly offering loans to customers with minimal procedures and lesser minutes. Credit bureaus play a great role in ensuring the right amount is credited to the right customer at the right time.

Keeping all this at the backdrop, 2019 is going to witness some drastic changes for the personal loans in India. In 2018, personal loans grew at 31.3% and loans against property, auto loans and home loans experienced a moderation in growth in the same period. At the end of 2018, unsecured finance, which includes personal loans, amounted to Rs. 576,600 crores or $82 billion with personal loans increasing by 26.9%.

**Growth Drivers:**

The increasing stress of NPAs and financial frauds in the banking sector is one of the major factors that has contributed to the exponential growth of non-banking financial companies (NBFCs). To reduce this pressure, many NBFCs are evolving to fill in the gap while also giving some respite to many small and medium enterprises (SMEs) in the country, allowing them to access credit to carry out smoother operations.

Non-banking finance companies (NBFC) stocks also reacted enthusiastically to the recent Budget, which promised to help the cash strapped NBFCs. The recognition of the systemically important NBFC sector by the Finance Minister also inspired the market.

With the adoption of more flexible operating methods, NBFCs are growing their loan books at an exponential pace. Technology has played a major role in making the process of loan processing and credit underwriting hassle-free and the turnaround time (TAT) for processing loans has become lesser. According to the TransUnion Cibil-Sidbi report, earlier it used to take an average of 26 days for NBFCs to disburse credit to MSMEs from the date on which the query was generated, whereas now it is reduced to 18 days.

**Company Overview:**

Mangal Credit & Fincorp Limited is an NBFC company with transparency as fine as to reflect clients image in it. Loans and

credit facilities, logistics, trade in money market under writing stocks and shares are some of its services to aid an advanced and aspiring population. A reputed market lot holds dealings for its timeless cliental and its half a century experience in finance services qualifies MCFL to be in its forte. Through it endeavours for ventures bigger and stronger than before, MCFL targets to attain an immensely strong growth.

**Challenges :**

The biggest challenge for NBFC is the asset quality of NBFC. While looking at the recent trend, asset quality is going to remain mixed, impacting the wholesale financiers. The vehicle financiers will be deeply affected by the mixed-asset quality since the level of Non-Performing Assets (NPAs) for them remains in a manageable range.

Another matter of concern for NBFC in 2019 will be the growth in the loan book. As there will be lesser consumption rate, loan growth is going to become moderate despite strong demand. Overall, the banking sector will grow at a significantly slower pace.

**Financial and Operational Performance**

MCFL has given stable results for the FY 2019. MCFLs Total Revenue grew by 3.36% to ₹1016 Lakhs in FY2019 as compared to ₹983 Lakhs in FY2018. EBITDA grew by 1.74% to ₹858 Lakhs in FY2019 as compared to ₹844 Lakhs in FY2018. Profit After Tax grew by 24.67% to ₹571 Lakhs as compared to ₹458 Lakhs in the previous year. AUM grew by 5.20% to ₹5416 Lakhs in FY2019 as compared to ₹5148 Lakhs in FY2018.

**Internal Control Systems and its Adequacy:**

Effective internal controls are necessary for building up an efficient organization. Our Company has adequate internal control systems in place to ensure accuracy, transparency and accountability in its operations. A dedicated concurrent audit team functioning within the Company supported by an out sourced concurrent audit team confirms that the activities are in compliance with its policies and occurrences of deviations are reported to the Management. The Company has further strengthened its internal audit function by investing in domain specialists to increase effectiveness of controls. The audit committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of internal controls.

**Fulfilment Of RBI's Norms And Standards:**

The Company has taken necessary steps to comply with the RBI norms. Although the company is non deposit, non systematically important NBFC it has a proper and strong Internal control mechanism which suffice company's long term vision. The Company is also exempted from the various regular compliance as per RBI norms.

**Human Resources/Industrial Relations:**

At the end of FY 2019, the company had 12 full time employees. The Company continues to lay emphasis on people, its most valuable resource. In an increasingly competitive market for human resources, it seriously focuses on attracting and retaining the right talent. It provides equal opportunity to employees to deliver results.

**Cautionary Statement:**

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

# Social Activities

# DIRECTORS' REPORT

To,
The Members
**Mangal Credit and Fincorp Limited**

The Directors are pleased to present the 57th Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended 31st March, 2019.

**FINANCIAL PERFORMANCE AND COMPANY'S STATE OF AFFAIRS**
The performance of the Company for the financial year ended 31st March, 2019 is summarized as under:

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|
| Total income | 101,575,731 | 98,272,642 |
| Total expenditure | 25,999,550 | 35,686,239 |
| Profit before taxation | 75,576,181 | 62,586,403 |
| Less: Provision for Taxation | | |
| - Current tax | 18,447,709 | 18,377,151 |
| - Deferred tax asset | (2,631) | (1,615,358) |
| Net profit after taxes | 57,131,103 | 45,824,611 |
| Earnings per share (Face Value Rs. 10/- each) | | |
| Basic | 2.96 | 2.55 |
| Diluted | 2.96 | 2.55 |

During the year under review, the Company has reported a total income of INR 101,575,731/- as compared with previous year total income of INR 98,272,642/- which has increased by 3.36%.

## DIVIDEND

The Board of Directors are pleased to recommend final dividend of 5% i.e. Rs. 0.5/- per equity share of face value of Rs. 10/- each for the financial year ended 31st March, 2019. The dividend payment is subject to approval of members at the ensuing Annual General Meeting.

## DEPOSITS

Your Company being a non-deposit taking non-banking financial company ("NBFC") has not accepted public deposits during the year under review and shall not accept any deposits from the public without obtaining prior approval of the RBI and accordingly disclosure requirements under Chapter V of the Act read with Rule 8(5)(v) and 8(5)(vi) of the Companies (Accounts) Rules, 2014 are not applicable to your Company.

## TRANSFER TO RESERVES

The Company has proposed to transfer Nil amount to the General Reserve out of amount available for appropriations.

## CONSOLIDATED FINANCIAL STATEMENT

In terms of Section 129 of the Companies Act, 2013 read with Rules framed thereunder ("Act"), consolidated audited financial statements of the Company and its subsidiaries along with the standalone audited financial statements of the Company for the financial year ended 31st March, 2019 is provided in the Annual Report and shall be laid before the ensuing Annual General Meeting of the Company.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, following two companies have ceased to be Company's subsidiaries:

1. Mangal Buildhome Private Limited;
2. Mangal Global Marbles Private Limited

A statement containing the salient features of the financial statement of subsidiary companies, as per Section 129(3) of the Act, in the prescribed Form AOC-1 is annexed as **Annexure A**.

Your Company does not have any joint venture(s)/associate company(ies) within the meaning of Section 2(6) of the Act.

## CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of Business by the Company during the period under review.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In terms of Section 186(11) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014, the provisions of Section 186 in respect of loans made, guarantees given or securities provided by the Company are not applicable to the Company.

## SHARE CAPITAL

During the year under review, in the 56th Annual General Meeting held on 29th September, 2018, shareholders of the Company approved the consolidation of each of the existing Equity Share of face value Re. 1/- (Rupee One) each into Equity Share of face value Rs. 10/- (Rupees Ten) each. Following is the structure of Share Capital of the Company:

| Particulars | No. of Shares | Face Value | Share Capital |
|---|---|---|---|
| Authorised Capital | 25,000,000 | 10/- | 250,000,000/- |
| Issued Capital | 19,313,986 | 10/- | 193,139,860/- |
| Subscribed Capital | 19,313,986 | 10/- | 193,139,860/- |
| Paid-up Capital | 19,313,986 | 10/- | 193,139,860/- |

Your Company has not issued any equity shares with differential rights as to voting, dividend or otherwise.

## EXTRACT OF ANNUAL RETURN

In terms of Section 134(3)(a) and Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, the extract of Annual Return as at financial year ended 31st March, 2019 in the prescribed Form MGT-9 is annexed as **Annexure B** to this Board's Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2019, the Board of Directors of your Company comprises of 8 (eight) Directors out of which 1 (One) is Non-Executive Director, 4 (four) are Non-Executive Independent Directors and 3 (three) are Executive Directors. The Chairman is a Non-Executive Non-Independent Director. The Board composition is in compliance with the requirements of the Act, the Listing Regulations and the circulars / directions / notifications issued by the RBI ("RBI Directions"). Detailed composition of the Board of Directors has been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

**Appointment of Directors:**

Considering the resignation of the Directors and in compliance with the requirements of the Act, the Listing Regulations and the RBI Directions, and in order to strengthen the Board by inducting eminent persons having rich experience not only in the financial services industry but also other relevant fields, the Board of Directors, on the recommendation of the Nomination & Remuneration Committee and the Shareholders of the Company at their meetings approved the appointment of the following Directors:

| Sr. No. | Name of the Director | Designation | Date of Board Approval | Date of Shareholders Approval |
|---|---|---|---|---|
| 1. | Mr. Srichand Teckchand Gerela | Non-Executive, Director | 12/06/2018 | 29/09/2018 |
| 2 | Mrs. Nirupama Dattatray | Independent Director | 12/06/2018 | 29/09/2018 |
| 3 | Mr. Abhishek Jain | Independent Director | 06/07/2018 | 29/09/2018 |
| 4 | Mr. Ramanathan Annamalai | Independent Director | 06/07/2018 | 29/09/2018 |
| 5 | Mr. Ganesh Subramanyam | Additional Director (Independent Director) | 14/11/2018 | - |

Mr. Ganesh Subramanyam (DIN: 01718431) was appointed as an Additional Director (Independent Category) at the Board Meeting held on 14th November, 2018. The Company has received a notice from a Member under the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ganesh Subramanyam for the office of Director of the Company. The resolution seeking approval of the shareholders for appointment of Mr. Ganesh Subramanyam has been incorporated in the Notice of the forthcoming Annual General Meeting of the Company.

Each Non-Executive, Independent Directors are appointed for a term of 5 years effective from the date of Board approval.

During the year under review, Mr. Srichand Teckchand Gerela, Non-Executive Director of the Company was appointed as the Chairman with effect from 14th August, 2018. He then resigned from the Board w.e.f 01/04/2019.

**Retirement by Rotation of the Directors:**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Naval Maniyar (DIN: 06657440), Director, and Mr. Meghraj Jain (DIN: 01311041), shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themself for re-appointment. A brief profile of Mr. Naval Maniyar and Mr. Meghraj Jain has been included in the Notice convening the ensuing Annual General Meeting.

**Resignation /Cessation of the Directors:**

During the year under review, following Resignation /Cessation took place in the Board:
Mr. Ratish Tawde, Independent Director vacated the office w.e.f. 12th June, 2018;
Mrs. Swati Sharma, Independent Director resigned w.e.f. 20th June, 2018;
Mr. Gurumurthy Ramachandran, Independent Director vacated the office w.e.f. 14th August, 2018;

The Board has placed on record its sincere appreciation for the valuable contributions made by each of the directors during their respective tenures on the Board of the Company.

**Director(s) Disclosures:**

Based on the declarations and confirmations received in terms of the provisions of the Act, the Listing Regulations and the RBI Directions none of the Directors on the Board of your Company are disqualified from being appointed as Directors.

A certificate from M/s. Vijay S. Tiwari & Associates, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company as on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Director on the Board of the Company by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such statutory authority, forms part of the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

The Company has received declaration from the Independent Director(s), affirming compliance with the criteria of independence as stipulated in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

**Key Managerial Personnel:**
In terms of the Act, the following persons are the Key Managerial Personnel ("KMP") of the Company:

1. Mr. Meghraj Jain – Managing Director;
2. Mr. Naval Maniyar - Chief Financial Officer; and
3. Ms. Supriya Agarwal - Company Secretary & Compliance Officer

During the year under review following changes took place in the KMPs of the Company:

i. Mr. Naval Maniyar was designated as KMP of the Company pursuant to his appointment as Chief Financial Officer with effect from 21st May, 2018;

ii. Ms. Madhuri Survase ceased to be a KMP of the Company pursuant to her resignation from the office of Company Secretary & Compliance Officer of the Company with effect from 06th July, 2018; and

iii. Ms. Supriya Agarwal was designated as KMP of the Company pursuant to her appointment as Company Secretary & Compliance Officer of the Company with effect from 07th July, 2018;

## COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS

During the year under review, your Company has complied with applicable secretarial standards issued by the Institute of Company Secretaries of India.

## STATUTORY AUDITORS & THEIR REPORT

M/s. MGB & Co. LLP, Chartered Accountants, (FRN: 101169W/W-100035) Statutory Auditors of the Company holds office till the conclusion of the ensuing Annual General Meeting. It has been proposed to re-appoint M/s. MGB & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a term of 4 years, from the conclusion of 57th Annual General Meeting till the conclusion of 61st Annual General Meeting of the Company.

The Company has received a written consent from M/s. MGB & Co. LLP, Chartered Accountants, for appointment as Statutory Auditors of the Company for a period of 4 years and a certificate, that they are eligible and not disqualified from being appointed as Statutory Auditors, that their appointment would be in accordance with the conditions as may be prescribed in the Act and that they satisfy the criteria provided in Section 141 of the Act and the Companies (Audit and Auditors) Rules, 2014 for appointment of statutory auditors.

M/s. MGB & Co. LLP, Statutory Auditors in their report(s) on the standalone audited financial statements and consolidated audited financial statements of your Company for the financial year ended 31st March, 2019, have not submitted any qualifications, reservations, adverse remarks or disclaimers.

## DETAILS IN RESPECT OF FRAUDS REPORTED BY THE AUDITORS UNDER SECTION 143(12) OF COMPANIES ACT, 2013

There are no frauds reported by the Auditor which are required to be disclosed under Section 143 (12) of Companies Act, 2013.

## SECRETARIAL AUDITOR & ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has appointed M/s. Vijay S. Tiwari & Associates, Practicing Company Secretaries as a Secretarial Auditor of the Company, according to the provision of section 204 of the Companies, Act 2013 read with rules for conducting Secretarial Audit of Company for the financial year 2018-2019. The Report of the Secretarial Audit and Annual Secretarial Compliance Report pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08th February, 2019 is annexed herewith as **Annexure C** and **Annexure D**. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

## MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records in terms of Section 148(1) of the Act.

## REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report for the year under review, including disclosures as stipulated under Regulation 34 read with Schedule V of the Listing Regulations and the RBI Directions is annexed as **Annexure F** to this Board's Report.

A certificate from M/s. Vijay S. Tiwari & Associates, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as prescribed under the Listing Regulations is annexed to the Corporate Governance Report.

## BOARD MEETINGS

The Board meets at regular intervals inter-alia to discuss and review various matters including business performance, business strategies and policies. During the year under review, 7 (Seven) meetings of the Board of Directors were held as per the details below:

| Sr. No. | Date of Board Meeting |
|---|---|
| 1. | 21st May, 2018 |
| 2. | 12th June, 2018 |
| 3. | 06th July, 2018 |
| 4. | 14th August, 2018 |
| 5. | 14th November, 2018 |
| 6. | 14th February, 2019 |
| 7. | 27th March, 2019 |

The maximum interval between any two meetings did not exceed 120 days.

Details with respect to the meetings of the Board of Directors and Committee(s) held during the year under review, including attendance by Directors / Members at such meetings have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

## BOARD COMMITTEES

The Board of Directors, in compliance with the requirements of various laws applicable to the Company and for operational convenience, has constituted several committees to deal with specific matters and has delegated powers for different functional areas to different committees.

The Board of Directors has constituted Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee.

Details with respect to the composition, terms of reference, number of meeting(s) held and attended by respective member(s) have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

## FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

At the time of appointment, all Directors of your Company are familiarized with their roles, responsibilities, rights and duties along with a brief overview of your Company's operations in a nutshell. The Board members are further provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance of the Company, global business environment, business strategy and associated risks, responsibilities of the Directors etc. Detailed presentations on the business and updates thereon were made at the meetings of the Board and Committees, held during the year. The details of the said programmes are available on the website of the Company.

## BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. In terms of the requirement of Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on 27th March, 2019 to review the performance of the Non- Independent Directors including the Chairman and the Board, as a collective entity. The detailed process indicating the manner in which the annual evaluation has been carried out pursuant to Listing Regulations and Companies Act, 2013 is given in the Corporate Governance Report, which forms integral part of this Annual Report.

## DISCLOSURE AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) and (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure E** to this Report.

## WHISTLE BLOWER POLICY / VIGIL MECHANISM

In terms of Section 177(9) and Section 177(10) of the Act and the Listing Regulations, the Board of Directors adopted a Whistle Blower Policy/Vigil Mechanism inter- alia to provide a mechanism for Directors and employees of the Company to approach the Audit Committee of the Company and to report genuine concerns related to the Company and provide for adequate safeguards against victimization of Director(s) or employee(s) who report genuine concerns under the mechanism. Details of the Whistle Blower Policy/Vigil Mechanism have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

## RELATED PARTY TRANSACTIONS

During FY 2018-19, all transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations, were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standards (AS18) have been made in the notes to the Financial Statements. The details of the transactions with related parties are placed before the Audit Committee, from time to time.

## STATEMENT FOR DEVELOPMENT AND IMPLEMENTATION OF RISK MANANGEMENT POLICY U/S 134

As per Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 the top 100 listed entities and w.e.f 01/04/2019 top 500 listed entities needs to adopt Risk Management Policy. Therefore, our Company is not required to adopt Risk Management Policy.

## THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal financial controls beside timely statutory audit, limited reviews and internal audits taking place periodically.

## CEO & CFO CERTIFICATE

Compliance Certificate in terms of Regulation 17(8) of the Listing Regulations on the audited financial statements and other matters prescribed therein, submitted to the Board of Directors by the Managing Director and the Chief Financial Officer of the Company, for financial year ended 31st March, 2019 is enclosed herewith at **Annexure G** to this Board's Report.

## CORPORATE SOCIAL RESPONSIBILITY POLICY

During the year under review, the Company has not developed the policy on Corporate Social Responsibility as the Company does not fall under the prescribed classes of Companies mentioned under section 135(1) of the Companies Act, 2013.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide safe and conducive environment to its employees. Your Directors further states that during the year under review, there were no cases filed pursuant to the Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments other than in the normal course of business have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company being an NBFC and engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not provided in this Board's Report. Your Company is vigilant on the need for conservation of energy. During the year under review, your Company did not have any foreign exchange earnings and foreign currency expenditure.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no material or significant orders passed by the regulator(s) or court(s) or tribunal(s) impacting the going concern status and /or the future operations of your Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of our knowledge and belief and according to the information and explanations obtained by us, the Directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors have prepared the annual accounts on a going concern basis;

e) 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; and

f) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

## ACKNOWLEDGEMENTS

The Directors take this opportunity to express their appreciation to all stakeholders of the Company including the Reserve Bank of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, the Government of India and other Regulatory Authorities, the Depositories, the BSE Limited, Bankers, Financial Institutions, Members, and Customers of the Company for their continued support and trust. The Board further places on record its appreciation for the dedicated services rendered by the employees of the Company.

**By the Order of the Board of Directors**
**For Mangal Credit and Fincrop Limited**

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **Meghraj Jain** | **Naval Maniyar** |
| **Managing Director** | **Director** |
| **DIN: 01311041** | **DIN: 06657440** |

**Place: Mumbai**
**Date: 14th August, 2019**

Annexure A

## FORM - AOC - I
## (PURSUANT TO FIRST PROVISO TO THE SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATES COMPANIES/ JOINT VENTURES

### Part A : Subsidiaries

| S. No. | Name of the subsidiary | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| | | Mangal Compusolution Private Limited | Indtrans Container Lines Private Limited | Indtrans Container Lines (Singapore) PTE Limited | Indtrans Container Lines (Malaysia) SDN BDH | Satco Capital Markets Limited | Satco Wealth Managers Private Limited | Mangal Mines & Mineral Private Limited |
| 1 | The date since when subsidiary was acquired | 28/Sep/2013 | 20/Feb/2014 | 23/Feb/2015 | 21/Sep/2018 | 2/Dec/2013 | 2/Dec/2013 | 1/Apr/2018 |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | NA | NA | NA | NA | NA | NA | NA |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | NA | NA | SGD & 51.22 | MR & 16.9946 | NA | NA | NA |
| 4 | Share capital | 20,000,000 | 10,000,000 | 512,178 | 16,995 | 124,151,500 | 18,492,000 | 100,000 |
| 5 | Reserves and surplus | 50,657,285 | 15,924,961 | (1,199,202) | (27,045) | 57,912,049 | 6,642,488 | (487,616) |
| 6 | Total assets | 488,911,376 | 148,661,328 | 2,140,835 | 16,995 | 667,675,601 | 26,545,732 | 950,303 |
| 7 | Total Liabilities | 418,254,091 | 122,736,367 | 2,827,859 | 27,045 | 485,612,052 | 1,411,244 | 1,337,919 |
| 8 | Investments | 5,575,145 | 487,300 | - | - | 36,441,216 | - | - |
| 9 | Turnover | 124,568,453 | 310,825,566 | 2,362,135 | - | 99,623,920 | 4,208,416 | - |
| 10 | Profit before taxation | 15,601,544 | 4,994,411 | (440,383) | (27,282) | 5,540,117 | 67,138 | (46,156) |
| 11 | Provision for taxation | 5,754,224 | 1,299,592 | 0 | 0 | 2,078,649 | 60543 | (11,886) |
| 12 | Profit after taxation | 9,847,320 | 3,694,819 | (440,383) | (27,282) | 3,461,468 | 6,595 | (34,271) |
| 13 | Proposed Dividend | - | - | - | - | - | - | - |
| 14 | Extent of shareholding (in percentage) | 99.99% | 60.00% | 60.00% | 60.00% | 53.61% | 53.61% | 51.00% |
| | | | | (Ultimate Subsidary) | (Ultimate Subsidary) | | (Ultimate Subsidary) | |

**ANNEXURE - B**

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**As on the financial year ended 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 | : | L65990MH1961PLC012227 |
| ii | Registration Date | : | 29/12/1961 |
| iii | Name of the Company | : | Mangal Credit And Fincorp Limited |
| iv | Category / Sub-Category of the Company : | : | Company Limited By Shares & Indian Non-government Company |
| v | Address of the Registered office and contact details | : | 1701/1702, 17th Floor., 'A' Wing, Lotus Corporate Park, Western Express Highway, Goregaon (E), Mumbai-400063, Maharahtra, India<br>Tel.: 022-42461300;<br>Email: compliance@mangalfincorp.com |
| vi | Whether listed company (yes/No) | : | Yes |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | Link Intime India Pvt. Ltd<br>Add.: C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083<br>Tel.: 022-4918 6000 Fax: 022-4918 6060 |

## II. Principal Business Activities of the Company:

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

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the Company |
|---|---|---|---|
| 1. | Non-Banking Financial Company engaged in lending and allied activities | 649 | 100% |

## III. Particulars of Holding, Subsidiary and Associate Companies:

| Name and address of the Company | CIN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|
| **Indtrans Container Lines Private Limited** 1701/1702, 17th Floor, 'A' Wing, Lotus Corporate Park Western Express Highway, Goregaon (E) Mumbai-400063 | U63010MH2010PTC199252 | Subsidiary | 60% | Section 2(87) |
| **Indtrans Container Lines (Singapore) PTE Ltd** (It is 100% subsidiary of Indtrans Container Lines Private Limited | N.A. | Ultimate Subsidiary | 60% | Section 2(87) |

| Name and address of the Company | CIN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|
| **Indtrans Container Lines (Malaysia) SDN. BHD.** (It is 100% subsidiary of Indtrans Container Lines Private Limited | N.A. | Ultimate Subsidiary | 60% | Section 2(87) |
| **Mangal Mines And Minerals Private Limited** 1701/1702, 17th Floor,'A' Wing, Lotus Corporate Park Western Express Highway, Goregaon (E) Mumbai-400063 | U37100MH2010PTC210513 | Subsidiary | 51% | Section 2(87) |
| **Mangal Compusolution Private Limited** Unit No. 03, Satguru Nanak Industrial Estate, Off Western Express Highway, Goregaon (East), Mumbai-400063 | U72900MH2011PTC216111 | Subsidiary | 99.99% | Section 2(87) |
| **Satco Capital Markets Limited** 17, Ground Floor, Noble Chambers Ghoga Street, Janmabhoomi Marg, Fort Mumbai 400001 | U65990MH1989PLC051506 | Subsidiary | 53.61% | Section 2(87) |
| **Satco Wealth Managers Private Limited** (It is 100% subsidiary of Satco Capital Markets Limited) | U70101MH1987PTC045107 | Ultimate Subsidiary | 53.61% | Section 2(87) |

## IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding:

| Sr No | Category of Shareholders | Shareholding at the beginning of the year - 2018 | | | | Shareholding at the end of the year - 2019 | | | | % Change During theyear |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **(A)** | **Shareholding of Promoter and Promoter Group** | | | | | | | | | |
| **[1]** | **Indian** | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 60488580 | 0 | 60488580 | 31.32 | 6585137 | 0 | 6585137 | 34.10 | 2.78 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Any Other (Specify) | | | | | | | | | |
| | Bodies Corporate | 34690282 | 0 | 34690282 | 17.96 | 3868305 | 0 | 3868305 | 20.03 | 2.07 |
| | **Sub Total (A)(1)** | **95178862** | **0** | **95178862** | **49.28** | **10453442** | **0** | **10453442** | **54.12** | **4.84** |
| **[2]** | **Foreign** | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |

| Sr No | Category of Shareholders | Shareholding at the beginning of the year - 2018 | | | | Shareholding at the end of the year - 2019 | | | | % Change During theyear |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (b) | Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | **Sub Total (A)(2)** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |
| | **Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)** | **95178862** | **0** | **95178862** | **49.28** | **10453442** | **0** | **10453442** | **54.12** | **4.84** |
| **(B)** | **Public Shareholding** | | | | | | | | | |
| **[1]** | **Institutions** | | | | | | | | | |
| (a) | Mutual Funds / UTI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Foreign Portfolio Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (f) | Financial Institutions / Banks | 0 | 15000 | 15000 | 0.01 | 0 | 1500 | 1500 | 0.01 | 0.00 |
| (g) | Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) | Any Other (Specify) | | | | | | | | | |
| | **Sub Total (B)(1)** | **0** | **15000** | **15000** | **0.01** | **0** | **1500** | **1500** | **0.01** | **0.00** |
| **[2]** | **Central Government/ State Government(s)/ President of India** | | | | | | | | | |
| | **Sub Total (B)(2)** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |
| **[3]** | **Non-Institutions** | | | | | | | | | |
| **(a)** | **Individuals** | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto Rs. 1 lakh. | 20335274 | 8452500 | 28787774 | 14.91 | 1835465 | 810020 | 2645485 | 13.70 | -1.21 |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 60435145 | 174000 | 60609145 | 31.38 | 5260534 | 17400 | 5277934 | 27.33 | -4.05 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0.00 | 5740 | 0 | 5740 | 0.03 | 0.03 |
| (d) | Overseas Depositories(holding DRs) (balancing figure) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Hindu Undivided Family | 1722479 | 0 | 1722479 | 0.89 | 224177 | 0 | 224177 | 1.16 | 0.27 |
| | Non Resident Indians (Non Repat) | 267115 | 24000 | 291115 | 0.15 | 23647 | 2400 | 26047 | 0.13 | -0.02 |
| | Non Resident Indians (Repat) | 1682932 | 0 | 1682932 | 0.87 | 94806 | 0 | 94806 | 0.49 | -0.38 |
| | Clearing Member | 1216259 | 0 | 1216259 | 0.63 | 246784 | 0 | 246784 | 1.28 | 0.65 |
| | Bodies Corporate | 3599094 | 37200 | 3636294 | 1.88 | 334351 | 3720 | 338071 | 1.75 | -0.13 |

| Sr No | Category of Shareholders | Shareholding at the beginning of the year - 2018 | | | | Shareholding at the end of the year - 2019 | | | | % Change During theyear |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | **Sub Total (B)(3)** | **89258298** | **8687700** | **97945998** | **50.71** | **8025504** | **833540** | **8859044** | **45.87** | |
| | **Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)** | **89258298** | **8702700** | **97960998** | **50.72** | **8025504** | **835040** | **8860544** | **45.87** | |
| | **Total (A)+(B)** | **184437160** | **8702700** | **193139860** | **100** | **18478946** | **835040** | **19313986** | **100.00** | |
| **(C)** | **Non Promoter - Non Public** | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | '0.0000 |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | '0.0000 |
| | **Total (A)+(B)+©** | **184437160** | **8702700** | **193139860** | **100** | **18478946** | **835040** | **19313986** | **100.00** | |

### ii) Shareholding of Promoters:

| Sr No | Shareholder's Name | Shareholding at the beginning of the year - 2018 | | | Shareholding at the end of the year - 2019 | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares Held | % of total Shares of the company | % of Shares Pledged /encumbered to total shares | No. of Shares Held | % of total Shares of the company | % of Shares Pledged /encumbered to total shares | |
| 1 | Mr. Meghraj S Jain | 35634180 | 18.45 | 0 | 3798897 | 19.67 | 0 | 1.22 |
| 2 | M/s. Eally Consulting India Private Limited | 16797000 | 8.70 | 0 | 1679700 | 8.70 | 0 | 0.00 |
| 3 | Mr. Ajit S Jain | 24842400 | 12.86 | 0 | 2484240 | 12.86 | 0 | 0.00 |
| 4 | M/s. Shree Jaisal Electronics & Industries Limited | 9294000 | 4.81 | 0 | 929400 | 4.81 | 0 | 0.00 |
| 5 | Mr. Neeta Maloo | 6000 | 0.00 | 0 | 600 | 0.00 | 0 | 0.00 |
| 6 | M/s. Dhakad Properties Private Limited | 8599282 | 4.45 | 0 | 1259205 | 6.52 | 0 | 2.07 |
| 7 | Ajit Sohanlal Jain | 0 | 0.00 | 0 | 300800 | 1.56 | 0 | 1.56 |
| 8 | Sandeep Maloo | 6000 | 0.00 | 0 | 600 | 0.00 | 0 | 0.00 |
| | **Total** | **95178862** | **49.28** | **0** | **10453442** | **54.12** | **0** | |

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

| Sr No | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---|---|---|---|---|---|---|---|
| | | No. Of Shares Held | % of Total Shares Of The Company | Date Of Transaction | No. of Shares | No. Of Shares Held | % Of Total Shares Of The Company |
| 1 | Meghraj Sohanlal Jain | 35634180 | 18.4499 | | | 35634180 | 18.4499 |
| | Market purchase | | | 17 Aug 2018 | 103684 | 35737864 | 18.5036 |
| | Market purchase | | | 24 Aug 2018 | 7754 | 35745618 | 18.5076 |
| | Market purchase | | | 31 Aug 2018 | 116274 | 35861892 | 18.5678 |
| | Market purchase | | | 07 Sep 2018 | 5879 | 35867771 | 18.5709 |
| | Market purchase | | | 14 Sep 2018 | 134117 | 36001888 | 18.6403 |
| | Market purchase | | | 21 Sep 2018 | 43554 | 36045442 | 18.6629 |
| | Market purchase | | | 29 Sep 2018 | 939840 | 36985282 | 19.1495 |
| | Market purchase | | | 05 Oct 2018 | 59722 | 37045004 | 19.1804 |
| | Market purchase | | | 12 Oct 2018 | 457175 | 37502179 | 19.4171 |
| | Change in face value | | | 23 Nov 2018 | | 3750217 | 19.4171 |
| | Market purchase | | | 18 Jan 2019 | 9971 | 3760188 | 19.4687 |
| | Market purchase | | | 25 Jan 2019 | 20299 | 3780487 | 19.5738 |
| | Market purchase | | | 08 Feb 2019 | 18000 | 3798487 | 19.6670 |
| | Market purchase | | | 08 Mar 2019 | 410 | 3798897 | 19.6691 |
| | At the end of the year | | | | | 3798897 | 19.6691 |
| 2 | E ally Consulting India Private Limited | 16797000 | 8.6968 | | | 16797000 | 8.6968 |
| | Change in face value | | | 23 Nov 2018 | | 1679700 | 8.6968 |
| | At the end of the year | | | | | 1679700 | 8.6968 |
| 3 | Ajit S Jain | 24842400 | 12.8624 | | | 24842400 | 12.8624 |
| | Change in face value | | | 23 Nov 2018 | | 2484240 | 12.8624 |
| | At the end of the year | | | | | 2484240 | 12.8624 |
| 4 | Shree Jaisal Electronics And Industries Limited | 9294000 | 4.8121 | | | 9294000 | 4.8121 |
| | Change in face value | | | 23 Nov 2018 | | 929400 | 4.8121 |
| | At the end of the year | | | | | 929400 | 4.8121 |
| 5 | Neeta Maloo | 6000 | 0.0031 | | | 6000 | 0.0031 |
| | Change in face value | | | 23 Nov 2018 | | 600 | 0.0031 |
| | At the end of the year | | | | | 600 | 0.0031 |
| 6 | Dhakad properties Private Limited | 8599282 | 4.4524 | | | 8599282 | 4.4524 |

| Sr No | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---|---|---|---|---|---|---|---|
| | | No. Of Shares Held | % of Total Shares Of The Company | Date Of Transaction | No. of Shares | No. Of Shares Held | % Of Total Shares Of The Company |
| | Market purchase | | | 06 Apr 2018 | 250718 | 8850000 | 4.5822 |
| | Market purchase | | | 01 Jun 2018 | 25603 | 8875603 | 4.5954 |
| | Market purchase | | | 15 Jun 2018 | 195317 | 9070920 | 4.6966 |
| | Market purchase | | | 06 Jul 2018 | 9979 | 9080899 | 4.7017 |
| | Market purchase | | | 13 Jul 2018 | 615017 | 9695916 | 5.0202 |
| | Market purchase | | | 20 Jul 2018 | 914880 | 10610796 | 5.4938 |
| | Market purchase | | | 27 Jul 2018 | 317771 | 10928567 | 5.6584 |
| | Market purchase | | | 03 Aug 2018 | 394868 | 11323435 | 5.8628 |
| | Market purchase | | | 10 Aug 2018 | 197485 | 11520920 | 5.9651 |
| | Market purchase | | | 05 Oct 2018 | 437730 | 11958650 | 6.1917 |
| | Market purchase | | | 19 Oct 2018 | 187968 | 12146618 | 6.289 |
| | Market purchase | | | 26 Oct 2018 | 129713 | 12276331 | 6.3562 |
| | Market purchase | | | 02 Nov 2018 | 5096 | 12281427 | 6.3588 |
| | Market purchase | | | 09 Nov 2018 | 205768 | 12487195 | 6.4654 |
| | Change in face value | | | 23 Nov 2018 | | 1248719 | 6.4654 |
| | Market purchase | | | 22 Feb 2019 | 10486 | 1259205 | 6.5196 |
| | At the end of the year | | | | | 1259205 | 6.5196 |
| 7 | Ajit Sohanlal Jain | 0 | 0 | | | 0 | 0 |
| | Market purchase | | | 04 Jan 2019 | 20000 | 20000 | 0.1036 |
| | Market purchase | | | 11 Jan 2019 | 54500 | 74500 | 0.3857 |
| | Market purchase | | | 18 Jan 2019 | 87738 | 162238 | 0.8400 |
| | Market purchase | | | 25 Jan 2019 | 37824 | 200062 | 1.0358 |
| | Market purchase | | | 01 Feb 2019 | 40615 | 240677 | 1.2461 |
| | Market purchase | | | 08 Feb 2019 | 11428 | 252105 | 1.3053 |
| | Market purchase | | | 15 Feb 2019 | 97 | 252202 | 1.3058 |
| | Market purchase | | | 08 Mar 2019 | 10482 | 262684 | 1.3601 |
| | Market purchase | | | 15 Mar 2019 | 2927 | 265611 | 1.3752 |
| | Market purchase | | | 22 Mar 2019 | 35189 | 300800 | 1.5574 |
| | At the end of the year | | | | | 300800 | 1.5574 |
| 8 | Sandeep Maloo | 6000 | 0.0031 | | | 6000 | 0.0031 |
| | Change in face value | | | 23 Nov 2018 | | 600 | 0.0031 |
| | At the end of the year | | | | | 600 | 0.0031 |

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---|---|---|---|---|---|---|---|
| | | No. Of Shares Held | % of Total Shares Of The Company | Date Of Transaction | No. of Shares | No. Of Shares Held | % Of Total Shares Of The Company |
| 1 | Rekha Jagdish Jain | 10000000 | 5.1776 | | | 10000000 | 5.1776 |
| | Change in face value | | | 30 Nov 2018 | | 1000000 | 5.1776 |
| | At the end of the year | | | | | 1000000 | 5.1776 |
| 2 | Pravin udaylal jain | 2453809 | 1.2705 | | | 2453809 | 1.2705 |
| | Market purchase | | | 06 Apr 2018 | 230000 | 2683809 | 1.3896 |
| | Market purchase | | | 13 Apr 2018 | 465573 | 3149382 | 1.6306 |
| | Market purchase | | | 27 Apr 2018 | 46920 | 3196302 | 1.6549 |
| | Market purchase | | | 04 May 2018 | 379355 | 3575657 | 1.8513 |
| | Market sell | | | 11 May 2018 | -25 | 3575632 | 1.8513 |
| | Market sell | | | 18 May 2018 | -157252 | 3418380 | 1.7699 |
| | Market sell | | | 01 Jun 2018 | -4380 | 3414000 | 1.7676 |
| | Market sell | | | 15 Jun 2018 | -8000 | 3406000 | 1.7635 |
| | Market purchase | | | 30 Jun 2018 | 37443 | 3443443 | 1.7829 |
| | Market sell | | | 06 Jul 2018 | -2641 | 3440802 | 1.7815 |
| | Market sell | | | 13 Jul 2018 | -5100 | 3435702 | 1.7789 |
| | Market sell | | | 29 Sep 2018 | -10000 | 3425702 | 1.7737 |
| | Change in face value | | | 30 Nov 2018 | | 342570 | 1.7737 |
| | At the end of the year | | | | | 342570 | 1.7737 |
| 3 | Jaideep Narendra Sampat | 2000000 | 1.0355 | | | 2000000 | 1.0355 |
| | Change in face value | | | 30 Nov 2018 | | 200000 | 1.0355 |
| | At the end of the year | | | | | 200000 | 1.0355 |
| 4 | Jyotivardhan Jaipuria | 1582740 | 0.8195 | | | 1582740 | 0.8195 |
| | Change in face value | | | 30 Nov 2018 | | 158274 | 0.8195 |
| | At the end of the year | | | | | 158274 | 0.8195 |
| 5 | Sandeep Surajprakash Bagla | 1500000 | 0.7766 | | | 1500000 | 0.7766 |
| | Market sell | | | 15 Jun 2018 | -200000 | 1300000 | 0.6731 |
| | Market sell | | | 17 Aug 2018 | -12000 | 1288000 | 0.6669 |
| | Market sell | | | 24 Aug 2018 | -88000 | 1200000 | 0.6213 |
| | Market sell | | | 07 Sep 2018 | -1000 | 1199000 | 0.6208 |
| | Market sell | | | 05 Oct 2018 | -300000 | 899000 | 0.4655 |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---|---|---|---|---|---|---|---|
| | | No. Of Shares Held | % of Total Shares Of The Company | Date Of Transaction | No. of Shares | No. Of Shares Held | % Of Total Shares Of The Company |
| | Market sell | | | 12 Oct 2018 | -21000 | 878000 | 0.4546 |
| | Market sell | | | 19 Oct 2018 | -79000 | 799000 | 0.4137 |
| | Market sell | | | 16 Nov 2018 | -15500 | 783500 | 0.4057 |
| | Market sell | | | 23 Nov 2018 | -7500 | 776000 | 0.4018 |
| | Change in face value | | | 23 Nov 2018 | | 77600 | 0.4018 |
| | Market sell | | | 30 Nov 2018 | -5050 | 72550 | 0.4018 |
| | Market sell | | | 01 Mar 2019 | -72550 | 0 | 0.00' |
| | At the end of the year | | | | | 0 | 0.00' |
| 6 | Jayant Sadashiv Basrur | 1500000 | 0.7766 | | | 1500000 | 0.7766 |
| | Change in face value | | | 30 Nov 2018 | | 150000 | 0.7766 |
| | At the end of the year | | | | | 150000 | 0.7766 |
| 7 | Shraddha Sandeep Bagla | 1500000 | 0.7766 | | | 1500000 | 0.7766 |
| | Change in face value | | | 30 Nov 2018 | | 150000 | 0.7766 |
| | Market sell | | | 01 Mar 2019 | -25525 | 124475 | 0.6445 |
| | Market sell | | | 08 Mar 2019 | -78400 | 46075 | 0.2386 |
| | Market sell | | | 15 Mar 2019 | -41075 | 5000 | 0.0259 |
| | At the end of the year | | | | | 5000 | 0.0259 |
| 8 | Rakesh Jain | 1500000 | 0.7766 | | | 1500000 | 0.7766 |
| | Market sell | | | 20 Apr 2018 | -100000 | 1400000 | 0.7249 |
| | Market sell | | | 27 Apr 2018 | -100000 | 1300000 | 0.6731 |
| | Market sell | | | 11 May 2018 | -2601 | 1297399 | 0.6717 |
| | Market sell | | | 18 May 2018 | -100000 | 1047399 | 0.6200 |
| | Change in face value | | | 30 Nov 2018 | | 104739 | 0.6200 |
| | At the end of the year | | | | | 104739 | 0.6200 |
| 9 | Bharti Rakesh Jain | 1340800 | 0.6942 | | | 1340800 | 0.6942 |
| | Market sell | | | 13 Apr 2018 | -100000 | 1240800 | 0.6424 |
| | Market sell | | | 31 Aug 2018 | -250000 | 990800 | 0.5130 |
| | Market purchase | | | 29 Sep 2018 | 102000 | 1092800 | 0.5658 |
| | Market sell | | | 26 Oct 2018 | -200000 | 892800 | 0.4623 |
| | Change in face value | | | 30 Nov 2018 | | 89280 | 0.4623 |
| | Market purchase | | | 01 Mar 2019 | 16999 | 106279 | 0.5503 |
| | Market sell | | | 22 Mar 2019 | -28000 | 78279 | 0.4053 |
| | Market sell | | | 29 Mar 2019 | -20000 | 58279 | 0.3017 |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---|---|---|---|---|---|---|---|
| | | No. Of Shares Held | % of Total Shares Of The Company | Date Of Transaction | No. of Shares | No. Of Shares Held | % Of Total Shares Of The Company |
| | At the end of the year | | | | | 58279 | 0.3017 |
| 10 | Jagdeep Jitendra Kapadia | 1463032 | 0.7600 | | | 1463032 | 0.7600 |
| | Market sell | | | 06 Apr 2018 | -10000 | 1453032 | 0.7600 |
| | Market sell | | | 13 Apr 2018 | -170000 | 1283032 | 0.6643 |
| | Market sell | | | 20 Apr 2018 | -50000 | 1233032 | 0.6384 |
| | Market sell | | | 27 Apr 2018 | -50000 | 1183032 | 0.6125 |
| | Market sell | | | 04 May 2018 | -75000 | 1108032 | 0.5737 |
| | Market sell | | | 11 May 2018 | -206 | 1107826 | 0.5736 |
| | Market sell | | | 18 May 2018 | -120101 | 987725 | 0.5114 |
| | Market sell | | | 25 May 2018 | -50000 | 937725 | 0.4855 |
| | Market sell | | | 01 Jun 2018 | -100000 | 837725 | 0.4337 |
| | Market sell | | | 08 Jun 2018 | -3383 | 834342 | 0.4320 |
| | Market sell | | | 15 Jun 2018 | -38349 | 795993 | 0.4121 |
| | Market sell | | | 22 Jun 2018 | -15000 | 780993 | 0.4044 |
| | Market sell | | | 06 Jul 2018 | -77441 | 703552 | 0.3643 |
| | Market sell | | | 13 Jul 2018 | -183230 | 520322 | 0.2694 |
| | Market sell | | | 20 Jul 2018 | -25703 | 494619 | 0.2561 |
| | Market sell | | | 27 Jul 2018 | -36142 | 458477 | 0.2374 |
| | Market sell | | | 03 Aug 2018 | -70000 | 388477 | 0.2011 |
| | Market sell | | | 10 Aug 2018 | -55477 | 333000 | 0.1724 |
| | Market sell | | | 17 Aug 2018 | -22304 | 310696 | 0.1609 |
| | Market sell | | | 24 Aug 2018 | -45000 | 265696 | 0.1376 |
| | Market sell | | | 31 Aug 2018 | -50023 | 215673 | 0.1117 |
| | Market sell | | | 29 Sep 2018 | -19000 | 196673 | 0.1018 |
| | Market sell | | | 12 Oct 2018 | -30000 | 166673 | 0.0863 |
| | Change in face value | | | 30 Nov 2018 | | 16667 | 0.0086 |
| | At the end of the year | | | | | 16667 | 0.0086 |
| 11 | Mahesh Shah | 1852218 | 0.959 | | | 1852218 | 0.959 |
| | Market sell | | | 18 May 2018 | -32050 | 1820168 | 0.9424 |
| | Market sell | | | 08 Jun 2018 | -35001 | 1785167 | 0.9243 |
| | Market sell | | | 29 Sep 2018 | -150000 | 1635167 | 0.8466 |
| | Market sell | | | 12 Oct 2018 | -10 | 1635157 | 0.8466 |
| | Market sell | | | 26 Oct 2018 | -3320 | 1631837 | 0.8449 |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---|---|---|---|---|---|---|---|
| | | No. Of Shares Held | % of Total Shares Of The Company | Date Of Transaction | No. of Shares | No. Of Shares Held | % Of Total Shares Of The Company |
| | Change in face value | | | 30 Nov 2018 | | 163182 | 0.8449 |
| | At the end of the year | | | | | 163182 | 0.8449 |
| 12 | Harish Sampatlalji Jain | 5025000 | | | | 5025000 | 2.6017 |
| | Market purchase | | | 11 May 2018 | 5000 | 5030000 | 2.6043 |
| | Market purchase | | | 08 Jun 2018 | 50000 | 5080000 | 2.6302 |
| | Market purchase | | | 14 Sep 2018 | 5000 | 5085000 | 2.6328 |
| | Market purchase | | | 29 Sep 2018 | 5000 | 5090000 | 2.6354 |
| | Change in face value | | | 30 Nov 2018 | | 509000 | 2.6354 |
| | At the end of the year | | | | | 509000 | 2.6354 |
| 13 | Rajendra Munilal Hirani | 0 | 0.00' | | | 0 | 0.00' |
| | Market purchase | | | 01 Jun 2018 | 816222 | 816222 | 0.4226 |
| | Market purchase | | | 08 Jun 2018 | 1188787 | 2005009 | 1.0381 |
| | Market purchase | | | 15 Jun 2018 | 100000 | 2105009 | 1.0899 |
| | Market purchase | | | 22 Jun 2018 | 100000 | 2205009 | 1.1417 |
| | Change in face value | | | 30 Nov 2018 | | 220500 | 1.1417 |
| | At the end of the year | | | | | 220500 | 1.1417 |
| 14 | Swati Sharma | 0 | 0.00' | | | 0 | 0.00' |
| | Market purchase | | | 05 Oct 2018 | 1350000 | 1350000 | 0.6990 |
| | Market purchase | | | 12 Oct 2018 | 760000 | 2110000 | 1.0925 |
| | Change in face value | | | 30 Nov 2018 | | 211000 | 1.0925 |
| | At the end of the year | | | | | 211000 | 1.0925 |
| 15 | Urvi Bankimbhai Desai | 0 | 0.00' | | | 0 | 0.00' |
| | Market purchase | | | 08 Feb 2019 | 30000 | 30000 | 0.1553 |
| | Market purchase | | | 15 Feb 2019 | 34539 | 64539 | 0.3342 |
| | Market purchase | | | 22 Feb 2019 | 59059 | 123598 | 0.6399 |
| | Market purchase | | | 01 Mar 2019 | 41242 | 164840 | 0.8535 |
| | Market purchase | | | 08 Mar 2019 | 10160 | 175000 | 0.9061 |
| | Market purchase | | | 22 Mar 2019 | 2000 | 177000 | 0.9164 |
| | At the end of the year | | | | | 177000 | 0.9164 |

v) **Shareholding of Directors and Key Managerial Personnel: Same as Point No. IV(iii)(1) and Point No. IV(iii)(8)**

## V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 0 | 79032341 | 0 | 79032341 |
| ii) Interest due but not paid | 0 | 88767 | 0 | 88767 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| **Total (i+ii+iii)** | **0** | **79121108** | **0** | **79121108** |
| **Change in Indebtedness during the financial year** | | | | |
| Addition | 0 | 290258737 | 0 | 290258737 |
| Reduction | 0 | 353869845 | 0 | 353869845 |
| **Net Change** | **0** | **-63611108** | **0** | **-63611108** |
| **Indebtedness at the end of the financial year** | **0** | | **0** | |
| i) Principal Amount | **0** | **19867719** | **0** | **19867719** |
| 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** | **19867719** | **0** | **19867719** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Particulars of Remuneration | Name of MD/WTD/Manager | |
|---|---|---|
| | Mr. Meghraj Jain | Total |
| Gross Salary | Managing Director | |
| (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3,60,000 | 3,60,000 |
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| Stock Option | - | - |
| Sweat Equity | - | - |
| Commission | - | - |
| - as % of profit | - | - |
| - others, specify... | - | - |
| Others, please specify | - | - |
| **Total** | **3,60,000** | **3,60,000** |

**Note:** The remuneration payable is within the ceiling prescribed under the provisions of the Companies Act, 2013

**B. Remuneration to other directors:**

| Particulars of Remuneration | Name of Directors | | | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|---|---|
| | Mr. Abhishek Jain | Mr. A. Ramanathan | Mrs. D. Nirupama | Mr. S. Ganesh | Mr. S. T. Gerela | Mr. R. Gurumurthy | Mrs. Swati Sharma | Mr. Ratish Tawde | |
| **Independent Director** | | | | | | | | | |
| Fee for attending board / committee meetings | 20,000 | 30,000 | 40,000 | 20,000 | - | - | 5,000 | 5,000 | 1,20,000 |
| Commission | - | - | - | - | - | - | - | - | - |
| Others, please specify | - | - | - | - | - | - | - | - | - |
| **Total (1)** | **20,000** | **30,000** | **40,000** | **20,000** | **-** | **-** | **-** | **-** | **1,20,000** |
| **Other Non-Executive Directors** | | | | | | | | | |
| Fee for attending board / committee meetings | - | - | - | - | 40,000 | - | - | - | 40,000 |
| Commission | - | - | - | - | - | - | - | - | |
| Others, please specify | - | - | - | - | - | - | - | - | |
| **Total (2)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | |
| **Total (1+2)** | **20,000** | **30,000** | **40,000** | **20,000** | **40,000** | **-** | **5,000** | **5,000** | **1,60,000** |

**Note:** The remuneration payable is within the ceiling prescribed under the provisions of the Companies Act, 2013

**C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD**

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total |
|---|---|---|---|---|
| | | Chief Financial Officer | Company Secretary | |
| | | Mr. Naval Maniyar | Ms. Supriya Agarwal | |
| 1. | Gross Salary | 6,32,800 | 5,28,300 | 11,61,100 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | © Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| | d) Company Contribution towards PF | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - others | - | - | - |
| 5. | Others | - | - | - |
| | **Total** | **6,32,800** | **5,28,300** | **11,61,100** |

## VII. Penalties / Punishment/ Compounding of offences:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD /NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **Company** | None | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **Director** | None | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **Other Officer in Default** | None | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**For and on behalf of the Board of Directors**
**Mangal credit and Fincorp Limited**

**Sd/-**
**Meghraj jain**
**Managing Director**
**DIN: 01311041**

**Sd/-**
**Naval Maniyar**
**Director**
**DIN: 06657440**

**Date: 14th August, 2019**
**Place: Mumbai**

**ANNEXURE C**

**Form No. MR-3**
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

To,
The Members,
**Mangal Credit and Fincorp Limited**
Office No- 1701/1702, 17th Floor, A Wing,
Lotus Corporate Park, Graham Firth Steel Compound,
Western Express Highway, Goregaon (East), Mumbai-400063

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s MANGAL CREDIT AND FINCORP LIMITED** (hereinafter called the Company)". Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

On the basis of verification of the secretarial compliance and on the basis of secretarial audit of Company's books, papers, minutes 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**, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment.

(v) 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;

c. The Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and exchange Board of India (Depositaries and Participants) Regulations, 1996 and the Securities and Exchange Board of India (Depositaries and Participants) Regulations,2018;

e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreements entered with the BSE Limited.

(vi) As informed to me, the following Regulations and Guidelines prescribed under the Reserve Bank of India Act, 1934, applicable to Non-Banking Financial Companies (Non-Deposit Taking) are specifically applicable to the Company:

a. The Reserve Bank of India Act, 1934, as applicable to Non- banking Financial Companies;

b. Master Direction - Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016;

c. Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;

d. Master Direction – Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;

e. Master Direction – Information Technology Framework for the NBFC Sector;

f. Master Direction - Know Your Customer (KYC) Direction, 2016;

g. Prevention of Money Laundering Act, 2002 and the Rules made thereunder; and;

h. Various Circulars, Notifications, Directions, Guidelines, Master Circulars issued by the Reserve Bank of India from time to time in respect of Systemically Important Non-Deposit taking Non-Banking Financial Company;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE).

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

Other Statutes, Acts, Laws, Rules, Regulations, Guidelines and Standards as applicable to the Company are given below:

(i) Labour Laws and other incidental laws related to employees appointed by the Company either on its payroll or on contract basis;

(ii) Stamps Acts and Registration Acts of respective states;

(iii) Acts as prescribed under Direct Tax and Indirect Tax;

(iv) Land Revenue laws of respective states;

(v) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

(vi) Such other Local laws as applicable to the Company and its offices/ branches.

**I 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. During the period under review following changes took place in the composition of the Board of Directors of the Company:

**Appointment:**

| Sr. No. | Name of the Director | Designation | Date of Board Approval | Date of Shareholders Approval |
|---|---|---|---|---|
| 1. | Mr. Srichand Teckchand Gerela | Non-Executive, Director | 12/06/2018 | 29/09/2018 |
| 2 | Mrs. Nirupama Dattatray | Independent Director | 12/06/2018 | 29/09/2018 |
| 3 | Mr. Abhishek Jain | Independent Director | 06/07/2018 | 29/09/2018 |
| 4 | Mr. Ramanathan Annamalai | Independent Director | 06/07/2018 | 29/09/2018 |
| 5 | Mr. Ganesh Subramanyam | Additional Director (Independent Director) | 14/11/2018 | - |

Mr. Srichand Techchand Gerela was appointed as Chairman w.e.f. 14th August, 2018.

**Cessation:**

1. Mr. Ratish Tawde, Independent Director vacated the office u/s 167(1)(a) read with sec 164(2)(a) of the Companies Act, 2013 w.e.f. 12th June, 2018;

2. Mrs. Swati Sharma, Independent Director resigned u/s 168 of the Companies Act, 2013 w.e.f. 20th June, 2018;

3. Mr. Gurumurthy Ramachandran, Independent Director vacated the office u/s 167(1)(a) read with sec 164(2)(a) of the Companies Act, 2013 w.e.f. 14th August, 2018;

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in compliance with the provisions of the Act and Rules made thereunder and Secretarial Standards on Board Meetings, 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.

During the period under review, decisions were carried out with unanimous approval of the Board and no dissenting views were observed, while reviewing the minutes.

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

I further report that during the audit period the Company has undertaken following event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, acts, rules, regulations, circulars, notifications, directions, guidelines, standards:

(a) During the period under review, the Company has disposed of the shares held in its subsidiaries i.e namely Mangal Buildhome Private Limited and Gloabal Marble Private Limited.

(b) The Company Members at their Annual General Meeting held on 29th September, 2018 ("AGM") inter alia approved the following by way of special resolution:

(i) Re-appointment of Mr. Meghraj Jain ( DIN:01311041) under section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 as Managing Director of the Company;

(ii) Consolidation of the existing authorised and issued share capital of the Company under section 61(1)(b) of the Companies Act, 2013 and thereby increasing the face value of the existing equity share from Re.1/- each to Rs.10/- each.

**For Vijaykumar Tiwari & Associates**
**Practicing Company Secretary**

**Sd/-**
**(Vijay Kumar Tiwari)**
**ACS No: 33084**
**COP No: 12220**

**Place: Mumbai**
**Date: 14/08/2019**

**Annexure-I**

To,
The Members,
**Mangal Credit and Fincorp Limited**
Office No- 1701/1702, 17th Floor, A Wing,
Lotus Corporate Park, Graham Firth Steel Compound,
Western Express Highway, Goregaon (East), Mumbai-400063

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on 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. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Vijaykumar Tiwari & Associates**
**Practicing Company Secretary**

**Sd/-**
**(Vijay Kumar Tiwari)**
**ACS No: 33084**
**COP No: 12220**

**Place: Mumbai**
**Date: 14/08/2019**

**Annexure D**

## SECRETARIAL COMPLIANCE REPORT OF MANGAL CREDIT AND FINCORP LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To,
**MANGAL CREDIT AND FINCORP LIMITED**
1701/1702,17th Flr.'A' Wing, Lotus Corporate Park
Western Express Highway, Goregaon (E)
Mumbai - 400063

We, M/s. Vijay S. Tiwari & Associates, Practising Company Secretaries have examined:

a) All the documents and records made available to us and explanation provided by **MANGAL CREDIT AND FINCORP LIMITED** (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 March 31, 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;

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

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

(hereinafter as "Insider Trading Regulation")

e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client.

Circulars/ guidelines issued thereunder and based on the above examination, We hereby report that, during the Review Period:

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder;

i. The listed entity has maintained proper records under the provisions of the above Regulations and Circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

ii. There was no action 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.

**For Vijay S. Tiwari & Associates**
**Company Secretaries in Practice**

**Sd/-**
**Vijay Tiwari**
**Proprietor**
**C.P. No.:12220**
**M.No.: 33084**

**Place: Mumbai**
**Date: 29th May, 2019**

**Annexure E**

**Details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended 31st March, 2019:**

**I. The ratio of the remuneration of each Director to the median remuneration of the Employees for the financial year**

- Mr. Meghraj Jain – 2.03x
- Mr. Naval Maniyar – 3.39x
- Mr. Sandeep Maloo – NA

Note: The aforesaid remuneration is computed on annual basis.

**II. The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year**

Mr. Naval Maniyar, Director & CFO was appointed w.e.f. 21st May, 2018 and Ms. Supriya Agarwal, Company Secretary was appointed w.e.f. 07th July, 2018. There is no increase in remuneration of Mr. Meghraj Jain, Managing Director in the FY 2018-19.

**III. The percentage increase in the median remuneration of Employees in the financial year**

The median remuneration of the employees of the Company increased by 1.72% in the financial year.

**IV. The number of permanent Employees on the rolls of the Company**

There were 12 permanent employees on the rolls of the Company as on 31st March, 2019.

**V. Average percentile increase already made in the salaries of Employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Average percentile increase for Managerial Personnel for the financial year – Refer Point no. II of this Annexure.

Average percentile increase for employees other than the Managerial Personnel for the financial year - Refer Point no. III of this Annexure.

The average increase in the remuneration of employees compared to the increase in remuneration of Managerial Personnel is in line with the market bench mark study.

There is no exceptional increase in the Managerial Remuneration.

**VI. Affirmation that the remuneration is as per the remuneration policy of the Company**

Yes, it is confirmed.

*Remuneration paid for financial year 2017-18 has been annualised for the purpose of comparison.

**Annexure F**

**CEO and CFO Compliance Certificate**

To
Board of Directors
**Mangal Credit and Fincorp Limited**

We, Meghraj Jain, Managing Director and Naval Maniyar, Chief Financial Officer, hereby certify that:

A. we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2019 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 may be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting, and there have been no deficiencies in the design or operation of such internal controls, of which we are aware.

D. we have indicated to the Auditors and the Audit Committee:

   i. significant changes, if any, in the internal control over financial reporting during the year;

   ii. significant changes, if any, in accounting policies during the year under review, and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: Mumbai**
**Date: 14th August, 2019**

**Sd/-**
**Meghraj Jain**
**Managing Director**
**DIN: 01311041**

**Sd/-**
**Naval Maniyar**
**Chief Financial Officer**

# CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2018 - 2019

**(As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

The Directors provides the Company's Report on Corporate Governance for the financial year 2018-2019

**Company's Philosophy on Corporate Governance**

The Company's philosophy on corporate governance is to observe the highest level of ethics in all its dealings, to ensure efficient conduct of the company to achieve its goal in maximizing value for all its stakeholders. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical, in the interest of our stakeholders and is in compliance with applicable legislation. Our values reflect our continued commitment to ethical business practices across our operations. The Company's philosophy is based on the fair and transparent disclosure of issues related with the Company's business, financial performance and matters relating to stakeholders' interest.

Our philosophy on Corporate Governance is thus concerned with the ethics, values and morals of Mangal Credit and Fincorp Limited and its Directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

**Board of Directors**

The Board of Directors and its Committees play a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its Members and other stakeholders and the utilization of resources for creating sustainable growth and societal wealth.

Mangal Credit and Fincorp Limited has a very balanced and diverse Board of Directors, who actively participates at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and plays a critical role on strategic issues.

**Composition of the Board of Directors**

The Board of your Company comprises 8 Directors of which 3 are Executive Directors, 4 are Non-Executive Independent Directors and 1 is Non-Executive Directors. The composition of the Board of your Company is governed by and is in compliance with the requirements of the Companies Act, 2013 read with Rules framed there under ("Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the circulars / directions / notifications issued by the Reserve Bank of India ("RBI Directions"), and the Articles of Association of the Company.

The name and category of Director on the Board, the number of Directorship held by them in other Company and numbers of the Committees in which they are the Member or Chairman, as on 31st March, 2019 are given herein below:

| Name of the Director | Category of the Director | No. of Directorships in other Companies * | | No. of Committee Membership/ Chairmanship of other Companies ** | |
|---|---|---|---|---|---|
| | | Public | Private | Member | Chairman |
| Mr. Srichand Teckchand Gerela^ | Chairman & Non-Executive Director | 3 | 3 | 2 | - |
| Mr. Meghraj Jain | Managing Director | 1 | 8 | - | - |
| Mr. Sandeep Maloo | Executive Director | 0 | 11 | - | - |
| Mr. Naval Maniyar | Executive Director & CFO | 0 | 2 | - | - |
| Mrs. Nirupama Dattatray | Independent Director | 1 | 1 | - | - |
| Mr. Ramanathan Annamalai# | Independent Director | 5 | 6 | 3 | - |
| Mr. Abhishek Jain | Independent Director | 0 | 3 | - | - |
| Mr. Ganesh Subramanyam | Independent Director | 0 | 2 | - | - |

#He is Director in Gilada Finance And Investments Limited (Listed Company)
^ He is Director in Apl Apollo Tubes Limited (Listed Company)
*It does not include directorship(s) in foreign companies.
** In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

The number of Directorship(s), Committee Membership(s) & Chairmanship(s) of all Directors on the Board of your Company are within respective limits prescribed under the Act and the Listing Regulations.

A certificate from M/s. Vijay S. Tiwari & Associates, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company as on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Director on the Board of the Company by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such statutory authority, is annexed to this Corporate Governance Report.

**Number and dates of Meetings along with the attendance of the Directors in the Board Meetings and the Annual General Meeting**
The Board has complete access to any information within the Company. At Meetings of the Board, it welcomes the presence of Senior Management who can provide additional insights into the items being discussed.

The schedule of the Board / Committee meetings to be held in a financial year is circulated in advance to enable the Directors / Committee Members to plan their schedule and ensure their highest participation at Board / Committee meetings. The agenda along with detailed notes are circulated to the Directors / Members well in advance and all material information is incorporated in the agenda for facilitating meaningful and focused discussions at meetings of the Board and Committees.

During the year under review, 7 (seven) meetings of the Board of Directors were convened and held. These meetings were held in a manner that not more than 120 days intervene between two consecutive meetings. The required quorum was present at all the above mentioned meetings. Due to business exigencies, certain decisions were taken by the Board by way of resolutions passed through circulation, from time to time.

| Name of the Director | Attendance at the Board Meeting Held on | | | | | | | Attendance at the Annual General Meeting Held on |
|---|---|---|---|---|---|---|---|---|
| | 21.05.2018 | 12.06.2018 | 06.07.2018 | 14.08.2018 | 14.11.2018 | 14.02.2019 | 27.03.2019 | 29.09.2018 |
| Mr. Srichand Teckchand Gerela | NA | NA | Yes | Yes | Yes | No | Yes | No |
| Mr. Meghraj Jain | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Sandeep Maloo | Yes | Yes | Yes | Yes | No | No | No | No |
| Mr. Naval Maniyar | NA | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mrs. Nirupama Dattatray | NA | NA | No | Yes | Yes | Yes | No | No |
| Mr. Ramanathan Annamalai | NA | NA | NA | No | Yes | Yes | Yes | No |
| Mr. Abhishek Jain | NA | NA | NA | Yes | Yes | No | No | Yes |
| Mr. Ganesh Subramanyam | NA | NA | NA | NA | NA | Yes | Yes | NA |
| Mr. Gurumurthy Ramachandran | Yes | Yes | Yes | NA | NA | NA | NA | NA |
| Mr. Ratish Tawde | Yes | Yes | NA | NA | NA | NA | NA | NA |
| Mrs. Swati Sharma | Yes | Yes | NA | NA | NA | NA | NA | NA |

**Note:**

- Mr. Srichand Teckchand Gerela as Non- Executive Director and Mrs. Nirupama Dattatraya as Independent Director were appointed w.e.f. 12th June, 2018 respectively;
- Mr. Ratish Tawde ceased to be Independent Director w.e.f. 12th June, 2018;
- Ms. Swati Sharma resigned as Independent Director w.e.f. 20th June, 2018;
- Mr. Abhishek Jain and Mr. Ramanathan Annamalai were appointed as Independent Director w.e.f. 06th July, 2018 respectively;
- Mr. Gurumurthy Ramachandran ceased to be Independent Director w.e.f. 14th August, 2018;
- Mr. Ganesh Subramanyam was appointed as Independent Director w.e.f. 14th November, 2018;
- Mr. Srichand Teckchand Gerela resigned from the Board w.e.f. 01st April, 2019

**Recording Minutes of Proceedings at Board and Committee Meetings**

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Committee members for their comments as prescribed under Secretarial Standard-1. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

**Relationship between the Directors inter-se**

None of the Directors of your Company are inter-se related to each other.

**Number of shares and convertible instruments held by the Non-Executive Director in the Company**

None of the Non-Executive Directors of the Company hold any securities in the Company.

**Matrix Setting out the skills/expertise/competence of the Board of Directors:**
The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of the Company's business(es) for it to function effectively:

- Leadership
- Experience in the Financial Services Industry
- Strategic Planning
- Knowledge of Regulatory Environment
- Financial and Accounting Expertise
- Board Service, Corporate Governance and Risk Management
- Knowledge in the field of Information Technology

The Board composition represents an optimal mix of professionalism, knowledge, expertise and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business.

**Committees of the Board:**
In terms of the applicable provisions of the Act and notification(s) issued by the Securities and Exchange Board of India ("SEBI"), the Board of Directors have constituted various Committees mentioned herein below and the role of each Committee has been defined by the Board of Directors for effective business operations and governance of the Company:

i. Audit Committee;
ii. Nomination and Remuneration Committee;
iii. Stakeholders Relationship Committee.

The Board reviews the functioning of these committees from time to time. The Chairman of these Committees conducts the Meetings and also informs the Board about the summary of discussions held in the Committee Meetings. Minutes of the meetings of all the Committees constituted by the Board of Directors are placed before the Board of Directors for discussion and noting.

**Audit Committee**
The Audit Committee as on 31st March, 2019 comprises of Mr. Subramanyam Ganesh, Mr. Srichand Teckchand Gerela and Mr. Ramanathan Annamalai.

In terms of the Act and the Listing Regulations, two third of the Members of the Committee are Independent Directors. All the Members of the Committee are financially literate and majority members including the Chairman possess financial management expertise. The Company Secretary of the Company acts as Secretary to the Committee. The Statutory Auditors of the Company submit their report(s) directly to the Audit Committee. The Board of Director have accepted and implemented the recommendations of the Audit Committee, whenever provided by it.

During the year under review, the Audit Committee met 5 (Five) times. The required quorum was present at all the meetings. As prescribed under the Act, the Chairman of the Audit Committee who is an Independent Director was present at the last Annual General Meeting of the Company held on 29th September, 2018.

The details of attendance by the Members at the meeting(s) held during the year under review are as under:

| Name of the Members | Category | Attendance at the Audit Committee Meeting Held on | | | | |
|---|---|---|---|---|---|---|
| | | 21.05.2018 | 14.08.2018 | 14.11.2018 | 14.02.2019 | 27.03.2019 |
| Mr. Ganesh Subramanyam | Chairman | N.A. | N.A. | N.A. | Yes | Yes |
| Mr. Ramanathan Annamalai | Member | N.A. | N.A. | N.A. | Yes | Yes |

| Name of the Members | Category | Attendance at the Audit Committee Meeting Held on | | | | |
|---|---|---|---|---|---|---|
| | | 21.05.2018 | 14.08.2018 | 14.11.2018 | 14.02.2019 | 27.03.2019 |
| Mr. Srichand Teckchand Gerela | Member | N.A. | Yes | Yes | No | Yes |
| Mr. Abhishek Jain | Chairman | N.A. | Yes | Yes | N.A. | N.A. |
| Mrs. Nirupama Dattatray | Member | N.A. | Yes | Yes | N.A. | N.A. |
| Mr. Gurumurthy Ramachandran | Chairman | Yes | N.A. | N.A. | N.A. | N.A. |
| Mr. Ratish Tawde | Member | Yes | N.A. | N.A. | N.A. | N.A. |
| Mr. Sandeep Maloo | Member | Yes | N.A. | N.A. | N.A. | N.A. |

**Terms of Reference**

The terms of reference of the Audit Committee inter alia includes: dealing with all material questions concerning the auditing and accounting policies of the Company / its subsidiary(s) and their financial controls and systems, review and ensure correctness, sufficiency and credibility of annual financial statements of the Company and subsidiary companies, review with the management financial condition and results of operation, review quarterly and annual financial results, scrutiny of inter-corporate loans and investments, recommend appointment / re-appointment / removal of Statutory and Internal Auditors, reviewing statement of utilisation of funds raised through public / rights / preferential issue, overseeing the Whistle Blower Policy / Vigil Mechanism, review, approve and monitor transactions with related parties, reviewing, monitoring and evaluating the internal control system including internal financial controls and risk management system, reviewing utilisation of loans/advances/investments made to subisidiary(s).

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee as on 31st March, 2019 comprises of Mrs. Nirupama Dattatraya, Mr. Srichand Teckchand Gerela and Mr. Ramanathan Annamalai.

In terms of the Act and the Listing Regulations, half of the Members of the Committee are Independent Directors. The Company Secretary of the Company acts as Secretary to the Committee.

During the year under review, the Nomination and Remuneration Committee met 7 (Seven) times. The required quorum was present at all the meetings.

The details of attendance by the Members at the meeting(s) held during the year under review are as under:

| Name of the Member | Category | Attendance at the Nomination and Remuneration Committee Meeting Held on | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | 21.05.2018 | 12.06.2018 | 06.07.2018 | 14.08.2018 | 14.11.2018 | 14.02.2019 | 27.03.2019 |
| Mr. Srichand Teckchand Gerela | Member | NA | NA | Yes | Yes | Yes | No | Yes |
| Mrs. Nirupama Dattatray | Member | NA | NA | No | Yes | Yes | Yes | No |
| Mr. Ramanathan Annamalai | Chairman | NA | NA | NA | No | Yes | Yes | Yes |
| Mr. Gurumurthy Ramachandran | Chairman | Yes | Yes | Yes | NA | NA | NA | NA |
| Mr. Ratish Tawde | Member | Yes | Yes | NA | NA | NA | NA | NA |
| Mrs. Swati Sharma | Member | Yes | Yes | NA | NA | NA | NA | NA |

**Terms of Reference**

The terms of reference of the NRC inter-alia includes: identifying personnel qualified to be appointed as Directors or in the senior management of the Company, formulating criteria for determining qualification, positive attributes, 'fit and proper' person status of Directors / senior management personnel, independence of Directors, deciding on specific remuneration packages and recommending policy on remuneration of the Executive Directors, the Non-Executive Directors (including the Independent Directors) and senior level employees to the Board of Directors, formulate criteria for evaluation of Directors, the Board and its Committee(s).

**Stakeholders Relationship Committee**

The Stakeholders Relationship Committee as on 31st March, 2019 comprises of Mr. Meghraj Jain, Mr. Srichand Teckchand Gerela and Mrs. Nirupama Dattatraya. During the year under review, the Stakeholders Relationship Committee met 4 (Four) times. The required quorum was present at all the meetings. Ms. Supriya Agarwal, Company Secretary is also the Compliance officer of the Company.

The details of attendance by the Members at the meeting(s) held during the year under review are as under:

| Name of the Members | Category | Attendance at the Audit Committee Meeting Held on | | | |
|---|---|---|---|---|---|
| | | 21.05.2018 | 14.08.2018 | 14.11.2018 | 14.02.2019 |
| Mr. Srichand Teckchand Gerela | Chairman | N.A. | Yes | Yes | No |
| Mrs. Nirupama Dattatray | Member | N.A. | N.A. | N.A. | Yes |
| Mr. Meghraj Jain | Member | N.A. | Yes | Yes | Yes |
| Mr. Sandeep Maloo | Member | N.A. | Yes | No | N.A. |
| Mr. Gurumurthy Ramachandran | Chairman | Yes | N.A. | N.A. | N.A. |
| Mr. Ratish Tawde | Member | Yes | N.A. | N.A. | N.A. |
| Mrs. Swati Sharma | Member | Yes | N.A. | N.A. | N.A. |

**Terms of Reference**

The terms of reference of the Stakeholders' Relationship Committee inter-alia includes: to oversee, monitor and address grievances of shareholders, investors and other security holders, perform all functions relating to the interests of security holders of the Company, oversee the performance of the registrar and transfer agents of the Company, monitor transfer of transferable amounts to investor education protection fund, reviewing measures taken for effective exercise of voting rights by shareholders, reviewing measures taken for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

During the year under review, all the complaints received from investors / shareholders of the Company, have been resolved to the satisfaction of the shareholders and none were pending as on 31st March, 2019.

**Independent Directors**

Independent Directors play a significant role in the governance processes of the Board of Directors. Professional and ethical conduct of Independent Directors promote confidence of the investment community, particularly minority shareholders and regulators in the institution of independent directors. Half of the Board of Directors of your Company consists of Independent Directors.

All the Independent Directors have affirmed compliance with the criteria of independence as stipulated in the Act and the Listing Regulations.

Pursuant to PART C(2)(i) of Schedule V of Securities and Exchange Board of India (Listing Regulations & Disclosure Requirements) Regulations, 2015 ("the Regulations") The Board hereby confirms that in the opinion of the board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management of the Company.

**Independent Directors Meeting**
In terms of Schedule IV of the Act, a meeting of the Non-Executive Independent Directors was held on 27th March, 2019 without the attendance of the Non-Independent Directors and members of the management of the Company. At their meeting, the Independent Directors evaluated and assessed the performance of the Non-Executive Non- Independent Directors, the Executive Directors, the Chairman and the Board, as a collective entity. The Independent Directors also reviewed the quality, quantity, content and timeliness of the flow of information between the management and the Board / Committees, which was necessary for the Board / Committee Members to perform their duties effectively.

**Code of Conduct for Prohibition of Insider Trading**
The Company has adopted a Code of Conduct for Prohibition of Insider Trading (the 'Code') in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, with a view to regulate trading in securities by the Board of Directors and Employees of the Company, their immediate relatives and other insiders as defined in the Code. Also, during the period of closure of the trading window, no Employee/ Designated Person is permitted to trade with or without pre-clearance in securities of restricted companies as informed by the Secretarial Department, from time to time. Timely disclosures are made to the Stock Exchanges by the Company. No Employee/ Designated Person is permitted to communicate, provide, or allow access to any Unpublished Price Sensitive Information relating to Company, its securities or any other company (listed or proposed to be listed), to any person except where such communication is in furtherance of legitimate purpose, performance of duties or discharge of legal obligations. The Company periodically monitors and facilitates compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Code of Conduct for Board of Directors and Senior Management Personnel**
In terms of the Listing Regulations and as an initiative towards setting out a good corporate governance structure within the organization, the Board of Directors adopted a comprehensive 'Code of Conduct for Board of Directors and Senior Management Personnel' which is applicable to all the Directors, including Non-Executive and Independent Directors and employees of the Company to the extent of their role and responsibilities in the Company. The code provides guidance to the Directors and employees to conduct their business affairs ethically and in full compliance with applicable laws, rules and regulations. The Code is reviewed from time to time by the Board.

Declaration by the Managing Director of the Company pursuant to Regulation 34(3) read with paragraph D of Schedule V of the Listing Regulations, is enclosed herein and forms an integral part of this Corporate Governance Report.

**Code for Independent Directors**
In terms of provision of the Act, the Board of Directors adopted a 'Code for Independent Directors' in order to ensure fulfillment of responsibilities of Independent Directors of the Company in a professional manner. The Code for Independent Directors aims to promote confidence of the investment community, particularly minority shareholders and regulators in the institution of independent directors and sets out the guidelines of professional conduct of Independent Directors, their roles, functions and duties, the process of performance evaluation etc.

**Whistle Blower Policy / Vigil Mechanism**
In terms of requirements of the Listing Regulations and provisions of the Act, the Board of Directors adopted a codified 'Whistle Blower Policy / Vigil Mechanism' inter-alia to provide a mechanism for Directors and employees of the Company to approach the Audit Committee and to report genuine concerns related to the Company and to provide for adequate safeguards against victimization of Director(s) or employee(s) who report genuine concerns under the mechanism. The Vigil Mechanism provides a channel to report to the management concerns about unethical behavior, actual or suspected fraud or violation of various codes or policies of the Company and provides adequate safeguards against victimization of persons who use such mechanism. The

mechanism provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No personnel has been denied access to the Audit Committee. The Whistle Blower Policy / Vigil Mechanism is available on the website of the Company.

**Related Party Transactions**
During FY 2018-19, all transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations, were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standards (AS18) have been made in the notes to the Financial Statements. The details of the transactions with related parties are placed before the Audit Committee, from time to time.

**Performance Evaluation Policy**
In terms of the provisions of the Listing Regulations and the Act, the Board of Directors adopted a 'Board Performance Evaluation Policy' to set out a formal mechanism for evaluating performance of the Board, that of its Committee(s) and individual Directors including the Chairman. The manner in which formal annual evaluation of the performance of the Board, its Committees and individual Directors including Chairman is conducted is given below:

- A structured questionnaire prepared in accordance with the Performance Evaluation Policy and Performance Evaluation Process, inter-alia setting out criteria for evaluation of performance of the Board collectively, individual directors and the Chairperson, is circulated to the Directors. Performance ratings are given by the Directors on the questionnaire circulated for each category to be evaluated.

- Based on Independent Director's feedback on the questionnaires, the Independent Directors, at their separate meeting, evaluate the performance of Non-Independent Directors, the Board as a whole and the Chairman;

- Further, based on evaluation by Independent Directors, feedback on questionnaire by other Directors and in light of the criteria prescribed in the Performance Evaluation Process, the Board analyses its own performance, that of its Committees and each Director including the Chairman.

**Certification on Corporate Governance Compliances**
As required under the Regulations of SEBI (Listings Obligations and Disclosure Requirements) Regulations, 2015, certificate of compliances of Corporate Governance issued by M/s. Vijay S. Tiwari & Associates, Practicing Company Secretaries is annexed to this Corporate Governance Report.

**General Body Meeting**
The particulars of the last three Annual General Meetings of the Company are as under:

| Financial Year | Day and Date of the AGM | Venue of the AGM | Time of the AGM | Special Resolutions Passed |
|---|---|---|---|---|
| 2015-2016 | Friday, 30.09.2016 | Premises no. A304, Oberoi Chambers, Commercial Premises Co Op Soc Ltd, Plot C-34, New Link Road, Andheri East, Mumbai-400053 | 10:00 A.M. | No Special Resolution |
| 2016-2017 | Friday, 29.09.2017 | Plot No. 44/47, Shivam Hall, RSC-13, Gorai-2, Next to Mangal Murti Hospital, Above Hanuman Mandir, Gorai Bridge Stop, Borivali (W), Mumbai-400091 | 03:00 P.M. | No Special Resolution |

| Financial Year | Day and Date of the AGM | Venue of the AGM | Time of the AGM | Special Resolutions Passed |
|---|---|---|---|---|
| 2017-2018 | Saturday, 29.09.2018 | Plot No. 44/47, Shivam Hall, RSC-13, Gorai-2, Next to Mangal Murti Hospital, Above Hanuman Mandir, Gorai Bridge Stop, Borivali (W), Mumbai-400091 | 03:30 P.M. | 1. Re-appointment of Mr. Meghraj Jain as the Managing Director<br>2. Consolidation of the existing authorized and issued share capital of the Company and thereby increasing the face value of the existing equity share from Re. 1/- each to Rs. 10/- each |

During the year under review, no resolution has been passed through the exercise of postal ballot.

**Means of Communication**

- The quarterly, half yearly and annual results are communicated to all the members of the Company by publishing in English and Marathi National dailies namely Financial Express and Mumbai Lakshdeep respectively;
- The Financial Statements are also displayed on the website of the Company www.mangalfincorp.com;
- The Management Discussion and Analysis Report forms a part of this Annual report, which is sent to each member by post;
- The Company informs the Stock Exchange all price sensitive matters or such other matters which are material and of relevance to the shareholders;
- No presentations were made to institutional investors or to analysts during the year.
- BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on the Listing Centre.
- The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**General Shareholders Information**

| | |
|---|---|
| The Corporate Identity Number (CIN) | L65990MH1961PLC012227 |
| Annual General Meeting for the Financial Year 2018-2019 | 57th Annual General Meeting |
| | Date: 30th September, 2019 |
| | Day: Monday |
| | Time: 11:00 A.M. |
| | Venue: Utkarsh Mandal Hall, Malviya Road, Vile Parle (East), Mumbai-400057 |
| Financial year | 1st April to 31st March |
| Date of book closure | Monday, 24th September, 2019 to Monday, 30th September, 2019 |
| Dividend payment date | Final Dividend for financial year 2018-19, if approved by the shareholders of the Company will be paid on or before 30th October, 2019 |
| Listings on Stock Exchanges | The BSE Limited Phiroze Jeejeeboy Towers, Dalal Streets, Fort, Mumbai – 400 001 |

| | |
|---|---|
| Scrip Code | 505850 |
| ISIN No. | INE545L01039 |
| Payment of Annual Listing Fees | Annual Listing Fees for the financial year 2019-2020 has been paid by the Company to BSE |
| Registrars & Transfer Agents | Link Intime India Pvt. Ltd. |
| | Add.: C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 |
| | Tel.: 022-4918 6000 Fax: 022-4918 6060 |
| | Email id: rnt.helpdesk@linkintime.co.in |
| Share Transfer System | The shares lodged for transfer are processed by the Registrar and Share Transfer Agent. Shares sent for transfer in physical form are registered and returned within the prescribed time limit from the date of receipt, subject to documents being valid and complete in all respects. Similarly, all requests for demat are received and processed by the Registrar and Transfer Agent and confirmations given to the depositories within the prescribed time limit.<br><br>The Board has delegated the authority for approving transfer, transmission, and so on of the Company's securities to the Managing Director and / or Company Secretary. A summary of transfer / transmission of securities of the Company so approved by the Managing Director / Company Secretary is placed at quarterly Board meeting and Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within prescribed time of the date of lodgment of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges. |
| Nomination Facility for Shareholding | As per the provisions of the Companies Act, 2013, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer agent of the Company. |
| Dematerialization of Shares | Equity shares of the Company are available for trading in dematerialised form under both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited.<br>1,84,78,946 equity shares of the Company (95.68% of the equity share capital of the Company) were held in dematerialized form as on 31st March, 2019 |
| Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity | The Company has not issued any global depository receipts or american depository receipts or warrants or any other convertible instruments. |
| Address for Correspondence | Ms. Supriya Agarwal<br>Company Secretary & Compliance Officer<br>1701/1702, 17th Floor., 'A' Wing, Lotus Corporate Park, Western Express Highway, Goregaon (E), Mumbai-400063, Maharahtra, India<br>Tel.: 022-42461300;<br>Email: compliance@mangalfincorp.com |
| Plant Location | Not Applicable |

| | | |
|---|---|---|
| Unclaimed Dividends | Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary & Compliance Officer, at the Company's registered office. Members are requested to note that dividends not enchased or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per sections 205A and 205C of the Companies, Act, 1956 and Section 123 & other applicable provisions of the Companies Act, 2013, read with the relevant rules, be transferred to the Investor Education and Protection Fund. | |
| Financial Calendar (Tentative) | Name of the Quarter/ Half year | Due date for the compliance |
| | Quarter ending June 2019 | On or before 14.08.2019 |
| | Quarter/Half year ending September 2019 | On or before 14.11.2019 |
| | Quarter ending December 2019 | On or before 14.02.2020 |
| | Quarter/ Year ending March 2020 | On or before 30.05.2020 |

**Distribution of shareholding (Shares)**

| Range of shares | No. of Shareholders | (%) of Total Shareholders | Total Shares for the Range | (%) of Issued Capital |
|---|---|---|---|---|
| 1–500 | 4057 | 76.2307 | 843652 | 4.3681 |
| 501-1000 | 610 | 11.4619 | 464370 | 2.4043 |
| 1001-2000 | 272 | 5.1109 | 404736 | 2.0956 |
| 2001-3000 | 110 | 2.0669 | 278577 | 1.4424 |
| 3001-4000 | 47 | 0.8831 | 166629 | 0.8627 |
| 4001-5000 | 46 | 0.8643 | 217895 | 1.1282 |
| 5001-10000 | 70 | 1.3153 | 549321 | 2.8442 |
| Above 10001 | 110 | 2.0669 | 16388806 | 84.8546 |
| **Total** | **5322** | **100** | **19313986** | **100** |

**Shareholding Pattern as on 31st March, 2019**

| Sr. No. | Category of shareholder | Number of shareholders | Total number of shares | Percentage of the Total |
|---|---|---|---|---|
| (A) | Shareholding of Promoter and Promoter Group | | | |
| (1) | Indian | 8 | 10453442 | 54.1237 |
| (2) | Foreign | 0 | 0 | 0 |
| | Total Shareholding of Promoter and Promoter Group | 8 | 10453442 | 54.1237 |
| (B) | Public Shareholding | | | |
| (1) | Institutions | 2 | 1500 | 0.0078 |
| (2) | Non Institutions | 5214 | 8859044 | 45.8685 |
| | Total Public Shareholding | 5216 | 8860544 | 45.8763 |

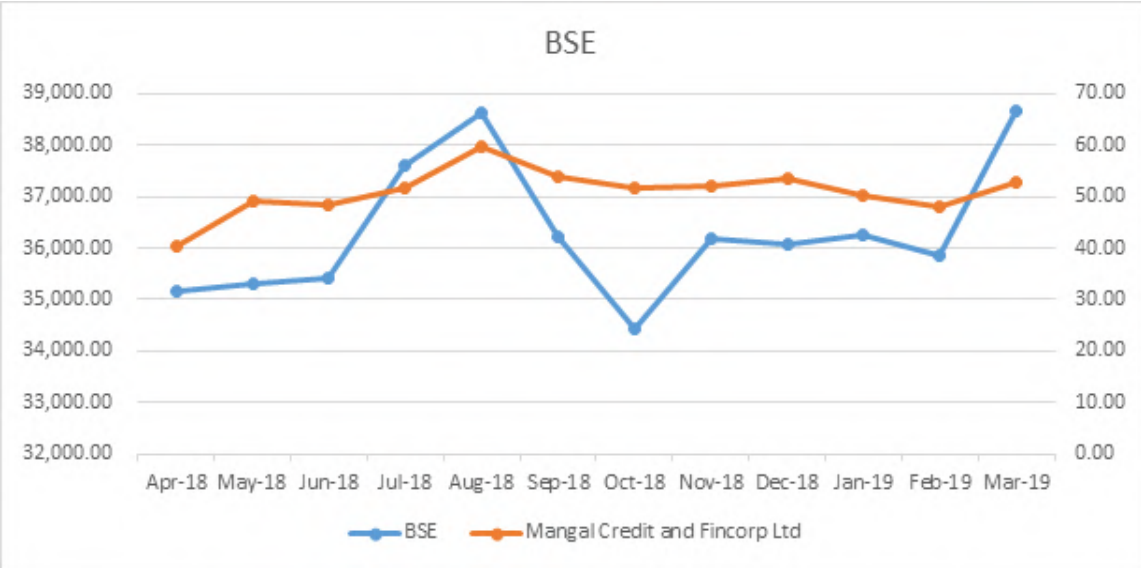
| Sr. No. | Category of shareholder | Number of shareholders | Total number of shares | Percentage of the Total |
|---|---|---|---|---|
| (C) | | | | |
| (1) | Non Promoter-Non Public | 0 | 0 | 0 |
| (2) | Shares underlying DRs | 0 | 0 | 0 |
| (3) | Shares held by Employee Trust | 0 | 0 | 0 |
| | **Total of (C)** | **0** | **0** | **0** |
| | **Total (A) + (B) + (C)** | **5224** | **19313986** | **100** |

**Monthly high and low prices of equity shares of the Company during the financial year ended 31st March, 2019**

| Month | Open Price | High Price | Low Price | Close Price | No.of Shares | No. of Trades | Total Turnover (Rs.) | Deliverable Quantity | % Deli. Qty to Traded Qty | Spread High-Low | Spread Close-Open |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Apr-18 | 3.75 | 4.49 | 3.34 | 4.05 | 8068903 | 2800 | 31167378 | 5044998 | 62.52 | 1.15 | 0.3 |
| May-18 | 4.3 | 5.2 | 4 | 4.91 | 13577050 | 4763 | 63614871 | 8594238 | 63.3 | 1.2 | 0.61 |
| Jun-18 | 4.9 | 5.28 | 4.3 | 4.84 | 11384885 | 2899 | 55574980 | 6843730 | 60.11 | 0.98 | -0.06 |
| Jul-18 | 4.85 | 5.6 | 4.71 | 5.18 | 7712124 | 2272 | 38090908 | 4218549 | 54.7 | 0.89 | 0.33 |
| Aug-18 | 5.26 | 6.5 | 5.1 | 5.96 | 9993651 | 4027 | 57791723 | 5758160 | 57.62 | 1.4 | 0.7 |
| Sep-18 | 6.5 | 6.5 | 5 | 5.39 | 12479483 | 3207 | 70651319 | 6902211 | 55.31 | 1.5 | -1.11 |
| Oct-18 | 5.45 | 5.98 | 4.56 | 5.17 | 4026730 | 1874 | 21327806 | 3428792 | 85.15 | 1.42 | -0.28 |
| Nov-18 | 5.45 | 5.75 | 5.11 | 5.2 | 1278579 | 1098 | 6747228 | 1112107 | 86.98 | 0.64 | -0.25 |
| Dec-18 | 60 | 60 | 44.05 | 53.56 | 53242 | 478 | 2874644 | 36005 | 67.63 | 15.95 | -6.44 |
| Jan-19 | 54 | 54.95 | 45 | 50.25 | 996748 | 2865 | 51222280 | 542964 | 54.47 | 9.95 | -3.75 |
| Feb-19 | 50 | 55.6 | 46 | 48 | 983016 | 2907 | 47797316 | 573590 | 58.35 | 9.6 | -2 |
| Mar-19 | 49.8 | 60 | 46.05 | 52.9 | 877763 | 3485 | 45046513 | 530407 | 60.43 | 13.95 | 3.1 |

[Source: This information is compiled from the data available on the websites of BSE]
Note: During the year under review, shareholders of the Company approved the consolidation of each of the existing Equity Share of face value Re. 1/- (Rupee One) each into Equity Share of face value Rs. 10/- (Rupees Ten) each. Accordingly, face value of the share has been re-grouped for the above comparison.

Mangal Credit and Fincorp Limited Vs. Sensex




Note: During the year under review, shareholders of the Company approved the consolidation of each of the existing Equity Share of face value Re. 1/- (Rupee One) each into Equity Share of face value Rs. 10/- (Rupees Ten) each. Accordingly, face value of the share has been re-grouped for the above comparison.

**Other Disclosure**

- There are no materially significant related party transactions that may have potential conflict with the interest of the Company entity at large;
- The Company complied with the applicable regulations and hence there are no penalties imposed upon the Company by any of the Authority including the Stock exchange.
- The Vigil Mechanism and the Whistle Blower policy are duly established and none of the personnel have been denied to access to the Audit Committee for any of their grievances.
- The internal auditors of the Company report directly to the Audit Committee of the Board.
- Audit Report on the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019 is unqualified;
- All the mandatory requirements are complied with.

## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT OF BAORD OF DIRECTOR & SENIOR MANAGEMENT

As provided under Regulation 26(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with Mangal Credit and Fincorp Limited Code of Conduct for the year ended 31st March, 2019.

**For Mangal Credit and Fincorp Limited**

**Sd/-**
**Meghraj Jain**
**Managing Director**
**DIN: 01311041**

**Place: Mumbai**
**Date: 14th August, 2019**

## CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
**Mangal Credit and Fincorp Limited**

We have examined the compliance of conditions of Corporate Governance by Mangal Credit and Fincorp Limited (the Company), for the year ended on 31st March 2019, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

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 conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid listing Agreement/Listing Regulations, as applicable.

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 Vijay S. Tiwari & Associates**
**Practicing Company Secretaries**

**Sd/-**
**(Vijay Kumar Tiwari)**
**ACS No: 33084**
**COP No: 12220**

**Place: Mumbai**
**Date: 14/08/2019**

**CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS**
**(Pursuant to Part C (10) (i) of Schedule V of Security and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015)**

To
The Members,
**Mangal Credit and Fincorp Limited**

We have examined all the relevant records maintained by Mangal Credit and Fincorp Limited ("the Company") and disclosures, notices and confirmations submitted by Directors of the Company, for the purpose of issuing a certificate under Regulation 34 (3) read with point 10(i) of paragraph C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for financial year ended March 31, 2019.

In our opinion and to the best of our knowledge, based on the information furnished to us by the Company and the Directors of the Company and based on necessary verification by us, we certify that that none of the following Directors, who were on the Board of Directors of the Company as on March 31, 2019, have been debarred or disqualified from being appointed or continuing as Director on the Board of the Company by the Securities and Exchange Board of India / the Ministry of Corporate Affairs or any such statutory authority:

| Sr. No. | Name of Director | Director Identification Number |
|---|---|---|
| 1. | Mr. Meghraj Sohanlal Jain | 01311041 |
| 2. | Mr. Sandeep Maloo | 01145616 |
| 3. | Mr. Nirupama Dattatraya Pendurkar | 01605060 |
| 4. | Mr. Subramanyam Ganesh | 01718431 |
| 5. | Mr. Abhishek Jain | 02147449 |
| 6. | Mr. Ramanathan Annamalai | 02645247 |
| 7. | Mr. Naval Kamalkishor Maniyar | 06657440 |
| 8. | Mr. Srichand Teckchand Gerela | 01565534 |

**For Vijay S. Tiwari & Associates**
**Practicing Company Secretaries**

**Sd/-**
**(Vijay Kumar Tiwari)**
**ACS No: 33084**
**COP No: 12220**

**Place: Mumbai**
**Date: 14/08/2019**

# INDEPENDENT AUDITOR'S REPORT

To
The Members of
**Mangal Credit & Fincorp Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of M/S Mangal Credit & Fincorp Limited (the "Company") which comprises the Balance Sheet as at March 31st, 2019, the Statement of Profit and Loss, the 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 Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India and give;

a) true and fair view in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
b) true balance of profit in case of Profit and Loss for the year ended on that date; and
c) true and fair view in case of the Cash Flow Statement for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

Note No 20.1 to the Financial Statements stating the fact of non-provision of liability of Rs. 40,75,600/-arising on Income Tax Assessment for the A.Y. 2012-13 and A.Y. 2013-14 consequent upon search & seizure operations in the case of company on 01/10/2013.

Our opinion is not modified in respect of the above matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

| The key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Income Recognition, Asset Classification (IRAC) and provisioning on loans & Advances and Investment as per the regulatory requirement** | |
| Loans & Advances and Investment are the largest class of assets forming 89.70% of the assets as on March 31, 2019. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's Prudential norms and other guidelines0.<br><br>The management of the company exercise significant estimates and judgement to determine asset classification, income recognition and provisioning for losses. | Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.<br>Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reveiewing the logic and assumptions used for compliance of the IRAC and provisioning norms and its operating effectiveness. These included:<br><br>• Evaluation of internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/ investment;<br>• Evaluation of Controls over the timely recognition of non-performing assets (NPA/NPI);<br>• Operational existence and effectiveness of controls over provisioning calculation;<br>• Overall controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments<br>• We tested all loans/investments to assess whether they had been identified as non-performing on a timely manner, income recognized and provisioning made as per IRAC norms.<br>• Verification of valuation, classification, provisioning and income recognition of investments by carrying our substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. |
| **Evaluation of uncertain tax positions** | |
| The company has some uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.<br><br>(Reger Notes 32.1 to the Consolidated Financial Statements) | Our audit procedures mainly included:<br>• Review of the management's judgment to understand the nature and status of legal disputes, regulatory investigation and claims against banks not acknowledged as debt to determined whether or not as a provision should be recognized;<br>• Review of legal opinions from their in house expert in this regard;<br>• Independent checks to assess the adequacy of provisions and disclosure of contingent liability by comparing assumptions to historical data, verification of claims settled and fresh demand during the year and in certain case representation from the management based on legal opinion.<br>• Verification of these provisions and related disclosures of the contingent liability as per the RBI guidelines and policies of the Bank. |

## Management's Responsibility for the Standalone Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements 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 the 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.

## Auditors' Responsibility

Our objective 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 are 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 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## Report on Other Legal and Regulatory Requirements.

1) As required by Companies (Auditor's Report) Order, 2016 ("The Order"), as amended, issued by Central Government of India in terms of Sub Section (11) of Section 143 of Companies Act, 2013 we enclose in the "Annexure A", a statement of matters specified in paragraph 3 & 4 of the said order to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 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 over financial Reporting of the Company and the operating effectiveness of such controls, Refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in Accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the Explanations given to us:

      (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements in Note 20 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR MGB & Co. LLP**
**CHARTERED ACCOUNTANTS**
**FRN – 101169W/W-100035**

**Sd/-**
**SANDEEP JHANWAR**
**PARTNER**
**M. NO. – 078146**

**Place: Mumbai**
**Date : 29.05.2019**

(Annexure A)

# Annexure to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

1.

a. The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.

b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

c. According to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.

2. The company is a NBFC Company, primarily engaged in rendering loans services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the order is not applicable to the Company.

3. The Company has granted loan to 8 body corporates covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

b. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

c. There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

4. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. The Company has not accepted any deposits from the public.

6. The Central Government has not prescribed the maintenance of cost records under Section 148(1) Act, for any of the services rendered by the Company.

7.

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess goods and service tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

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

| Name of the statue | Nature of dues | Amount (in Rs.) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax & Interest | 30,78,810 | A.Y. 2014-15 | CIT(A) |
| Income Tax Act, 1961 | Income Tax & Interest | 9,96,790 | A.Y. 2013-14 | CIT(A) |

8. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions, bank, and Government or Debenture holder as at the balance sheet date.

9. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loans during the year. Hence the clause 3 (ix) of the order is not applicable and hence not commented upon.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations 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.

12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. Based on the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the company and hence not commented upon.

15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.

16. The company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR MGB & Co. LLP**
**CHARTERED ACCOUNTANTS**
**FRN – 101169W/W-100035**

**Sd/-**
**SANDEEP JHANWAR**
**PARTNER**
**M. NO. – 078146**

**Place: Mumbai**
**Date : 29.05.2019**

(Annexure B)

# Annexure to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Mangal Credit & Fincorp Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

We believe that the audit 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 MGB & Co. LLP**
**CHARTERED ACCOUNTANTS**
**FRN – 101169W/W-100035**

**Sd/-**
**SANDEEP JHANWAR**
**PARTNER**
**M. NO. – 078146**

**Place: Mumbai**
**Date : 29.05.2019**

# Auditor's Additional Report

The Board of Directors
**Mangal Credit & Fincorp Limited**
1701-1702, A Wing, Lotus Corporate Park
Ram Mandir Road, Western Express Highway
Goregaon East
Mumbai -400063

Dear Sir
We have audited the balance sheet of Mangal Credit & Fincorp Limited (The Company) as at 31st March 2019 and related statement of profit and loss and the cash flow statement for the year ended on that date, issued our report dated 29th May, 2019.

In addition to the report made under section 143 of the Companies Act, 2013 on the financial statements of the Company for the year ended 31 March 2019 and as required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide circular No. DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016 ('the Directions'), we are required to report on the matters specified in paragraph 3 and 4 of the aforesaid directions to the extent applicable.

## Management's Responsibility for the financial statements

The Company's management is responsible for the preparation of the financial statements that give a true and fair view of the financial position, the financial performance and the cash flows of the company in accordance with the accounting standards referred to in section 133 of 'the Companies Act, 2013' ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Management is also responsible for ensuring compliance with the applicable provisions of the RBI Act, 1934 and RBI directions and guidelines specified in the Directions.

## Auditor's Responsibility

Pursuant to the requirements of the aforesaid directions it is our responsibility to examine the books and records of the company and report on the matters specified in the directions to the extent applicable to the Company.

## Report

Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that:-

**(A) In the case of all Non-Banking Financial Companies**

a. The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration from the reserve bank of India dated 11/03/1998, which has been revised in the name of "Mangal Credit &Fincorp Ltd." and fresh certificate is reissued on May 3, 2016in pursuance of section 45-IA, of the RBI Act, 1934.

b. The Company is entitled to continue to hold such certificate of registration in terms of its asset/income pattern as at 31 March 2019.

c. The NBFC has complied with norms relating to net owned fund requirement as prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND.

(B) In the case of a non-banking financial company accepting/ holding public deposits – Not Applicable

(C) In the case of a non-banking financial company not accepting public deposits

a. The Board of Directors has passed a resolution dated 23rd April, 2019 for non- acceptance of any public deposits.

b. The company has not accepted any public deposits during the year ended 31.03.2019.

c. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016;

d. Based on the criteria set forth by the Bank in the Notification viz; Non - Banking Financial Company-

Micro Finance Institutions (Reserve Bank) Directions, 2016 for classification of NBFCs as NBFC-MFIs, the company has not been classified as NBFC-MFI as defined in the said Directions with reference to the business carried on by it during the applicable financial year.

**(D) In the case of a company engaged in the business of non-banking financial institution not required to hold COR subject to certain conditions – Not Applicable**

## Restrictions on use

This report is issued pursuant to our obligations under Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 to submit a report on exceptions noted while issuing our report dated 29/05/2019 on additional matters as stated in directions to the RBI and may not be suitable for any other purpose. Accordingly, our report should not be quoted or referred to in any other document made available to any other person or persons without our prior written consent.

**FOR MGB & Co. LLP**
**CHARTERED ACCOUNTANTS**
**FRN – 101169W/W-100035**

**Sd/-**
**SANDEEP JHANWAR**
**PARTNER**
**M. NO. – 078146**

**Place: Mumbai**
**Date : 29.05.2019**

# BALANCE SHEET

as at March 31, 2019

(In Rupees)

| Particulars | Notes | As at 31.03.2019 | As at 31.03.2018 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 2 | 193,139,860 | 193,139,860 |
| Reserves and Surplus | 3 | 653,921,449 | 607,384,043 |
| | | **847,061,309** | **800,523,903** |
| **Share Application Money pending allotment** | | **-** | **-** |
| **Non Current Liabilities** | | | |
| Long Term Borrowings | | - | - |
| **Current Liabilities** | | | |
| Short-Term Borrowings | 4 | 19,867,719 | 79,032,341 |
| Trade Payables | | - | - |
| Other Current Liabilities | 5 | 3,390,301 | 3,504,196 |
| Short-Term Provisions | 6 | 15,131,907 | 12,299,461 |
| | | **38,389,928** | **94,835,998** |
| **TOTAL** | | **885,451,237** | **895,359,901** |
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant & Equipments | 7 | 4,733,995 | 6,264,011 |
| Non-Current Investments | 8 | 271,750,298 | 320,431,288 |
| Deferred Tax Assets | 9 | 1,967,310 | 1,964,679 |
| Long-Term Loans and Advances | 10 | 81,383,407 | 20,800,750 |
| | | **359,835,010** | **349,460,728** |
| **Current Assets** | | | |
| Inventory | | - | - |
| Trade Receivables | | - | - |
| Cash and Bank Balances | 11 | 7,550,971 | 2,517,095 |
| Short-Term Loans and Advances | 12 | 475,233,464 | 532,483,825 |
| Other Current Assets | 13 | 42,831,792 | 10,898,253 |
| | | **525,616,227** | **545,899,173** |
| **TOTAL** | | **885,451,237** | **895,359,901** |

**Significant Accounting Policies** 1
**Other Notes on Accounts** 2 to 28

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**Sd/-**
**SANDEEP JHANWAR**
PARTNER
M.NO. 078146
Place: Mumbai
Date : 29th May, 2019

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Ltd**

**Sd/-**
**Supriya Agarwal**
Company Secretary
M. No.: A35286

**Sd/-**
**Meghraj Jain**
Managing Director
DIN: 01311041

**Sd/-**
**Naval Maniyar**
Director & CFO
DIN: 06657440

# STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2019

(In Rupees)

| Particulars | Notes | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|---|---|---|---|
| Revenue from Operations | 14 | 84,668,682 | 94,673,002 |
| Other Income | 15 | 16,907,049 | 3,599,640 |
| **Total Revenue** | | **101,575,731** | **98,272,642** |
| **Expenses:** | | | |
| Employee Benefit Expenses | 16 | 8,284,832 | 7,493,927 |
| Finance Costs | 17 | 8,595,765 | 19,655,269 |
| Depreciation and Amortization | 7 | 1,666,438 | 2,125,345 |
| Other Expenses | 18 | 7,452,516 | 6,411,698 |
| **Total Expenses** | | **25,999,550** | **35,686,239** |
| **Profit before extraordinary items and tax** | | **75,576,181** | **62,586,403** |
| Extraordinary items | | - | - |
| Prior Period Item expense / (income) | | - | - |
| **Profit before Tax** | | **75,576,181** | **62,586,403** |
| **Tax Expense:** | | | |
| (a) Current year | | 17,743,168 | 17,577,500 |
| (b) Short / (Excess) provision for tax relating to prior years | | 704,541 | 799,651 |
| **(c) Net Current Tax Expense (a+b)** | | **18,447,709** | **18,377,151** |
| (d) Deferred tax (credit) / charge | | (2,631) | (1,615,358) |
| (e) MAT Credit | | - | - |
| **Profit/(Loss) for the period from continuing operations** | | **57,131,103** | **45,824,611** |
| **Profit/(Loss) from** discontinuing operations | | **-** | **-** |
| **Tax expense of discontinuing operations** | | **-** | **-** |
| **Profit/(Loss) from** Discontinuing operations (after tax) | | **-** | **-** |
| **Profit for the Period** | | **57,131,103** | **45,824,611** |
| Earnings per ordinary share: | | | |
| **Basic** | | **2.96** | **2.55** |
| **Diluted** | | **2.96** | **2.55** |

Nominal Value of each ordinary share is Rs.10/-

| | |
|---|---|
| Significant Accounting Policies | 1 |
| Other Notes on Accounts | 2 to 28 |

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Ltd**

**Sd/-**
**SANDEEP JHANWAR**
PARTNER
M.NO. 078146
Place: Mumbai
Date : 29th May, 2019

**Sd/-**
**Supriya Agarwal**
Company Secretary
M. No.: A35286

**Sd/-**
**Meghraj Jain**
Managing Director
DIN: 01311041

**Sd/-**
**Naval Maniyar**
Director & CFO
DIN: 06657440

# CASH FLOW STATEMENT

for the year ended 31 March, 2019

| | Current Year 2018-19 | | Previous Year 2017-18 | |
|---|---|---|---|---|
| **A) CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| Net Profit before tax and extraordinary items | | **75,576,181** | | **62,586,403** |
| **Adjustments for :** | | | | |
| Depreciation | 1,666,438 | | 2,125,345 | |
| Interest Expenses - Unsecured Loan | 8,345,273 | | 19,319,415 | |
| Interest Expenses - Secured Loan | - | | 2,919 | |
| Income Tax - Appeal Fees | - | | - | |
| Interest Income | (82,779,132) | | (94,622,948) | |
| (Profit)/loss from Capital Gain on sale of shares | (6,771,997) | | (3,599,640) | |
| (Profit)/loss from Sale of Asset | (67,509) | | - | |
| Dividend Income | (7,999,996) | | - | |
| Bad Debts | - | | - | |
| Provision for Standard Loans | 66,277 | | 342,500 | |
| Provision for Sub Standard Loans | (282,500) | | (289,076) | |
| Provision for Doubtful Assets | 565,000 | | - | |
| | | **(87,258,146)** | | **(76,721,485)** |
| | | **(11,681,965)** | | **(14,135,082)** |
| **Operating profit before working capital changes** | | | | |
| Movement in Working Capital : | | | | |
| (Increase)/Decrease in Other Current Assets | (29,614,599) | | (3,916,997) | |
| (Increase)/Decrease in Unpaid Dividend Bank Account Balance | (289,960) | | (113,357) | |
| (Increase)/Decrease in Loans & Advances - Loans | (26,679,031) | | 109,305,975 | |
| (Increase)/Decrease in Loans & Advances - Others | 23,347,235 | | 26,479,169 | |
| Increase/(Decrease) in Other Current Liabilities | (271,840) | | (16,721,534) | |
| Increase/(Decrease) in Short Term Provision (Other Than Provision for Tax) | 96,766 | (33,411,428) | 51,520 | 115,084,776 |
| **Cash generated/ (Utilised) in Operations** | | **(45,093,393)** | | **100,949,694** |
| Interest Paid | (3,987,554) | | (35,519,469) | |
| Interest Received | 80,416,443 | | 96,975,587 | |
| Income Tax Paid (Net of Refund) | (15,770,958) | 60,657,931 | (14,891,022) | 46,565,096 |
| | | **15,564,538** | | **147,514,790** |
| **B) CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Purchase of Fixed Assets | (356,761) | | (375,806) | |
| Sale of Fixed Assets | 287,848 | | | |
| Investment in Shares of Subsidiary & Associates | (51,000) | | (32,600,000) | |
| Investment In Shares Of Other Than Subsidiary & Associates | - | | (128,876,000) | |
| Sale of Investments in Share of Subsidary (net of receivable) | 54,439,987 | | 8,673,380 | |
| Sale of Investments in Share of Other Than Subsidary | 1,064,000 | | 50,000 | |
| Investment In Other Than Shares | - | | (124,525) | |
| Dividend received from investment in subsidary companies | 7,999,996 | | - | |
| | | 63,384,070 | | (153,252,951) |
| **Net Cash Generated/(Used) in Investing Activities -B.** | | **63,384,070** | | **(153,252,951)** |

| | Current Year 2018-19 | | Previous Year 2017-18 | |
|---|---|---|---|---|
| **C) CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Repayment of Long Term Borrowings | - | | (110,923) | |
| Proceed from Short Term Borrowings | 290,258,737 | | 765,687,461 | |
| Repayment of Short Term borrowings | (353,869,845) | | (856,520,647) | |
| Increase in Share Capital & Security Premium (Net) | - | | - | |
| Money Received against Share Warrant | - | | 87,533,250 | |
| Dividend Distritution Tax Paid | (936,704) | | (842,854) | |
| Dividend Paid | (9,656,993) | (74,204,805) | (3,914,324) | (8,168,038) |
| **Net cash used in financing activities** | | **(74,204,805)** | | **(8,168,038)** |
| **NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS** | | **4,743,803** | | **(13,906,199)** |
| **Cash and cash equivalents:** | | | | |
| Opening balance as at the begining of the year | | 1,859,923 | | 15,766,122 |
| Closing balance as at the end of the year | | 6,603,726 | | 1,859,923 |
| **Reconciliation of cash and cash equivilants as above with cash and bank balance as shown in balance sheet** | | | | |
| Cash & cash equivilant as at the end of the year as above | | 6,603,726 | | 1,859,923 |
| Add: Balance in Unpaid Dividend Account | | 947,245 | | 657,172 |
| **Cash and Bank Balance as shown in balance sheet** | | **7,550,971** | | **2,517,095** |

**Notes:**

1. The above cash flow statement has been prepared under "Indirect Method" set out in AS-3, issued by Institute of Chartered Accountants of India.
2. Figures in negative indicates cash outgo.
3. Previous year's figures have been re-grouped and reclassified wherever necessary.

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**Sd/-**
**SANDEEP JHANWAR**
PARTNER
M.NO. 078146
Place: Mumbai
Date : 29th May, 2019

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Ltd**

**Sd/-**
**Supriya Agarwal**
Company Secretary
M. No.: A35286

**Sd/-**
**Meghraj Jain**
Managing Director
DIN: 01311041

**Sd/-**
**Naval Maniyar**
Director & CFO
DIN: 06657440

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

## Corporate Information

Mangal Credit & Fincorp Limited (the company) is a public company domiciled in India and incorporated under the Companies Act, 2013 whose Corporate Identity No. is L65990MH1961PLC012227. The Company has granted certificate of registration to carry on the business of Non-Banking Financial Institution by Reserve Bank of India, vide certificate no. 13.00329 dated March 11, 1998 which has been revised in the name of "Mangal Credit & Fincorp Ltd." and fresh certificate is reissued on May 3, 2016. The Company is Non Systemically Important Non Deposit Taking NBFC (NBFC-ND-Non SI)vide circular no. RBI/DNBR/2016-17/44DNBS (PD).007/03.10.119/2016-17 dated September 01, 2016. It's shares are listed on Bombay Stock Exchange (BSE) and Ahmedabad Stock Exchange (ASE).

## Note 1: Significant Accounting Policies

**i. Basis of preparation of accounts**

The financial statements have been prepared and presented under the historical cost convention, on an accrual basis of accounting and in accordance with the generally accepted accounting principles and in compliance with the relevant provisions of the Companies Act, 2013. Further, the Company follows directions issued by the Reserve Bank of India ("RBI") as applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 read with RBI Directions as aforesaid. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

**ii. Use of Estimates**

The presentation of Financial Statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which results are known / materialized.

**iii. Revenue Recognition**

i) Interest income from financing activities is recognized on an accrual basis except in the case of non-performing assets, where it is recognised on realisation, as per the prudential norms of the RBI.
ii) Dividend from investments is accounted for as income when the Company's right to receive dividend is established.
iii) Income from Interest on Fixed Deposits with Banks is recognized on accrual basis.
iv) Loan Processing Fees is recongnized on due basis.

**iv. Property, Plant & Equipments**

**a. Property, Plant & Equipments**

Property, Plant & Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Subsequent expenditures related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

**b. Intangible Assets**

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets are recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.

**v. Depreciation**

Depreciation is provided on written down value Method, at the rates so calculated by useful life as specified in Schedule II of the Companies Act, 2013. Depreciation is provided on pro-rata basis on the assets acquired, sold or disposed off during the year.

**vi. Investments**

a. Investments are classified into Non-Current Investments and Current Investments.
b. Investments which are by nature readily realisable and intended to be held for not more than one year from the date of acquisition are classified as Current Investments and Investments other than Current Investments are classified as Non-Current Investments.
c. Non-Current Investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for.
d. Current Investments are valued at lower of cost and market value. In case of mutual funds, the net asset value of the units declared by the Mutual Funds is considered as the market value.

**vii. Impairment of Assets**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss is charged to the statement of profit & loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of the recoverable amount.

**viii. Taxes on Income**

i) Current tax is determined based on the amount of tax payable in respect of taxable income for the year.
ii) Deferred tax asset is recognized with regard to all deductable timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences could be utilized.
iii) Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.
iv) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

**ix. Provisions, Contingent Liabilities and Contingent Assets**

i) A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
ii) Contingent liabilities are not recognized but disclosed in the financial statement when there is a:

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

- Possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or

- Present obligation that arises from past events where it is either not probable that an outflow of resources will be required to be settled or a reliable estimate of the amount cannot be made.

iii) Contingent assets are neither recognized nor disclosed in the financial statements.
iv) Provision on Standard assets is made @ 0.25% of standard loans in accordance with the directions issued by RBI for NBFC.
v) Provision for non-performing assets is made in accordance with the directions issued by RBI for NBFC.

**x. Earnings Per Share**

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. For the purpose of calculating Diluted earnings per share the net profit for the year attributable to equity shareholders and weighted average number of shares outstanding during the reporting year is adjusted for the effects of all dilutive potential equity shares. In considering whether potential equity shares are dilutive or anti-dilutive, each issue or series of potential equity shares is considered separately rather than in aggregate.

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

## 2. SHARE CAPITAL

### 2.1 Share Capital

(Amount in Rupees)

| Share Capital | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| **Authorised** | | | | |
| Equity Shares of Rs.10/- each | 25,000,000 | 250,000,000 | 25,000,000 | 250,000,000 |
| Issued, Subscribed and Paid up | | | | |
| Equity Shares of Rs.10/- each | 19,313,986 | 193,139,860 | 19,313,986 | 193,139,860 |
| **Total** | **19,313,986** | **193,139,860** | **19,313,986** | **193,139,860** |

### 2.2 Reconciliation of the number of shares outstanding at the beginning and at the end of of Financial Year 2018-19

(Amount in Rupees)

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| Equity Shares outstanding at the beginning of the year | 19,313,986 | 193,139,860 | 16,112,038 | 161,120,380 |
| Equity Shares issued during the year | | | | |
| - on account of equity shares to the promoters/non-promoters against share warrants | - | - | 3,201,948 | 32,019,480 |
| **Equity Shares outstanding at the end of the year** | **19,313,986** | **193,139,860** | **19,313,986** | **193,139,860** |

### 2.3 Rights attached to equity Shares

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

* Every share is entitled to receive dividends in Indian Rupees, if declared.

* In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the company after distribution of the preferential amounts.

* The distribution will be in proportion to the number of equity shares held by the shareholders.

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

**2.4 Details of shares held by each shareholder holding more than 5% equity shares**

| Name of Shareholder | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Meghraj S Jain | 3,798,897 | 19.67 | 3,563,418 | 18.45 |
| Ajit S Jain | 2,484,240 | 12.86 | 2,484,240 | 12.86 |
| M/s E-ally Consulting (I) Pvt. Ltd | 1,679,700 | 8.70 | 1,679,700 | 8.70 |
| M/s Dhakad Properties and Financial Services Pvt Ltd | 1,259,205 | 6.52 | 859,928 | 4.45 |

2.5 1,93,13,986 Equity shares of face value of Rs. 10 each includes 70,44,075 fully paid Equity shares of face value of Rs. 10 each issued as bonus shares during the quarter ended December 31 ,2015 pursuant to shareholders approval of issue of 5 bonus Equity shares for every 1 existing shares held.

**2.6 Consolidation of shares:-**

During the year pursuant to the shareholders approval the face value of existing equity shares of Rs. 1 each has been consolidated to Rs. 10 each . Accordingly , the Company has issued one (1) consolidated equity share of Re.10/- each in lieu of ten (10) sub-divided equity share of Rs.1/- each to the eligible Members of the Company. In case of Members holding equity shares of the Company in physical form, the Company, without requiring the surrender of old share certificate(s), has directly issued and dispatched the new share certificate(s) of the Company for the consolidated equity share of Re.10/- each. The said new share certificate(s) were issued in lieu of the old share certificate(s), which were deemed to have been automatically cancelled and be of no effect. In the case of equity shares of the Company held in dematerialized form, the sub-divided equity shares have been duly credited to the respective beneficiary accounts of the Members with the respective Depository Participants, as per the existing credits representing the equity shares of the Company. In view of the aforesaid Stock Consolidation, the number of equity shares of the Company and price of underlying equity share in the stock markets has been correspondingly adjusted by the Stock Exchanges, where the Company's shares are listed (i.e. BSE). The details of the Authorised and Paid-up share capital of the Company (pre & post Stock Consolidation ) is as follows:

| Particulars | Authorised Share Capital | | Paid up Share Capital | |
|---|---|---|---|---|
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| Pre Stock Consolidation | 250000000 | 250,000,000 | 193139860 | 193,139,860 |
| Post stock Consolidation | 25000000 | 250,000,000 | 19313986 | 193,139,860 |

"* Consolidation of Shares

The consolidation of equity shares of the company from face value Rs.1/- each to face value of Rs.10/- each (""Stock Sumup"") and consequent alteration in Capital clause of MOA of the company was approved by the Members on 29/09/2018."

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

## 3. RESERVES AND SURPLUS

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|---|---|
| | Rupees | Rupees |
| **Securities Premium** | | |
| Opening Balance | 358,819,290 | 274,127,770 |
| Add: Premiun received during the year on account of Preferential allotment to the promoters/non-promoters | - | - |
| Less: Amount utilised for issuance of bonus shares | - | - |
| Add: Premiun received during the year on account of equity shares to the promoters/non-promoters against share warrants | - | 84,691,520 |
| **Closing Balance** | **358,819,290** | **358,819,290** |
| **General Reserve** | | |
| Opening Balance | 36,500,000 | 36,500,000 |
| **Closing Balance** | **36,500,000** | **36,500,000** |
| **Contingency Reserve** | **2,500,000** | **2,500,000** |
| **Investment Reserve** | **700,000** | **700,000** |
| **Statutory Reserve Fund** | | |
| Opening Balance | 45,620,186 | 36,455,264 |
| Add: Transferred from Statement of Profit and Loss | 11,426,221 | 9,164,922 |
| **Closing Balance** | **57,046,407** | **45,620,186** |
| **Capital Reserve** | | |
| Opening Balance | 15,046,050 | 10,425 |
| Add: During the year | | |
| Forfeiture of Un-exercised Share warrant | - | 15,035,625 |
| **Closing Balance** | **15,046,050** | **15,046,050** |
| **Proposed Dividend** | **9,656,993** | **9,656,993** |
| **Tax on Proposed Dividend** | **1,368,365** | **1,912,635** |
| **Surplus / (Deficit) in Statement of Profit and Loss** | **136,628,889** | **111,538,828** |
| Add: Profit for the year | 57,131,103 | 45,824,611 |
| Less: Proposed Dividend | 9,656,993 | 9,656,993 |
| Tax on Proposed Dividend (Net after reversal of earlier year) | 392,434 | 1,912,635 |
| Transferred To : Statutory Reserve Fund | 11,426,221 | 9,164,922 |
| **Closing Balance** | **172,284,344** | **136,628,889** |
| **Total** | **653,921,449** | **607,384,043** |

**DIVIDEND**

Dividend of Rs. 0.5/- share has been recommended for the FY 2018-19 (Dividend of Rs. 0.05/- share was provided in FY 2017-18).

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

## 4 SHORT TERM BORROWINGS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Unsecured** | | |
| Inter-Corporate Loans | 4,350,000 | 59,350,000 |
| Loan from Directors | 15,517,719 | 19,682,341 |
| **Total** | **19,867,719** | **79,032,341** |

## 5 OTHER CURRENT LIABILITIES

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Interest accrued and due on borrowings | - | 88,767 |
| Unerned interest income | - | 43,248 |
| Unpaid Dividends* | 928,369 | 638,409 |
| **Other Payables** | | |
| Duties and Taxes | 940,533 | 1,941,398 |
| Creditors for Expenses & Others | 1,521,400 | 792,374 |
| **Total** | **3,390,301** | **3,504,196** |

* Investor Education and Protection Fund was deposited as and when due.

## 6 SHORT TERM PROVISIONS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Contingent Provisions against Standard Assets | 1,338,451 | 1,272,174 |
| Provision on Sub Standard Assets | 330,000 | 612,500 |
| Provision on Doubtful Assets | 565,000 | - |
| Outstanding Expenses | 114,535 | 17,769 |
| Provision for Audit Fees | 275,000 | 275,000 |
| Provision for taxation (Net of Advance tax/TDS) | 12,508,921 | 10,122,018 |
| **Total** | **15,131,907** | **12,299,461** |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

## 7 Property, Plant & Equipments

(Amount in Rupees)

| PARTICULARS | Gross block | | | | Accumulated depreciation and impairment | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1 April, 2018 | Additions | Deductions | Balance as at 31 March, 2019 | upto 31 March, 2018 | Depreciation / amortisation for the period. | Eliminated on deductions of assets | Balance as at 31 March, 2019 | Balance as at 31 March, 2019 | Balance as at 31 March, 2018 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| **A. TANGIBLE ASSETS** | | | | | | | | | | |
| (a) Plant and Equipment | 2,737,820 | - | - | 2,737,820 | 1,580,258 | 211,389 | - | 1,791,647 | 946,173 | 1,157,562 |
| (b) Furniture and Fixtures | 15,930,360 | 22,500 | - | 15,952,860 | 11,693,563 | 1,119,623 | - | 12,813,186 | 3,139,674 | 4,236,797 |
| (c) Vehicles | 4,467,125 | - | 4,406,786 | 60,339 | 4,177,931 | 65,838 | 4,186,447 | 57,322 | 3,017 | 289,194 |
| (d) Office equipment/ Computer & Perifirals | 5,578,632 | 170,761 | - | 5,749,393 | 4,998,174 | 210,313 | - | 5,208,487 | 540,906 | 580,458 |
| **B. INTANGIBLE ASSETS** | - | 163,500 | - | 163,500 | - | 59,275 | | 59,275 | 104,225 | - |
| **Total** | **28,713,937** | **356,761** | **4,406,786** | **24,663,912** | **22,449,926** | **1,666,438** | **4,186,447** | **19,929,917** | **4,733,995** | **6,264,011** |
| **Previous year** | **28,338,131** | **375,806** | **-** | **28,713,937** | **20,324,581** | **2,125,345** | **-** | **22,449,926** | **6,264,011** | **8,013,551** |

## 8 NON CURRENT INVESTMENT

| Particulars | As At 31.03.2019 | | As At 31.03.2018 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| A) Investment in Land | | 14,104,245 | | 14,104,245 |
| **Sub Total (A)** | | **14,104,245** | | **14,104,245** |
| B) Investment in Shares | | | | |
| **i) Unquoted, Long Term (valued at cost)** | | | | |
| **a)Investment in Subsidiaries (Group Concerns)** | | | | |
| Mangal Buildhome Pvt Ltd | - | - | 1,499,999 | 14,917,990 |
| Mangal Compusolution Pvt Ltd | 1,999,999 | 20,749,940 | 1,999,999 | 20,749,940 |
| Indtrans Container Lines Pvt Ltd | 600,000 | 6,000,000 | 600,000 | 6,000,000 |
| Mangal Globle Marble Pvt Ltd | - | - | 215,000 | 32,750,000 |
| Satco Capital Markets Ltd | 4,511,755 | 63,033,113 | 4,511,755 | 63,033,113 |
| Mangal Mines & Minerals Pvt Ltd | 5,100 | 51,000 | - | - |
| **Total Investment in equity shares of subsidiaries (a)** | | **89,834,053** | | **137,451,043** |
| **b) Investment in preference shares of subsidiaries** | | | | |
| Satco Capital Markets Ltd | 4,000,000 | 40,000,000 | 4,000,000 | 40,000,000 |
| **Total Investment in preference shares of subsidiaries ©** | | **40,000,000** | | **40,000,000** |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

| Particulars | As At 31.03.2019 | | As At 31.03.2018 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| **c) Investment in equity shares of other company** | | | | |
| - Quoted Equity Shares | - | - | - | - |
| - Unquoted Equity Shares | 809,040 | 127,812,000 | 809,420 | 128,876,000 |
| **Total Investment in preference shares of subsidiaries ©** | | **127,812,000** | | **128,876,000** |
| **Total Investment in unquoted equity & preference shares (a) + (b) + ( c ) Sub Total (B)** | | **257,646,053** | | **306,327,043** |
| **TOTAL INVESTMENT (A) + (B)** | **11,925,894** | **271,750,298** | **13,636,173** | **320,431,288** |

## 9 Deferred Tax Assets

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Deferred Tax Liability :** | | |
| Provision for Sub Standard Assets | - | - |
| Provision for Doubtful Assets | - | - |
| **Deferred Tax Assets :** | | |
| Difference between wdv as per book & IT Act | 1,442,994 | 1,445,451 |
| Provision for Standard Assets | 353,919 | 350,484 |
| Provision for Sub Standard Assets | 170,398 | 168,744 |
| Provision for Doubtful Assets | - | |
| **Net Deferred Tax Asset (DTA)** | **1,967,310** | **1,964,679** |
| **Incremental/(Decremental) DTA taken to Profit & Loss Account** | **2,631** | **1,615,358** |

## 10 LONG-TERM LOANS & ADVANCES

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Secured, considered good | | |
| -Non-Current Maturity of Loans & Advances | 70,671,450 | - |
| Unsecured, considered good | | |
| Security Deposits | 5,050,750 | 20,050,750 |
| Other Loans and advances | | |
| -Balances with Revenue Authorities* | 796,395 | 750,000 |
| -Non-Current Maturity of Loans & Advances | 4,864,812 | |
| **Total** | **81,383,407** | **20,800,750** |

*Balance with revenue authorities includes cash of the Company seized by the Income Tax Authorities on 01.10.2013 from the residence of director of the company. (Refer Note 25)

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

## 11 CASH AND BANK BALANCES

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| A. Cash and Cash Equivalents | | |
| (a) Cash in hand | 46,655 | 80,939 |
| (b) Balances with banks in current account | 65,57,071 | 17,78,984 |
| | **66,03,727** | **18,59,923** |
| B. Other Bank Balances | | |
| (a) Unpaid Dividend Account | 9,47,244 | 6,57,172 |
| | **9,47,244** | **6,57,172** |
| **Total** | **75,50,971** | **25,17,095** |

## 12 SHORT TERM LOANS AND ADVANCES

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Secured, considered good** | | |
| Current Maturity of Long Term Loans & Advances | 36,64,297 | - |
| Short Term Loans & Advances | 5,37,04,131 | 8,01,17,401 |
| **(a)** | **5,73,68,428** | **8,01,17,401** |
| **Unsecured, considered good** | | |
| Current Maturity of Long Term Loans & Advances | 3,47,00,057 | - |
| Loans and Advances to Subsidiaries | 2,28,80,000 | 9,27,84,990 |
| Other Short Term Loans & Advances | 35,10,21,252 | 34,19,24,077 |
| **(b)** | **40,86,01,309** | **43,47,09,067** |
| **Other Advances** | | |
| Balance with Revenue Authorities | - | 3,87,226 |
| Advance for Shares acquisition | - | 77,50,000 |
| Income Tax Refundable | 89,87,384 | 89,87,384 |
| Prepaid Expenses | 1,41,343 | 26,247 |
| Advance to Staff | 1,35,000 | 5,06,500 |
| **(c)** | **92,63,727** | **1,76,57,357** |
| **Total (a+b+c)** | **47,52,33,464** | **53,24,83,825** |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

## 13 OTHER CURRENT ASSETS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Unsecured, considered good** | | |
| Interest accrued and but not due on Loans | 2,38,500 | - |
| Interest due but not received on Loans | 64,98,406 | 44,17,966 |
| Others Receivables | 3,60,94,886 | 64,80,287 |
| **Total** | **4,28,31,792** | **1,08,98,253** |

## 14 REVENUE FROM OPERATIONS

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| **Interest Income** | | |
| on Loans to Subsidiary | 1,06,16,764 | 1,66,70,345 |
| on Loans to Others | 7,21,62,368 | 7,79,52,603 |
| on Fixed Deposits | - | 1,918 |
| Loan Processing Fees | 8,89,550 | 48,136 |
| Financial Consultancy Fees | 10,00,000 | - |
| **Total** | **8,46,68,682** | **9,46,73,002** |

## 15 OTHER INCOME

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Reimbursement of Common Expenses | 19,75,142 | - |
| Profit/(Loss) on sale of shares | 67,71,997 | 35,99,640 |
| Profit/(Loss) on sale of Motor Vehicles | 67,509 | - |
| Delay Payment Charges | 68,639 | - |
| Misc. Income | 23,767 | - |
| **Total** | **1,69,07,049** | **35,99,640** |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

## 16 EMPLOYEE BENEFITS EXPENSE

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Directors Sitting Fees | 1,70,000 | 39,000 |
| Salaries, Bonus and Allowances | 68,91,626 | 57,70,299 |
| Staff Welfare Expenses | 3,63,206 | 2,44,628 |
| | **82,84,832** | **74,93,927** |

## 17 FINANCE COSTS

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| **Interest cost:** | | |
| On Car Loan | - | 2,919 |
| On Inter-Corporate Deposits | 34,04,238 | 90,64,504 |
| Others | 51,91,527 | 1,05,87,847 |
| **Total** | **85,95,765** | **1,96,55,269** |

## 18 OTHER EXPENSES

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Advertisement Expenses | 1,04,828 | 2,01,575 |
| Payment to Auditor | | |
| - Statutory Audit Fees | 2,50,000 | 2,50,000 |
| - Tax Audit Fees | 25,000 | 25,000 |
| - Others | 67,736 | 34,032 |
| Internal Audit Fees | 1,80,000 | 1,80,000 |
| Conveyance Expenses | 1,23,255 | 3,48,658 |
| CDSL/NSDL custody fees | 2,53,041 | 1,56,663 |
| Office Expenses | 1,45,310 | 1,19,979 |
| Bad Debts | 3,550 | - |
| Credit Enquiry Exp | 28,224 | - |
| Electricity Charges | 16,92,039 | 15,54,223 |
| Legal & Prof.Charges | 19,46,467 | 11,38,718 |
| Repair & Maintenance | 13,790 | 48,400 |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Registration charges | 1,32,699 | - |
| Annual Maintenance Charges | 60,000 | 1,10,250 |
| Membership Fees | 20,417 | 25,000 |
| Miscellaneous Expenses | 1,256 | 2,658 |
| Listing Fees | 2,50,000 | 2,60,000 |
| Postage, Courier & Telegrams | 1,37,492 | 1,57,281 |
| Printing & Stationery | 5,23,372 | 6,15,853 |
| Penalty | 2,120 | 3,02,916 |
| Rent, Rates and Taxes | 4,02,300 | 1,91,324 |
| Provision on Standard Assets | 66,277 | (2,89,076) |
| Provision on Sub Standard Assets | (2,82,500) | 3,42,500 |
| Provision on Doubtful Assets | 5,65,000 | - |
| ROC Filling Fee | 19,178 | 2,400 |
| Seminar Exp | 15,000 | |
| Stamp Duty Shares Registration | - | 11,000 |
| Sundry Debit Balances W/Off. | 1,08,259 | 524 |
| Swachh Bharat Cess | - | 3,931 |
| Travelling Expenses | 86,075 | 27,792 |
| Telephone & Internet Charges | 4,82,329 | 5,90,096 |
| Website development | 30,000 | - |
| **Total** | **74,52,516** | **64,11,698** |

## 19 Earnings per Share

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Number of equity shares outstanding at the beginning of the year | 1,93,13,986 | 1,61,12,038 |
| Number of equity shares issued | | |
| - bonus issue | - | - |
| - preferential allotment to the promoters/non promoters | - | - |
| - on account of equity shares to the promoters/non-promoters against share warrants | - | 32,01,948 |
| Number of equity shares outstanding at the end of the year | 1,93,13,986 | 1,93,13,986 |
| Weighted average number of shares | | |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| a) Basic | 1,93,13,986 | 1,79,54,255 |
| b) Effect of dilutive equity shares on account of: | | |
| - share warrants | - | - |
| c) Diluted | 1,93,13,986 | 1,79,54,255 |
| Profit/(Loss) after tax | 5,71,31,103 | 4,58,24,611 |
| Basic earnings/(loss) per share (Rs.) | 2.96 | 2.55 |
| Diluted earnings/(loss) per share (Rs.) | 2.96 | 2.55 |
| Nominal value per share (Rs.) | 10 | 10 |

## 20 Contingent Liabilities & Commitments

| Particulars | For the Year ended 31.03.2019 | Previous Year ended 31.03.2018 |
|---|---|---|
| (i) Contingent Liabilities | | |
| (a) Claims against company not acknowledged as debt | 0.60 Crore | 0.49 Crore |
| (b) Guarantees | 35.09 Crore | 109.86 Crore |
| (c) Other money for which the company is contingentally liable | - | - |
| (ii) Commitments | | |
| (a) Estimated Amounts of contracts remaining to be executed on capital account and not provided for | - | - |
| (b) Uncalled liability on shares and other investment partly paid up | - | - |
| (c) Other commitments | - | - |

20.1 Claims against the company not acknowledged as debts for the year ended 31st March, 2019 include demand from the Income Tax Authorities for payment of tax of Rs. 40,75,600/- upon completion of their tax assessment for Assessment Years 2013-14 & 2014-15. The company has filed an appeal with the income tax appellate authorities.The company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings wll not have a material adverse effect on the company's financial position and result of operation.

20.2 The company has given the following guarantees:

i. Guarantee to The Bharat Co-Operative Bank (Mumbai) Ltd for Loan of Rs. 20.00 crore availed by M/s Mangal Buildhome Pvt. Ltd., subsidiary of the company. Current Outstanding balance is Rs. 7.91 Crore

ii. Guarantee to Fullerton India Credit India Pvt. Ltd. for Loan of Rs. 5 crore availed by M/s Mangal Compusolutions Pvt. Ltd., subsidiary of the company.Current Outstanding balance is Rs. 4.54 Crore

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

iii. Guarantee to Reliance Home Finance for Loan of Rs. 2.32 crore availed by M/s Mangal Compusolutions Pvt. Ltd., subsidiary of the company.Current Outstanding balance is Rs. 2.26 Crore

iv. Guarantee to State Bank of India for Loan of Rs 5.30 crore availed by M/s Mangal Global Marbles Pvt. Ltd.Current Outstanding balance is Rs. 3.90 Crore

v. Guarantee to The Bharat Co-Operative Bank (Mumbai) Ltd for Loan of Rs 4 crore availed by M/s Mangal Compusolutions Pvt. Ltd. Subsidiary of the company.Current Outstanding balance is Rs. 3.61 Crore

vi. Guarantee to HDFC for Loan of Rs. 63 crore availed by M/s Satco Capital Markets Ltd., subsidiary of the company. Current Outstanding balance is Rs. 12.87 Crore

## 21 Related Party

As required under the Accounting Standard- 18 on Related Party Disclosure issued by the Institute of Chartered Accountants of India, the disclosure of name of related parties & their transactions are as under:

**Name of Related Parties and Relationships**

**21.1 Name of Subsidiary** in %

| S. No. | Particulars | Holding as at March 31 | |
|---|---|---|---|
| | | 2019 | 2018 |
| 1 | Indtrans Container Lines Pvt Ltd | 60.00 | 60.00 |
| 2 | Mangal Buildhome Pvt Ltd(3) | - | 74.99 |
| 3 | Mangal Compusolution Pvt Ltd | 99.99 | 99.99 |
| 4 | Mangal Global Marble Pvt Ltd(3) | - | 95.56 |
| 5 | Satco Capital Markets Ltd | 53.61 | 53.61 |
| 6 | Indtrans Container Lines (Singapore) PTE Ltd(1) | 100.00 | 100.00 |
| 7 | Indtrans Container Lines (Malaysia) Sdn Bhd(1) | 100.00 | - |
| 8 | Satco Commodities Private Ltd(2) | 100.00 | 100.00 |
| 9 | Mangal Mines & Minerals Pvt Ltd(4) | 51.00 | - |

(1) Wholly-owned subsidiary of Indtrans Container Lines Pvt Ltd
(2) Wholly-owned subsidiary of Satco Capital Markets Ltd
(3) Shares Disposed off during the year
(4) Shares Acquired during the year

**21.2 Name of Associate** in %

| S. No | Particulars | Partner's Share as at March 31 | |
|---|---|---|---|
| | | 2019 | 2018 |
| 1 | Digital Edge Technology(1) | 0.00 | 50.00 |
| | (Partner of our subsidiary Mangal Compusolution Pvt. Ltd.) | | |

(1) Partnership dissolved vide dated 03.04.2018

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

**21.3 Companies / Others Under Common Control**

| S. No | Particulars |
|---|---|
| 1 | Ally Insurance Brokers Private Limited |
| 2 | Bansiwala Real Estates Private Limited |
| 3 | Dhakad ProprietiesPrivate Limited |
| 4 | E-Ally Commodities India Private Limited |
| 5 | E-Ally Consulting India Private Limited |
| 6 | E-Ally Equities India Private Limited |
| 7 | Mangal Meta Forging Private Limited |
| 8 | Shwet Developers Private Limited |
| 9 | CNX Corporation Ltd. |
| 10 | Woodland Constructions Private Limited |
| 11 | Ecotech Informatics Private Limited |
| 12 | Anjana Buildestate Private Limited |
| 13 | Scarled Computech Private Limited |
| 14 | I-Nexus Realtors Pvt Limited |
| 15 | I-Nexus Consulting Private Limited |
| 16 | Hexacon Tradecon Private Limited |
| 17 | Village Financial Services Limited |
| 18 | Samasta Microfinance limited |
| 19 | Unnati Microfin Private limited |
| 20 | Hindustan Microfinance Private Ltd |
| 21 | Five Star Business Finance Limited |
| 22 | Five Star Housing Finance Private Limited |
| 23 | Apl Apollo Tubes Limited |
| 24 | Apollo Metalex Private Limited |
| 25 | Mirae Asset Trustee Company Private Limited |
| 26 | Shri Laxmi Metal Udyog Limited |
| 27 | Chakshu Realtors Private Limited |
| 28 | Standard Infra-Developers Private Limited |
| 29 | Satco Wealth Managers Private Limited (formerly known as Satco Commodities Pvt Ltd) |
| 30 | CNX Industries Private Limited |
| 31 | Mangal Finserv Private Limited |
| 32 | South India Finvest Private Limited |
| 33 | United Overseas Facilities Management Private Limited |
| 34 | Gilada Finance and Investments Limited |
| 35 | Asirvad Micro Finance Limited |
| 36 | Landscape Structures Private limited |
| 37 | Epitome Management Systems Private Limited |
| 38 | Addchem Private Limited |
| 39 | Gurgaon Infratech Private Limited |
| 40 | Mangal Royal Jewels Pvt Ltd |
| 41 | Shree Mangal Abhushan Pvt Ltd |
| 42 | Shree Mangal Jewels Pvt Ltd |
| 43 | Shree Radhey Mangal Gold Chain Pvt Ltd |
| 44 | Shree Ratna Mangal Jewels Pvt Ltd |
| 45 | Swarna Bhavya Mangal Jewels Pvt Ltd |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

**21.4 Key Managerial Personnel**

| S. No. | Particulars | Relation |
|---|---|---|
| 1 | Sandeep Maloo | Executive Director |
| 2 | Meghraj Sohanlal Jain | Managing Director |
| 3 | Srichand Tekchand Gerela ( Appointed on 12-06-2018) | Non-Executive Director |
| 4 | Nirupama Dattatraya Pendurkar ( Appointed on 12-06-2018) | Independent Director |
| 5 | Subramanyam Ganesh( Appointed on 14-11-2018) | Additional Director |
| 6 | Abhishek Jain( Appointed on 06-07-2018) | Independent Director |
| 7 | Ramanathan Annamalai( Appointed on 06-07-2018) | Independent Director |
| 8 | Naval KamalKishor Maniyar ( Appointed on 21-05-2018) | Director & CFO |
| 9 | Ratish Suresh Tawde( Resigned w.e.f 12-06-2018) | Independent Director |
| 10 | Swati Sharma( Resigned w.e.f 20-06-2018) | Independent Director |
| 11 | Gurumurthy Ramchandran(Resigned w.e.f. 14-08-2018) | Additional Director |

**21.5 List of Relatives of Key mangerial person**

1 Sohanlal V Jain
2 Bhagwati M Jain
3 Harshvardhan Birani
4 Labh Chand Maloo
5 Ajit jain
6 Neeta Maloo

Transaction with Related Parties are Shown in Annexure - A1

**Note 22**

The leverage ratio of the Non-Banking Finance Company is less than 7 as per norms prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND.

**Note 23**

The company has complied with norms prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND.

**Note 24 Additional disclosures:**

**Capital to Risk Assets Ratio (CRAR)**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| CRAR | 94.98% | 85.01% |
| CRAR - Tier I Capital | 94.98% | 85.01% |
| CRAR - Tier II Capital | 0.00 | 0.00 |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

## Note 25 Loan portfolio classification and provision (As per RBI Prudential Norms)

(Rs. in Lacs)

| Particulars | Gross Loan Outstanding | | Provision For Assets | | Net Loan Outstanding | |
|---|---|---|---|---|---|---|
| | March, 2019 | March, 2018 | March, 2019 | March, 2018 | March, 2019 | March, 2018 |
| Standard Asset | 5353.80 | 5087.01 | 13.38 | 12.72 | 5340.42 | 5074.30 |
| Sub Standard Asset | 33 | 61.25 | 3.30 | 6.12 | 29.70 | 55.12 |
| Doubtful Asset | 28.25 | - | 5.65 | - | 22.6 | - |
| Loss Asset | | - | | - | | - |
| **Total** | **5415.05** | **5148.26** | **22.33** | **18.84** | **5392.72** | **5129.42** |

## Note 26 Schedule to the Balance Sheet of Non-Deposit Taking Non-Banking Financial Company

as required in terms of paragraph 18 of chapter IV - Prudential Regulations of Master Directions – Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016

(Rs. in Lacs)

| S. No. | Particulars | Amount Outstanding | Amount Overdue |
|---|---|---|---|
| **Liability side:** | | | |
| (1) | **Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:** | | |
| | (a) Debenture : Secured | - | - |
| | Unsecured | - | - |
| | (Other than falling within the meaning of public deposits*) | | |
| | (b) Deferred Credits | - | - |
| | (c) Term Loans | - | - |
| | (d) Inter-Corporate Loans and Borrowings | 43.50 | - |
| | (e) Commercial Paper | - | - |
| | (f) Public Deposits* | | |
| | (g) Other Loans; | - | - |
| | - Bank Overdraft | - | - |
| | -Loan from Directors | 155.17 | - |
| *Please see **Note (a)** Below | | | |
| (2) | **Break up of (1)(f) above (Outstanding Public Deposits inclusive of Interest accrued thereon but not paid):** | | |
| | (a) In the form of Unsecured Debenture | - | - |
| | (b) In the form of Partly Secured Debenture i.e. debenture where there is a shortfall in the value of securities. | - | - |
| | (c) Other Public Deposits | - | - |
| *Please see **Note (a)** Below | | | |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

(Rs. in Lacs)

| S. No. | Particulars | Amount Outstanding |
|---|---|---|
| **Assets Side :** | | |
| **(3)** | **Break-up of Loans and Advances including bills receivables [other than those included in (4) below ] :** | |
| | (a) Secured | 1280.40 |
| | (b) Unsecured | 4134.82 |
| **(4)** | **Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :** | |
| | (i) Lease assets including lease rentals under sundry debtors: | |
| | (a) Financing Lease | - |
| | (b) Operating Lease | - |
| | (ii) Stock on hire including hire charges under sundry debtors: | |
| | (a) Asset on hire | - |
| | (b) Repossessed Asset | - |
| | (iii) Other loans counting towards AFC activities | |
| | (a) Loans where asset have been repossessed | - |
| | (b) Loans other than (a) above | - |
| **(5)** | **Break-up of Investments :** | |
| | **Current Investments :** | |
| | 1. Quoted | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |
| | 2. Unquoted | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |
| | **Long Term Investments :** | |
| | 1. Quoted | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

| S. No. | Particulars | Amount Outstanding |
|---|---|---|
| | 2. Unquoted | |
| | (i) Shares : (a) Equity | 2176.46 |
| | (b) Preference | 400.00 |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others – Investment in Land | 141.04 |

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above:**
Please see **Note (b)** below

(Rs. in Lacs)

| Category | | Amount Net of Provisions | | |
|---|---|---|---|---|
| | | Secured | Unsecured | TOTAL |
| 1. | Related Parties | | | |
| (a) | Subsidiaries | - | 228.80 | 228.80 |
| (b) | Companies in the same group | - | - | - |
| (c) | Other related parties | - | 682.27 | 682.27 |
| 2. | Other than related parties | 1280.39 | 3223.60 | 4503.99 |
| | **TOTAL** | **1280.39** | **4134.67** | **5415.06** |

**(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**
Please see **Note (c)** below

(Rs. in Lacs)

| Category | | Market Value Break up or fair value or NAV | Book Value (Net of Provisions) |
|---|---|---|---|
| 1. | Related Parties | | |
| (a) | Subsidiaries | 2152.23 | 1298.34 |
| (b) | Companies in the same group | - | - |
| (c) | Other related parties | - | - |
| 2. | Other than related parties | 1278.12 | 1278.12 |
| | **TOTAL** | **3430.35** | **2576.46** |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

**8. Other Information:**

| | | Amount Outstanding |
|---|---|---|
| (i) | Gross Non-Performing Assets | |
| (a) | Related Parties | - |
| (b) | Other than related parties | 61.25 |
| (ii) | Net Non-Performing Assets | |
| (a) | Related Parties | - |
| (b) | Other than related parties | 52.30 |
| | Assets acquired in satisfaction of debt | - |

**Sub Notes:**

a. As defined in point xix of paragraph 3 of chapter II of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016.

b. Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016

c. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

## Note 27

Disclosure required as per clause 32 of Listing Agreement has been set out in a separate **Annexure A2** attached to the financial statement.

## Note 28: Previous Year Figures

Previous year figures have been regrouped, re-arranged and reclassified wherever necessary to confirm to the current year's classification.

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**Sd/-**
**SANDEEP JHANWAR**
PARTNER
M.NO. 078146
Place: Mumbai
Date : 29th May, 2019

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Ltd**

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **Supriya Agarwal** | **Meghraj Jain** | **Naval Maniyar** |
| Company Secretary | Managing Director | Director & CFO |
| M. No.: A35286 | DIN: 01311041 | DIN: 06657440 |

Formatting Part of Notes on Accounts Annexure -"A1"
Name of Related Parties and Their Transaction

| Name of the Related Parties & Nature of Relationships | Nature of Transaction | 2018-19 | | | Nature of Transaction | 2017-18 | |
|---|---|---|---|---|---|---|---|
| | | Transaction Value | Maximum O/s Balance during the year | O/s Amount carried to Balance Sheet | | Transaction Value | O/s Amount carried to Balance Sheet |
| Subsidiaries | | | | | | | |
| Mangal Compusolution Pvt Ltd | Purchase of Fixed Assets | 94,710 | 61,029 | 2,360 | Loan Taken | 46,560,850 | - |
| | Dividend received | 4,999,997 | 4,999,997 | - | Loan Repaid | 45,600,050 | - |
| | | - | | - | Interest Paid | 477,023 | - |
| | | | | | Purchase of Fixed Assets | 293,406 | - |
| | | | | | | | |
| Indtrans Container Lines Pvt Ltd | Loan Given | - | - | - | Loan Taken | 40,483,286 | - |
| | Loan Repayment Received | - | - | - | Loan Repaid | 38,376,586 | - |
| | Sharing of expense | 551,202 | 578,428 | 114,009 | Interest Paid | 875,000 | - |
| | Other Reimbursement | 2,575 | 2,575 | - | | | |
| | | | | | | | |
| Satco Capital Markets Ltd | Loan Given | 179,015,000 | 75,840,000 | 22,880,000 | Loan Given | 175,850,000 | 59,160,000 |
| | Loan Repayment Received | 215,295,000 | - | - | Loan Repayment Received | 191,890,000 | - |
| | Interest Income | 5,749,162 | 4,430,782 | 160,974 | Interest Income | 9,085,000 | 286,728 |
| | | | | | | | |
| Mangal Mines & Minerals Pvt Ltd | | | - | - | Loan Given | 93,030 | - |
| | | | | | Loan Repayment Received | 93,030 | - |
| | | | | | Interest Received | 2,370 | - |
| | | | | | | | |
| Companies / Others under Common Control | | | | | | | |
| Mangal Globle Marble Pvt Ltd | Loan Given | 75,827,000 | 42,926,890 | 38,226,890 | Loan Given | 66,682,493 | 27,624,990 |
| | Loan Repayment Received | 65,225,100 | - | - | Loan Repayment Received | 31,307,904 | - |
| | Interest Income | 4,867,602 | 3,588,035 | 2,080,842 | Interest Income | 4,413,368 | - |
| | | | - | - | Shares Acquired | 32,600,000 | - |
| | | | | | | | |
| | | | | | | | |
| Mangal Buildhome Pvt Ltd | Loan Given | - | - | - | Loan Given | 104,467,856 | - |
| | Loan Repayment Received | - | - | - | Loan Repayment Received | 107,406,000 | - |
| | Dividend Received | 2,999,998 | - | - | Interest Income | 1,608,110 | - |
| | Sharing of expenses | 505,270 | 530,227 | 104,510 | | | |
| | Other Reimbursement | 16,030 | | | | | |
| Mangal Royal Jewels Pvt Ltd | Loan Given | 5,000,000 | 5,000,000 | 5,000,000 | Loan Given | - | - |
| | Interest Income | 4,110 | 4,110 | 4,110 | Interest Income | - | - |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

| Name of the Related Parties & Nature of Relationships | Nature of Transaction | 2018-19 | | | Nature of Transaction | 2017-18 | |
|---|---|---|---|---|---|---|---|
| | | Transaction Value | Maximum O/s Balance during the year | O/s Amount carried to Balance Sheet | | Transaction Value | O/s Amount carried to Balance Sheet |
| | | | | | | | |
| Shree Mangal Abhushan Pvt Ltd | Loan Given | 5,000,000 | 5,000,000 | 5,000,000 | Loan Given | - | - |
| | Interest Income | 14,384 | 12,946 | 12,946 | Interest Income | - | - |
| | | | | | | | |
| Shree Mangal Jewels Pvt Ltd | Loan Given | 5,000,000 | 5,000,000 | 5,000,000 | Loan Given | - | - |
| | Interest Income | 19,520 | 17,568 | 17,568 | Interest Income | - | - |
| | | | | | | | |
| Shree Radhey Mangal Gold Chain Pvt Ltd | Loan Given | 5,000,000 | 5,000,000 | 5,000,000 | Loan Given | - | - |
| | Interest Income | 12,330 | 11,097 | 11,097 | Interest Income | - | - |
| | | | | | | | |
| Shree Ratna Mangal Jewels Pvt Ltd | Loan Given | 5,000,000 | 5,000,000 | 5,000,000 | Loan Given | - | - |
| | Interest Income | 12,330 | 1,233 | 11,097 | Interest Income | - | - |
| | | | | | | | |
| Swarna Bhavya Mangal Jewels Pvt Ltd | Loan Given | 5,000,000 | 5,000,000 | 5,000,000 | Loan Given | - | - |
| | Interest Income | 12,330 | 11,097 | 11,097 | Interest Income | - | - |
| | | | | | | | |
| Digital Edge Technology | Sharing of expense | 183,734 | 193,166 | 38,005 | Rent Income | - | - |
| | Website development | 30,000 | 35,400 | 34,800 | Other Reimbursements | 35,141 | - |
| Key Management Person | | | | | | | |
| Sandeep Maloo | Directors Remuneration | - | - | - | Directors Remuneration | 720,000 | - |
| | Loan Taken | - | - | - | Loan Taken | 156,046,659 | - |
| | Loan Repaid | - | - | - | Loan Repaid | 167,037,543 | - |
| | Interest Paid | - | - | - | Interest Paid | 603,048 | - |
| Meghraj Jain | Directors Remuneration | 360,000 | 360,000 | - | Directors Remuneration | 720,000 | - |
| | Loan Taken | 246,758,737 | 107,834,299 | 11,071,233 | Loan Taken | 394,537,302 | 19,682,341 |
| | Loan Repaid | 255,369,845 | - | - | Loan Repaid | 461,047,104 | - |
| | Interest Paid | 4,940,450 | 4,446,486 | - | Interest Paid | 8,299,840 | - |
| | Shares Acquired | 50,010 | 50,010 | - | Shares Acquired | 50,000 | 50,000 |
| | Shares sold | 50,000 | 50,000 | - | Shares sold | - | - |
| Naval Maniyar | Directors Remuneration | 500,000 | | | | | |
| | Loan taken | 500,000 | | | | | |
| | Loan Repaid | 500,000 | | | | | |
| | Interest Paid | 495 | | | | | |
| Key Management Person's Relatives | | | | | | | |
| Sohanlal V Jain | Sale of Shares | - | - | - | Sale of Shares | 3,104,610 | 3,104,610 |
| Bhagwati M Jain | Sale of Shares | - | - | - | Sale of Shares | 1,220,000 | 1,220,000 |
| Harshvardhan Birani | Sale of Shares | - | - | - | Sale of Shares | 1,950,000 | 1,950,000 |
| Labh Chand Maloo | Sale of Shares | - | - | - | Sale of Shares | 99,000 | 99,000 |
| Ajit Jain | Sale of Shares | 18,749,987 | | | | | |
| Neeta Maloo | Sale of Shares | 6,806,000 | 6,806,000 | 6,806,000 | Sale of Shares | - | - |

# Notes forming part of Financial Statement

for the year ended 31st March, 2019

## ANNEXURE A2 REFERRED TO IN NOTE NO 34 OF NOTES FORMATING PART OF THE FINANCIAL STATEMENTS :

**Disclosures Required as per Clause 32 of the Listing Agreement :**

| Name of Company | Loans & Advances | | Loans & Advances | |
|---|---|---|---|---|
| | Amount O/s as on | Maxium Balance O/s | Amount O/s as on | Maxium Balance O/s |
| | March 31st 2019 | March 31st 2019 | March 31st 2018 | March 31st 2018 |
| **Subsidiaries** | | | | |
| Indtrans Container Lines Pvt Ltd | - | - | - | 18,469,113 |
| Mangal Compusolution Pvt Ltd | - | - | - | 17,580,460 |
| Satco Capital Markets Ltd | 23,040,974 | 80,270,782 | 59,446,728 | 120,789,772 |
| | **23,040,974** | **80,270,782** | **59,446,728** | **156,839,345** |
| **Companies Under Common Control** | | | | |
| Mangal Buildhome Pvt Ltd | - | - | - | 45,629,729 |
| Mangal Globle Marble Pvt Ltd | 40,307,732 | 46,514,925 | 27,624,990 | 63,759,304 |
| Mangal Royal Jewels Pvt Ltd | 5,004,110 | 5,004,110 | - | - |
| Shree Mangal Abhushan Pvt Ltd | 5,012,946 | 5,012,946 | - | - |
| Shree Mangal Jewels Pvt Ltd | 5,017,568 | 5,017,568 | - | - |
| Shree Radhey Mangal Gold Chain Pvt Ltd | 5,011,097 | 5,011,097 | - | - |
| Shree Ratna Mangal Jewels Pvt Ltd | 5,011,097 | 5,001,233 | - | - |
| Swarna Bhavya Mangal Jewels Pvt Ltd | 5,011,097 | 5,011,097 | - | - |
| | **70,375,647** | **76,572,976** | **27,624,990** | **109,389,033** |

# INDEPENDENT AUDITOR'S REPORT

To
The Members of
**Mangal Credit & Fincorp Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **MANGAL CREDIT & FINCORP LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India and give;

a) true and fair view in case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
b) true balance of profit in case of Consolidated Profit and Loss for the year ended on that date; and
c) true and fair view in case of the Consolidated Cash Flow Statement for the year ended on that date.

### Basis for Opinion

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

Companies Act, 2013 and the Rules 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.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

Note No 32.1 to the Financial Statements stating the fact of non-provision of liability of Rs. 40.75 lakhs arising on Income Tax Assessment for the A.Y. 2012-13 and A.Y. 2013-14 consequent upon search & seizure operations in the case of company on 01/10/2013.

Our opinion is not modified in respect of the above matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial

statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matter to be communicated in our report.

| The key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Income Recognition, Asset Classification (IRAC) and provisioning on loans & Advances and Investment as per the regulatory requirement** | |
| Loans & Advances and Investment are the largest class of assets forming 89.70% of the assets as on March 31, 2019. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's Prudential norms and other guidelines).<br><br>The management of the company exercise significant estimates and judgement to determine asset classification, income recognition and provisioning for losses. | Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.<br><br>Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reveiewing the logic and assumptions used for compliance of the IRAC and provisioning norms and its operating effectiveness. These included:<br><br>• Evaluation of internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/investment;<br><br>• Evaluation of Controls over the timely recognition of non-performing assets (NPA/NPI);<br><br>• Operational existence and effectiveness of controls over provisioning calculation;<br><br>• Overall controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments<br><br>• We tested all loans/investments to assess whether they had been identified as non-performing on a timely manner, income recognized and provisioning made as per IRAC norms.<br><br>• Verification of valuation, classification, provisioning and income recognition of investments by carrying our substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. |

| **Evaluation of uncertain tax positions** | |
|---|---|
| The company has some uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. (Reger Notes 32.1 to the Consolidated Financial Statements) | Our audit procedures mainly included:<br>• Review of the management's judgment to understand the nature and status of legal disputes, regulatory investigation and claims against banks not acknowledged as provision should be recognized;<br>• Review of legal opinions from their in house expert in this regard;<br>• Independent checks to assess the adequacy of provisions and disclosure of contingent liability by comparing assumptions to historical data, verification of claims settled and fresh demand during the year and in certain case representation from the management based on legal opinion.<br>• Verification of these provisions and related disclosures of the contingent liability as per the RBI guidelines and policies of the Bank. |
| **Impairment of goodwill in consolidated Financial statement** | |
| The consolidated Financial reflects goodwill of Rs 172 lakhs on acquisition of the subsidiary. Goodwill is required to be tested annually for impairment. The parent has estimated the recoverable amount of the subsidiary to which goodwill is allocable based on value in use or fair value. Determination of value in use involves significant estimations, assumptions and judgments as regards to determination of value in use in use and susceptible to misstatements and therefore, area of key audit matter. | Our audit incorporated the following procedures with regard to assessment of impairment of goodwill on acquisition of the subsidiary:-<br>• Reviewing the approach adopted for testing impairment including method used for determination of value in use;<br>• Checking the fair valuation considered by the parent and considering the bases of assessment of fair valuation;<br>• Performing substantive testing in respect of financial projections for their accuracy and reviewing same with the historical performance;<br>• Reviewing the assumptions used for valuation and observing those assumptions. |

## Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act")that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the financial statements ,the respective Board of directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and its associates and jointly controlled entities to continue as a going concern, disclosing ,as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the group or to cease operations ,or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the group and its associates and jointly controlled entities

## Auditors' Responsibility

Our objective 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 are 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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 standalone 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.

## Other Matter

We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of Rs. 9,008.95 lacs as at 31st March, 2019, total revenues of Rs. 2,686.76 lacs and net cash flows inflows amounting to Rs. 1,197.62 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 21,57,830 as at 31st March, 2019, total losses of Rs. 4,67,665 and net cash outflows amounting to Rs. 48,609 for the year ended on that date, as considered in the consolidated financial statements. These unaudited financial statements / financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements/ financial information are not material to the group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

## Report on Other Legal and Regulatory Requirements.

As required by Section 143(3) of the Act, we report to the extent applicable 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.

© The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 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 over financial Reporting of the Company and the operating effectiveness of such controls, Refer to our separate Report in "Annexure A".

(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 has disclosed the impact of pending litigations on its financial position in its financial statements in Note 32 to the financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) The amount due to be transferred to Investor Education and Protection Fund have been so transferred by the holding company.

**FOR MGB & Co. LLP**
**CHARTERED ACCOUNTANTS**
**FRN – 101169W/W-100035**

**Sd/-**
**SANDEEP JHANWAR**
**PARTNER**
**M. NO. – 078146**

**Place: Mumbai**
**Date : 29th May, 2019**

# Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements as of and for the year ended 31st March 2019 we have audited the internal financial control over financial reporting of Mangal Credit & Fincorp Ltd. (the holding company) and its subsidiary companies which are companies incorporated in India as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding company and its subsidiary companies, which are incorporated in India are responsible for establishing and maintaining Internal Financial Controls based on the Internal Controls 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 control over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the business including adherence to company policy, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that

we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit 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 holding company and its subsidiary companies incorporated in India, 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 2018, 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 MGB & Co. LLP**
**CHARTERED ACCOUNTANTS**
**FRN – 101169W/W-100035**

**Sd/-**
**SANDEEP JHANWAR**
**PARTNER**
**M. NO. – 078146**

**Place: Mumbai**
**Date : 29th May, 2019**

# CONSOLIDATED BALANCE SHEET

as at March 31, 2019

(In Rupees)

| Particulars | Notes | As at 31.03.2019 | As at 31.03.2018 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 2 | 193,139,860 | 193,139,860 |
| Reserves and Surplus | 3 | 739,323,062 | 720,086,231 |
| Money Received Against Warrants | | - | - |
| | | **932,462,922** | **913,226,091** |
| **Share Application Money pending allotment** | | **-** | **-** |
| **Minority Shareholder** | | **85,614,641** | **84,304,410** |
| **Non Current Liabilities** | | | |
| Long Term Borrowings | 4 | 329,655,655 | 398,766,775 |
| Deferred Tax Liabilities (Net) | 5 | 9,295,680 | 8,886,225 |
| Other Long Term Liabilites | 6 | 4,094,939 | 9,049,154 |
| Long Term Provisions | 7 | 3,213,887 | 3,254,388 |
| | | **346,260,161** | **419,956,542** |
| **Current Liabilities** | | | |
| Short-Term Borrowings | 8 | 373,384,469 | 251,990,934 |
| Trade Payables | 9 | 236,140,882 | 287,673,986 |
| Other Current Liabilities | 10 | 56,757,010 | 311,673,824 |
| Short-Term Provisions | 11 | 21,405,841 | 23,550,894 |
| | | **687,688,202** | **874,889,637** |
| **TOTAL** | | **2,052,025,926** | **2,292,376,681** |
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Fixed Assets | 12 | | |
| Tangible Assets | | 265,901,584 | 225,803,284 |
| Intangible Assets | | 5,437,099 | 1,781,047 |
| Goodwill on Consolidation | | 17,194,373 | 38,041,571 |
| Non-Current Investments | 13 | 147,492,390 | 148,139,229 |
| Deferred Tax Assets | | - | - |
| Long-Term Loans and Advances | 14 | 203,494,950 | 213,636,285 |
| Other Non Current Assets | 15 | 39,146,885 | 35,652,197 |
| | | **678,667,281** | **663,053,612** |
| **Current Assets** | | | |
| Inventory | 16 | 290,000 | 180,344,226 |
| Current Investments | 17 | 17,949,216 | 17,836,168 |
| Trade Receivables | 18 | 267,117,456 | 292,919,903 |
| Cash and Bank Balances | 19 | 433,401,605 | 310,272,289 |
| Short-Term Loans and Advances | 20 | 560,117,273 | 751,762,863 |
| Other Current Assets | 21 | 94,483,094 | 76,187,619 |
| | | **1,373,358,644** | **1,629,323,068** |
| **TOTAL** | | **2,052,025,926** | **2,292,376,681** |

Significant Accounting Policies 1
Other Notes on Accounts 2 to 44

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**Sd/-**
**SANDEEP JHANWAR**
PARTNER
M.NO. 078146
Place: Mumbai
Date : 29th May, 2019

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Ltd**

| **Sd/-** | **Sd/-** | **Sd/-** |
|---|---|---|
| **Supriya Agarwal** | **Meghraj Jain** | **Naval Maniyar** |
| Company Secretary | Managing Director | Director & CFO |
| M. No.: A35286 | DIN: 01311041 | DIN: 06657440 |

# CONSOLIDATED PROFIT AND LOSS

for the year ended 31st March, 2019

(In Rupees)

| Particulars | Notes | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|---|---|---|---|
| Revenue from Operations | 22 | 992,044,263 | 1,102,147,939 |
| Other Income | 23 | 61,431,429 | 61,441,482 |
| **Total Revenue** | | **1,053,475,692** | **1,163,589,421** |
| **Expenses:** | | | |
| Cost of Material/Services Consumed | 24 | 364,100,440 | 304,464,117 |
| Purchases of Stock-in-Trade | 25 | 255,854,434 | 356,267,713 |
| Changes in Inventories of Finished Goods, Work in Progress | 26 | 5,676,834 | 82,571,288 |
| Employee Benefit Expenses | 27 | 84,829,389 | 82,870,911 |
| Finance Costs | 28 | 91,627,888 | 78,877,048 |
| Depreciation and Amortization | 29 | 65,762,012 | 56,473,219 |
| Other Expenses | 30 | 80,850,449 | 81,561,613 |
| **Total Expenses** | | **948,701,446** | **1,043,085,908** |
| **Profit before extraordinary items and tax** | | **104,774,246** | **120,503,512** |
| Extraordinay items | | - | - |
| Prior Period Item expense / (income) | | - | - |
| **Profit before Tax** | | **104,774,246** | **120,503,512** |
| **Tax Expense:** | | | |
| (a) Current year | | 26,752,545 | 33,222,257 |
| (b) Short / (Excess) provision for tax relating to prior years | | 1,973,493 | (374,295) |
| **(c) Net Current Tax Expense (a+b)** | | **28,726,038** | **32,847,962** |
| (d) Deferred tax (credit) / charge | | 581,107 | 160,128 |
| (e) MAT Credit | | - | (6,635,437) |
| **Profit/(Loss) for the period from continuing operations** | | **75,467,100** | **94,130,859** |
| Profit available for Minority before elimination round | | | |
| Profit/(Loss) from discontinuing operations | | - | - |
| Tax expense of discontinuing operations | | - | - |
| Profit/(Loss) from Discontinuing operations (after tax) | | - | - |
| **Minority Interest** | | 3,784,057 | 10,108,803 |
| **Profit for the Period** | | **71,683,044** | **84,022,056** |
| Earnings per ordinary share: | | | |
| **Basic** | | 3.71 | 4.68 |
| **Diluted** | | 3.71 | 4.68 |
| Nominal Value of each ordinary share is Rs.10/- | | | |

Significant Accounting Policies 1
Other Notes on Accounts 2 to 44

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**Sd/-**
**SANDEEP JHANWAR**
PARTNER
M.NO. 078146
Place: Mumbai
Date : 29th May, 2019

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Ltd**

**Sd/-**
**Supriya Agarwal**
Company Secretary
M. No.: A35286

**Sd/-**
**Meghraj Jain**
Managing Director
DIN: 01311041

**Sd/-**
**Naval Maniyar**
Director & CFO
DIN: 06657440

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2019

(Amount in Lacs)

| | | Current Year 2018-19 | | Previous Year 2017-18 | |
|---|---|---|---|---|---|
| A) | **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| | **Net Profit before tax and extraordinary items** | | **1,047.74** | | **1,205.04** |
| | Adjustments for : | | | | |
| | Depreciation | 596.19 | | 563.01 | |
| | Provision for Gratuity & Bonus | 2.44 | | 7.90 | |
| | Provision for Compensated Expenses | 2.45 | | 1.08 | |
| | (Profit) / loss on sale of Fixed Assets | (12.28) | | (0.52) | |
| | Provision for Standard Loans | 0.66 | | 3.43 | |
| | Interest Expenses | 728.27 | | 726.75 | |
| | Borrowing Cost Capitalized to Project | - | | 42.57 | |
| | Interest Income on Income Tax Refund | (3.38) | | (1.05) | |
| | Interest Income on Loan & Advances | (900.22) | | (825.94) | |
| | Interest Income on Fixed Deposits | (252.17) | | (200.41) | |
| | Loss Share from Partnership Firm | - | | (0.65) | |
| | Share Capital Increase Expense | - | | 0.28 | |
| | Interest income from Partnership firm | - | | (0.60) | |
| | (Profit)/loss on sale of Other Investments | (14.70) | | (2.47) | |
| | (Profit)/loss on De-subsidiarisation of subsidiary | (54.07) | | 22.94 | |
| | Loan Processing Charges & Pre-Clouser Charges | 32.48 | | - | |
| | Provision for Doubtful Assets | 5.65 | | - | |
| | Provision for Sub Standard Loans | (2.83) | | (2.89) | |
| | Balance written off | 4.73 | | (22.54) | |
| | Bad Debts | - | | 71.33 | |
| | Dividend on Investments | (80.78) | 52.45 | (3.60) | 378.62 |
| | | | **1,100.20** | | **1,583.66** |
| | **Operating profit before working capital changes** | | | | |
| | Movement in Working Capital : | | | | |
| | (Increase)/Decrease in Inventories | (0.40) | | 1,141.83 | |
| | Increase in Trade Receivables & Other Receivable | (912.50) | | (276.78) | |
| | (Increase)/Decrease in Short Term Loans & Advances - Others | 229.43 | | (544.29) | |
| | (Increase)/Decrease in Short Term Loans & Advances - Loans | (523.57) | | 1,081.82 | |
| | (Increase)/Decrease in Other Current Assets | (204.56) | | (144.26) | |
| | Increase in Trade payables | 61.64 | | (78.52) | |
| | Increase / Decrease in unpaid dividend account | (2.90) | | (1.13) | |
| | Increase / Decrease in Non Current Assets | (2.66) | | 2.06 | |
| | Increase in Other Current Liabilities | (23.12) | | 118.66 | |
| | Increase in Short Term Provision(Other Than Provision for Tax) | 12.03 | (1,366.60) | (0.23) | 1,299.16 |
| | **Cash generated/ (Utilised) in Operations** | | **(266.40)** | | **2,882.82** |
| | Interest Paid | (39.88) | | (341.69) | |
| | Interest Received | 717.55 | | 820.96 | |
| | Income Tax Paid (Net of Refund) | 283.37 | 394.30 | (219.67) | 259.60 |
| | **Net Cash from Operating Activities -A.** | | **127.90** | | **3,142.42** |
| | | | | | |
| B) | **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| | Purchase / ( Sale ) of Fixed Assets | (913.15) | | (961.61) | |
| | Sale / (Purchase) of Investments in shares | 488.99 | | (1,731.47) | |
| | Sale / (Purchase) of Investments - Others | - | | (1.25) | |
| | Investment in Partnership Firm (Net) | 9.95 | | (0.40) | |
| | Investment in Capital Work in Progress | (3.77) | | - | |
| | (Increase)/Decrease in Fixed Deposits | 15.30 | | (14.55) | |
| | (Increase)/Decrease in Loans & Advances | (178.52) | | (552.97) | |

| | | Current Year 2018-19 | | Previous Year 2017-18 | |
|---|---|---|---|---|---|
| | Interest Received | 410.59 | | 229.04 | |
| | Dividend Received on Investments | 30.78 | (139.83) | 3.60 | (3,029.61) |
| | **Net Cash Generated/(Used) in Investing Activities -B.** | | **(139.83)** | | **(3,029.61)** |
| **C)** | **CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| | Proceed from Long Term Borrowings | 363.56 | | 468.37 | |
| | Proceed from Short Term Borrowings | 1,695.58 | | (970.92) | |
| | Increase in Share Application / Share Capital & Security Premium (Net) | - | | 326.00 | |
| | Share Capital Increase Expenses/ Company Inc. Expense | - | | (0.80) | |
| | Money Received against Share Warrant | | | 875.33 | |
| | Interest Paid | (661.29) | | (585.92) | |
| | Effect of foreign currency translation on share capital | 0.77 | | - | |
| | Loan Processing Fees & Forclouser Charges Paid | (32.48) | | - | |
| | Dividend & Dividend Distritution Tax Paid | (116.42) | | (47.57) | |
| | | | **1,249.70** | | **64.45** |
| | **Net cash used in financing activities - C** | | **1,249.70** | | **64.45** |
| | **NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS (A+B+C)** | | **1,237.77** | | **177.26** |
| | Cash and cash equivalents: | | | | |
| | **Opening balance as at the begining of the year** | | **3,096.15** | | **2,939.76** |
| | Adjustments: A. Opening Balance of Subsidiaries Elimineted | | (13.06) | | (20.87) |
| | Adjustments: B. Opening Balance of Subsidiaries Added | | 3.68 | | - |
| | **Net Opening balance as at the begining of the year - A** | | **3,086.77** | | **2,918.89** |
| | Net Increase/(Decrease) in cash & cash equivalents - B | | 1,237.77 | | 177.26 |
| | **Closing balance as at the end of the year (A+B)** | | **4,324.54** | | **3,096.15** |
| | **Reconciliation of cash and cash equivilants as above with cash and bank balance as shown in balance sheet** | | | | |
| | Cash & cash equivilant as at the end of the year as above | | 4,324.54 | | 3,096.15 |
| | Add: Balance in Unpaid Dividend Account | | 9.47 | | 6.57 |
| | **Cash and Bank Balance as shown in balance sheet** | | **4,334.01** | | **3,102.72** |

**Notes:**

1. The above cash flow statement has been prepared under "Indirect Method" set out in AS-3, issued by Institute of Chartered Accountants of India.
2. Figures in brackets indicates cash outgo.
3. Previous year's figures have been re-grouped and reclassified wherever necessary.
4. Difference in Previous year's closing cash balance & Current year opening cash balance is on account of elimination & addition of subsidiaries, which has been shown.

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**Sd/-**
**SANDEEP JHANWAR**
PARTNER
M.NO. 078146
Place: Mumbai
Date : 29th May, 2019

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Ltd**

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **Supriya Agarwal** | **Meghraj Jain** | **Naval Maniyar** |
| Company Secretary | Managing Director | Director & CFO |
| M. No.: A35286 | DIN: 01311041 | DIN: 06657440 |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

**Overview**

Mangal Credit &Fincorp Limited (the company) is a public company domiciled in India and incorporated under the Companies Act, 1956 whose Corporate Identity No. is L65990MH1961PLC012227. The Company has granted certificate of registration to carry on the business of Non-Banking Financial Institution by Reserve Bank of India, vide certificate no. 13.00329 dated March 11, 1998 which has been revised in the name of "Mangal Credit &Fincorp Ltd." and fresh certificate is reissued on May 3, 2016. The Company is Non Systemically Important Non Deposit Taking NBFC (NBFC-ND-Non SI)vide circular no. RBI/DNBR/2016-17/44DNBS (PD).007/03.10.119/2016-17 dated 1 September 01, 2016.

The Company is incorporated in India and listed on Bombay stock exchange Limited and Ahmedabad Stock Exchange in India. The company has invest in various subsidiary companies. It has also invested into certain Associated Enterprises and Joint Ventures. As per the requirement of clause 41 of Equity Listing Agreement, the company having subsidiaries should also submit annual consolidated financial results to the stock exchange. Hence the consolidated financial statements are presented in accordance with Accounting Standard – 21 - 'Consolidated Financial Statements", Accounting Standard-23, and Accounting Standard-27 specified in the Companies (Accounting Standards) Rules, 2006.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### i. Basis of Preparation

The consolidated financial statement of Mangal Credit Fincorp Limited ("the Company") and its subsidiaries and joint venture (the Company, its subsidiaries and its jointly controlled entity constitute "the Group") are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 2013.

### ii. Basis for Consolidation

The Consolidated Financial Statements comprise the individual financial statements of the Company, its subsidiaries, its jointly controlled entities and its associates as on March, 31 2018 and for the year ended on that date. The consolidated financial statements have been prepared on the following basis:-

a. The financial statements of the Company and its **subsidiaries** have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intragroup balances and intra group transactions resulting in unrealised profits or losses in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" as notified by the Companies (Accounting Standards) Rules, 2006.

b. The financial statements of **jointly controlled entities** have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions resulting in unrealised profits or losses in accordance with the Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures" as notified by the Companies (Accounting Standards) Rules, 2006 using the "proportionate consolidation" method.

c. The Consolidated financial statements include the share of profit / (loss) of **associated companies**, which are accounted under the "Equity Method" in accordance with Accounting Standard (AS) 23 on 'Accounting for Investments in associates in consolidated financial statements' as notified by the companies (Accounting Standards) Rules, 2006, the share of profit / (loss) of the associated company has been added / deducted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a jointly controlled entity.

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

d. The financial statements of the subsidiaries, joint ventures and the associates used in the consolidation are drawn upto the same reporting date as that of the Company, i.e. March 31, 2019.

e. The financial statements of the subsidiaries disposed off during the year used in the consolidation are drawn upto the date of disposal.

f. Investments in subsidiaries are eliminated and differences between the cost of investment over the net assets on the date of investment in subsidiaries are recognised as **Goodwill or Capital Reserve,** as the case may be.

g. Minority Interest's share of net profit or loss of subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Equity Shareholders of the Company.

h. **Minority Interest's share of net assets** of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet as a separate item from liabilities and the Shareholders' Equity.

i. The Consolidated Financial Statements are prepared using **uniform Accounting Policies** for like transactions and other events in similar circumstances and are presented in the same manner as the standalone financial statements of the Company.

The Subsidiaries, Joint Venture and Associate considered in the Consolidated Financial Statements are as under:

| | Name of the entity | Proportion of ownership interest March 31, 2019 | Proportion of ownership interest March 31, 2018 | Country of Incorporation |
|---|---|---|---|---|
| (a) | Subsidiaries/sub-subsidiaries | | | |
| | MangalCompusolution Private Limited | 99.99% | 99.99% | India |
| | Indtrans Container Lines Private Limited | 60.00% | 60.00% | India |
| | Mangal Buildhome Private Limited | - | 74.99% | India |
| | Mangal Globle Marble Private Limited | - | 95.56% | India |
| | Satco Capital Markets Limited | 53.61% | 53.61% | India |
| | Satco Commodities Private Limited | 100.00% | 100.00% | India |
| | Indtrans Containers Lines (Singapore) PTE Ltd. | 100.00% | 100.00% | Singapore |
| | Indtrans Containers Lines (Malaysia) Sdn Bhd | 100.00% | - | Malaysia |
| | Mangal Mines & Minerals Pvt Ltd | 51.00% | - | India |

**iii. Use of Estimates**

The presentation of Financial Statements requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses on the date of financial statements and the reported amount of revenue expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which results are known / materialized.

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

**iv. Revenue Recognition**

i) Interest income from financing activities is recognized on an accrual basis except in the case of non-performing assets, where it is recognised on realisation, as per the prudential norms of the RBI.

ii) Dividend from investments is accounted for as income when the Group's right to receive dividend is established.

iii) Income from Interest on Fixed Deposits is recognized on accrual basis.

iv) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of sales tax and sales returns.

v) Revenue from brokerage activities is accounted for on the trade date of transaction.

vi) Revenue from delayed payment charges from customers is recognized on a monthly basis up to the last day of accounting period.

vii) Commission on mutual fund is recognized on accrual basis.

**v. Income from arbitrage and trading in securities and derivatives comprises profit/ loss on sale of securities held as stock in- trade and profit/ loss on equity derivative instruments and Other income recognition**

**Profit/loss on equity derivative transactions is accounted for as explained below:-**

a.) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/Stock Futures and or equity Index/stock options which are released on final settlement/squaring-up of underlying contracts are disclosed under Current Assets, Loans and advances. "Mark-to-market margin- Equity Index/ Stock Futures" representing the amounts paid in respect of mark to market margin is disclosed under Loans and Advances and amount received is shown under current liabilities.

b.) "Equity Index/Stock Option Premium Account" represents premium paid or received for buying or selling the options, respectively.

c.) On final settlement or squaring up of contracts for equity index/ stock futures, the realized Profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss . On settlement or squaring up of equity index/ stock options before expiry, the premium prevailing in "Equity Index/ Stock Option Premium Account" on that date is recognized in the Statement of Profit and Loss. When more than one contract in respect of the relevant series of equity index/ stock futures or equity index/ stock options contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the Profit/loss on squaring-up.

As at the balance sheet date, the mark to market on all hedged transactions comprising of Securities and Equity Derivatives positions is determined on a Portfolio basis with net unrealized losses being recognized in the Statement of Profit and Loss. Unrealized gains (on portfolio basis) are not recognized in the Statement of Profit and Loss on grounds of prudence as enunciated in Accounting Standard-1, Disclosure of Accounting Policies.

In respect of other transactions, the unrealized losses on equity derivatives determined on scrip-basis are recognized in Statement of Profit and Loss and unrealized gains are ignored; and in case of securities (shares, etc) the net unrealized losses are recognized in Statement of Profit and Loss and net unrealized gains are ignore.

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

Other income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**vi. Fixed Assets**

**a. Tangible Assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Subsequent expenditures related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

**b. Intangible Assets**

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets are recorded at cost and carried at cost less accumulated depreciation and accumulated impairment losses, if any.

**vii. Depreciation**

Depreciation is provided on written down value Method, at the rates so calculated by useful life as specified in Schedule II of the Companies Act, 2013 except in respect of Leased Computer Equipment and accessories wherein useful life is estimated to be 6 years on the basis of management assessment and past experience.

Depreciation is provided on pro-rata basis on the assets acquired, sold or disposed off during the year.

**viii. Investments**

a. Investments are classified into Long Term Investments and Current Investments.

b. Investments which are by nature readily realisable and intended to be held for not more than one year from the date of acquisition are classified as Current Investments and Investments other than Current Investments are classified as Long Term Investments.

c. Long Term Investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for.

d. Current Investments are valued at lower of cost and market value. In case of mutual funds, the net asset value of the units declared by the Mutual Funds is considered as the market value.

**ix. Inventories**

Stock is valued at weighted average cost. Cost of inventory comprises of all cost of conversion and other cost incurred in bringing them to their respective present location and condition.

Stock in trade comprising of securities held for the purpose of trading is valued at lower of cost and market value.

**x. Employee Benefits**

Employee benefits include provident fund, gratuity fund, compensated absences and post-employment benefits.

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

**Defined contribution plans**

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

**Defined benefit plans**

The Company has unfunded defined benefit plans namely long term compensated absences and gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in Profit and Loss account as income or expenses.

**xi. Leased Assets**

i) Assets acquired under Leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. The rentals and all the other expenses of assets under operating lease for the period are treated as revenue expenditure.

ii) Assets given on operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on straight line basis over the lease term. Operating costs of leased assets, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct cost such as legal costs, brokerages etc. are charged to Statement of Profit and Loss as incurred.

**xii. Impairment of Assets**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss is charged to the statement of profit & loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of the recoverable amount.

**xiii. Foreign Currency Transaction**

i) All monetary assets & liabilities in foreign currencies are translated in Indian rupee at exchange rates prevailing at the balance sheet date as notified by the Foreign Exchange Dealers Association of India (FEDAI).

ii) All the non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Items of income and expenditure relating to foreign exchange transaction are recorded at exchange rate prevailing on the date of transaction.

iv) Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

**xiv. Taxes on Income**

i) Current tax is determined based on the amount of tax payable in respect of taxable income for the year.

ii) Deferred tax asset is recognized with regard to all deductable timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences could be utilized.

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

iii) Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Group re-assesses unrecognised deferred tax assets, if any.

iv) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

**xv. Provisions, Contingent Liabilities and Contingent Assets**

i) A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

ii) Contingent liabilities are not recognized but disclosed in the financial statement when there is a

- Possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or
- Present obligation that arises from past events where it is either not probable that an outflow of resources will be required to be settled or a reliable estimate of the amount cannot be made.

iii) Contingent assets are neither recognized nor disclosed in the financial statements.

iv) Provision on standard assets is made @ 0.25% of standard loans in accordance with the directions issued by RBI for NBFC.

v) Provision for non-performing assets is made in accordance with the directions issued by RBI for NBFC.

**xvi. Service tax input credit/GST input credit**

Service tax liability on transactions/trades is accounted on accrual basis. Service tax credit has been utilized on payment basis. GST liability on transactions/trades is accounted on accrual basis. GST input credit has been utilized on payment basis.

**xvii. Segment Reporting**

The Group's reportable segment consists of Financing Activity, Renting of Movable Assets, Broking, Event/ Entertainment Activity and Others. Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses are disclosed as unallocable expenses. Similarly assets and liabilities directly attributable to segments are reported under each reportable segment. All other assets and liabilities are disclosed as unallocable.

**xviii. Earnings Per Share**

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. For the purpose of calculating Diluted earning per share the net profit for the year attributable to equity shareholders and weighted average number of shares outstanding during the reporting year is adjusted for the effects of all dilutive potential equity shares. In considering whether potential equity shares are dilutive or anti dilutive, each issue or series of potential equity shares is considered separately rather than in aggregate.

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 2. SHARE CAPITAL

### 2.1 Share Capital

(Amount in Rupees)

| Share Capital | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| **Authorised** | | | | |
| Equity Shares of Rs.10/- each | 2,50,00,000 | 25,00,00,000 | 2,50,00,000 | 25,00,00,000 |
| **Issued, Subscribed and Paid up** | | | | |
| Equity Shares of Rs.10/- each | 1,93,13,986 | 19,31,39,860 | 1,93,13,986 | 19,31,39,860 |
| **Total** | **1,93,13,986** | **19,31,39,860** | **1,93,13,986** | **19,31,39,860** |

### 2.2 Reconciliation of the number of shares outstanding at the beginning and at the end of of Financial Year 2018-19

(Amount in Rupees)

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| Equity Shares outstanding at the beginning of the year | 1,93,13,986 | 19,31,39,860 | 1,61,12,038 | 16,11,20,380 |
| Equity Shares issued during the year | | | | |
| - on account of equity shares to the promoters/non-promoters against share warrants | - | - | 32,01,948 | 3,20,19,480 |
| Equity Shares outstanding at the end of the year | 1,93,13,986 | 19,31,39,860 | 1,93,13,986 | 19,31,39,860 |

### 2.3 Rights attached to equity Shares

* The Company has only one class of equity shares having face value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.
* Every share is entitled to receive dividends in Indian Rupees, if declared.
* In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the company after distribution of the preferential amounts.
* The distribution will be in proportion to the number of equity shares held by the shareholders.

### 2.4 Details of shares held by each shareholder holding more than 5% equity shares

| Name of Shareholder | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Meghraj S Jain | 37,98,897 | 19.67 | 3,56,34,180 | 18.45 |
| Ajit S Jain | 24,84,240 | 12.86 | 2,58,42,400 | 12.86 |
| M/s E-ally Consulting (I) Pvt. Ltd | 16,79,700 | 8.70 | 1,67,97,000 | 8.70 |
| M/S Dhakad Properties and Financial Services Pvt Ltd | 12,59,205 | 6.52 | 85,99,282 | 4.45 |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

2.5 1,93,13,986 Equity shares of face value of Rs. 10 each includes 70,44,075 fully paid Equity shares of face value of Rs. 10 each issued as bonus shares during the quarter ended December 31, 2015 pursuant to shareholders approval of issue of 5 bonus Equity shares for every 1 existing shares held.

**2.6 Consolidation of shares:-**

During the year pursuant to the shareholders approval the face value of existing equity shares of Rs. 1 each has been consolidated to Rs. 10 each . Accordingly , the Company has issued one (1) consolidated equity share of Re.10/- each in lieu of ten (10) sub-divided equity share of Rs.1/- each to the eligible Members of the Company. In case of Members holding equity shares of the Company in physical form, the Company, without requiring the surrender of old share certificate(s), has directly issued and dispatched the new share certificate(s) of the Company for the consolidated equity share of Re.10/- each. The said new share certificate(s) were issued in lieu of the old share certificate(s), which were deemed to have been automatically cancelled and be of no effect. In the case of equity shares of the Company held in dematerialized form, the sub-divided equity shares have been duly credited to the respective beneficiary accounts of the Members with the respective Depository Participants, as per the existing credits representing the equity shares of the Company. In view of the aforesaid Stock Consolidation, the number of equity shares of the Company and price of underlying equity share in the stock markets has been correspondingly adjusted by the Stock Exchanges, where the Company's shares are listed (i.e. BSE). The details of the Authorised and Paid-up share capital of the Company (pre & post Stock Consolidation ) is as follows:

| Particulars | Authorised Share Capital | | Paid up Share Capital | |
|---|---|---|---|---|
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| Pre Stock Consolidation | 250000000 | 250,000,000 | 193139860 | 193,139,860 |
| Post stock Consolidation | 25000000 | 250,000,000 | 19313986 | 193,139,860 |

* Consolidation of Shares

The consolidation of equity shares of the company from face value Rs.1/- each to face value of Rs.10/- each (""Stock Sumup"") and consequent alteration in Capital clause of MOA of the company was approved by the Members on 29/09/2018.

## 3. RESERVES AND SURPLUS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Securities Premium** | | |
| Opening Balance | 35,88,19,290 | 27,41,27,770 |
| Less: Amount utilised for issuance of bonus shares | - | - |
| Add: Premiun received during the year on account of equity shares to the promoters/non-promoters against share warrants | - | 8,46,91,520 |
| **Closing Balance** | **35,88,19,290** | **35,88,19,290** |
| **General Reserve** | | |
| Opening Balance | 3,65,00,000 | 3,65,00,000 |
| **Closing Balance** | **3,65,00,000** | **3,65,00,000** |
| **Contingency Reserve** | **25,00,000** | **25,00,000** |
| **Investment Reserve** | **7,00,000** | **7,00,000** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Statutory Reserve Fund** | | |
| Opening Balance | 4,56,20,186 | 3,64,55,264 |
| Add: Transferred from Statement of Profit and Loss | 1,14,26,221 | 91,64,922 |
| **Closing Balance** | **5,70,46,407** | **4,56,20,186** |
| **Capital Reserve on Consolidation** | **3,62,207** | **9,91,892** |
| **Capital Reserve** | **1,50,46,050** | **1,50,46,050** |
| **Capital Redemption Reserve** | **40,00,000** | **40,00,000** |
| **Foreign Currency Translation Reserve** | **(51,302)** | **(30,677)** |
| **Foreign Currency Translation Reserve on Consolidation** | **2,07,595** | **1,10,442** |
| **Proposed Dividend** | **96,56,993** | **96,56,993** |
| **Tax on Proposed Dividend** | **13,68,365** | **19,12,635** |
| **Surplus / (Deficit) in Statement of Profit and Loss** | | |
| Opening Balance | 25,22,52,428 | 15,27,28,519 |
| Add: Profit for the year | 7,16,83,044 | 8,40,22,056 |
| Add: On Account of Amalgamation/Disposal of Subsidiaries | (4,32,44,653) | 2,82,43,394 |
| Less: Proposed Dividend & Dividend Distributed | 1,46,56,493 | 96,56,993 |
| Tax on Proposed Dividend | 14,40,648 | 19,12,635 |
| Transferred To : Statutory Reserve Fund | 1,14,26,221 | 91,64,922 |
| **Closing Balance** | **25,31,67,457** | **24,42,59,419** |
| **Total** | **73,93,23,062** | **72,00,86,231** |

**DIVIDEND**

Dividend of Rs. 0.5/- share has been recommended for the FY 2018-19 (Dividend of Rs. 0.5/- share was provided in FY 2017-18).

## 4 LONG TERM BORROWINGS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Secured** | | |
| Term Loans - From Scheduled Banks(Refer Note 4.1) | 14,36,41,307 | 5,80,19,652 |
| Term Loans - From NBFC's (Refer Note 4.2) | 6,79,31,758 | 15,52,89,703 |
| Term Loans - From Co-Operative Bank (Refer Note 4.3) | 14,90,82,195 | 17,24,40,114 |
| Less: Current Maturities(Refer Note 10) | 3,09,99,605 | 2,04,26,707 |
| **Unsecured** | | |
| Loan from Directors | - | 3,34,44,013 |
| **Total** | **32,96,55,655** | **39,87,66,775** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

**4.1 Term Loan from Scheduled Banks represents**

A. Sanction amount of Rs. 4.91 crore under the guarantee of directors & director's relatives taken from Kotak Mahindra Bank Ltd. and is secured by way of Equitable Mortgage by depositig of title deeds of immovable properties of Director's residence.(Period of defaults: NIL, No defaults in repayment of Interest)

B. Sanction amount of 2.03 crores secured by way of Equitable Mortgage by depositing of title deeds of immovable properties being residence of director's relative & taken from Kotak Mahindra Bank Ltd. & hypothecation charges over company's fixed assets. (Period of defaults: Nil, No defaults in repayment of Interest)

C. Sanction amount of 7.25 crores secured by way of Equitable Mortgage by depositing of title deeds of immovable properties being residence of director's relative & taken from ICICI Bank Ltd. & hypothecation charges over company's fixed assets. (Period of defaults: Nil, No defaults in repayment of Interest)

D. Sanction amount of 1.34 crores secured by way of Equitable Mortgage by depositing of title deeds of immovable properties being residence of director's relative & taken from ICICI Bank Ltd.& hypothecation charges over company's fixed assets. (Period of defaults: Nil, No defaults in repayment of Interest)

**4.2 Loan from NBFC's represents**

- sanction amount of Rs. 5 crore under the guarantee of directors & director's relatives and group company taken from Fullerton India Credit Company Ltd. and is secured by way of Equitable Mortgage by depositig of title deeds of immovable properties of company controlled by relative of Director.(Period of defaults: NIL, No defaults in repayment of Interest)

- sanction amount of Rs. 2.32 crore under the guarantee of directors and group company taken from Reliance Home Finance and is secured by way of Equitable Mortgage by depositig of title deeds of immovable properties of company controlled by Director.(Period of defaults: NIL, No defaults in repayment of Interest)

**4.3 Loan from Co-operative Banks represents Loan from The Bharat Co-operative Bank (Mumbai) Ltd.**

**Nature of Security**

A. Sanction amount of 11 crore secured by way of Equitable Mortgage by depositing of title deeds of immovable properties being residence of directors relative & Group company's office & hypothecation charges over company's fixed assets) (Period of defaults: Nil, No defaults in repayment of Interest)

B. Sanction amount of 3 crore secured by way of Equitable Mortgage by depositing of title deeds of immovable properties being residence of director's relative & hypothecation charges over company's fixed assets. (Period of defaults: Nil, No defaults in repayment of Interest)

C. Sanction amount of 4 crores secured by way of Equitable Mortgage by depositing of title deeds of immovable properties being residence of director's relative & hypothecation charges over company's fixed assets. (Period of defaults: Nil, No defaults in repayment of Interest)

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 5 DEFERRED TAX LIABILITY

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Deferred Tax Liability:** | | |
| Difference between wdv as per book & IT Act | 1,36,29,887 | 1,25,05,105 |
| Provision for Substandard Assets | - | - |
| Provision for Doubtful Assets | - | - |
| **Deferred Tax Assets:** | | |
| Difference between wdv as per book & IT Act | 38,09,891 | 30,99,652 |
| Provision for Standard Assets | 3,53,919 | 3,50,484 |
| Provision for Sub Standard Assets | 1,70,397 | 1,68,744 |
| Provision for Doubtful Assets | - | - |
| **Net Deferred Tax Liability (Net)** | **92,95,680** | **88,86,225** |

## 6. OTHER LONG TERM LIABILITIES

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Unsecured** | | |
| Security Deposit from Branches | 40,94,939 | 45,49,154 |
| Deposit for Infrastructure and other facility from subsidiary | - | 45,00,000 |
| **Total** | **40,94,939** | **90,49,154** |

## 7. LONG TERM PROVISIONS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Unsecured** | | |
| Provision for Gratuity | 29,55,603 | 29,07,108 |
| Provision for Compensated Absences | 2,58,284 | 3,47,280 |
| **Total** | **32,13,887** | **32,54,388** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 8. SHORT TERM BORROWINGS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Secured | | |
| Cash Credit facility- The Bharat Co-operative Bank (Mumbai) Ltd. (Refer Note 8.1) | 6,68,70,236 | 7,91,61,325 |
| Bank Overdraft against FD | 7,38,42,313 | 1,81,11,460 |
| LAS Facility from Bank | 61,53,167 | 40,34,329 |
| Short term Loan against FD (Refer Note 8.2) | 12,87,50,000 | - |
| Unsecured | | |
| Inter-Corporate Loans | 1,43,36,728 | 7,44,27,105 |
| Loan from Directors | 8,34,32,025 | 3,62,56,715 |
| Loan from Others | - | 4,00,00,000 |
| **Total** | **37,33,84,469** | **25,19,90,934** |

**8.1 Against Cash Credit facility from The Bharat Co-Operative Bank (Mumbai) Ltd**

**Nature of Security**

A. Sanctioned Limit 6.00 Crore with adhoc facility of 0.75 Lacs additional, Secured by way of Equitable Mortgage by depositing of title deeds of immovable properties of director's residence & his relative's residence.(Period of defaults: NIL, No defaults in repayment of Interest)

**8.2 Secured by Corporate Guarantee of holding company and personal Guarantee of Directors**

## 9. TRADE PAYABLE

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Payable for Goods/Services | 23,54,95,617 | 28,26,07,582 |
| Payable for Expenditure | 6,45,265 | 50,66,404 |
| **Total** | **23,61,40,882** | **28,76,73,986** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 10. OTHER CURRENT LIABILITIES

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Current maturities of long term debt (Refer Note No. 4) | 3,09,99,605 | 2,13,29,844 |
| Interest accrued and due on borrowings | 52,94,963 | 1,42,13,223 |
| Interest accrued and but not due on borrowings | 22,61,826 | 18,88,093 |
| Unearned Interest Income | - | 43,248 |
| Outstanding Expenses | 9,11,474 | 7,33,974 |
| Unpaid Dividends* | 9,28,369 | 6,38,409 |
| Bank Overdraft in Bank Accounts | - | 25,16,232 |
| **Other Payables** | | |
| Advance against Contractual Obligation | - | 23,18,00,000 |
| Retention Money | - | 6,52,161 |
| Duties and Taxes | 34,50,894 | 64,96,003 |
| Creditors for Expenses & Others | 15,19,040 | 35,93,162 |
| Equity Index / Stock Option / Currency Option Premium Account | 93,90,839 | 1,86,04,022 |
| Advance from Customers | - | 90,16,617 |
| Others | 20,00,000 | 1,48,835 |
| **Total** | **5,67,57,010** | **31,16,73,824** |

* Investor Education and Protection Fund was deposited as and when due.

## 11. SHORT TERM PROVISIONS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Contingent Provisions against Standard Assets | 13,38,451 | 12,72,174 |
| Provision on Sub Standard Assets | 3,30,000 | 6,12,500 |
| Provision for Income Tax (Net of Advance Tax/TDS) | 1,62,10,609 | 1,92,88,142 |
| Provision for Freight Expense | 15,30,858 | - |
| Provision on Doubtful Asets | 5,65,000 | - |
| Outstanding Expenses | 1,14,535 | - |
| Provision for Bonus | 7,67,700 | 8,22,300 |
| Provision for Gratuity | 95,267 | 89,142 |
| Provision for Rebate Expenses | - | 7,00,000 |
| Provision for Audit Fees | 4,45,000 | 7,60,000 |
| Provision for Compensated Absences | 8,421 | 6,636 |
| **Total** | **2,14,05,841** | **2,35,50,894** |

## Note 12. FIXED ASSETS

(Amount in Rupees)

| Particulars | Gross block | | | | Accumulated depreciation and impairment | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1 April, 2018 | Additions | Disposals | Balance as at 31 March, 2019 | Balance as at 1 April, 2018 | Depreciation / amortisation for the period | Eliminated on deductions of assets | Balance as at 31 March, 2019 | Balance as at 31 March, 2019 | Balance as at 31 March, 2018 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| **Tangible Assets** | | | | | | | | | | |
| (a) Plant and Equipment | 1,02,48,724 | 7,11,882 | 1,13,474 | 1,08,47,131 | 59,02,820 | 10,76,805 | 64,417 | 69,15,209 | 39,31,922 | 43,45,903 |
| (b) Furniture and Fixtures | 1,90,61,504 | 40,14,874 | - | 2,30,76,377 | 1,41,09,286 | 23,23,056 | - | 1,64,32,342 | 66,44,035 | 49,52,218 |
| (c) Vehicles | 82,47,125 | - | 44,06,786 | 38,40,339 | 67,31,373 | 4,06,209 | 41,86,447 | 29,51,135 | 8,89,204 | 15,15,752 |
| (d) Computer & Printers | | | | | | | | | | |
| -For own use | 1,32,09,481 | 16,44,976 | 5,20,864 | 1,43,33,593 | 1,14,09,009 | 14,45,602 | 4,88,869 | 1,23,65,743 | 19,67,850 | 18,00,472 |
| -On Lease | 33,83,18,124 | 8,47,39,086 | 40,17,381 | 41,90,39,830 | 20,81,25,264 | 5,23,77,367 | 37,84,801 | 25,67,17,831 | 16,23,21,999 | 13,01,92,860 |
| (e) Land & Building | 2,36,55,000 | - | - | 2,36,55,000 | 1,61,921 | 10,86,762 | - | 12,48,683 | 2,24,06,317 | 2,34,93,079 |
| (f) Leasehold Land & Building | 15,25,360 | 19,37,301 | - | 34,62,661 | 12,58,811 | 4,16,595 | - | 16,75,406 | 17,87,256 | 2,66,549 |
| (g) Capital Work in Progress | 37,36,169 | 6,22,16,831 | - | 6,59,53,000 | - | - | - | - | 6,59,53,000 | 37,36,169 |
| **Sub Total (A)** | **41,80,01,487** | **15,52,64,950** | **90,58,505** | **56,42,07,932** | **24,76,98,484** | **5,91,32,396** | **85,24,533** | **29,83,06,348** | **26,59,01,584** | **17,03,03,003** |
| **Intangible Assets** | | | | | | | | | | |
| (a) Computer Software | 55,81,859 | 7,08,590 | 4,85,800 | 58,04,649 | 38,00,813 | 4,86,250 | 4,61,510 | 38,25,553 | 19,79,096 | 17,81,047 |
| (b) Capital Work in Progress | - | 34,58,003 | - | 34,58,003 | - | - | - | - | 34,58,003 | - |
| **Sub Total (B)** | **55,81,859** | **41,66,593** | **4,85,800** | **92,62,652** | **38,00,813** | **4,86,250** | **4,61,510** | **38,25,553** | **54,37,099** | **17,81,047** |
| **Total (A+B)** | **42,35,83,346** | **15,94,31,543** | **95,44,305** | **57,34,70,584** | **25,14,99,297** | **5,96,18,647** | **89,86,043** | **30,21,31,900** | **27,13,38,683** | **17,20,84,049** |
| **Previous year (See Note 12.1)** | **36,92,49,344** | **6,59,30,281** | **1,15,96,278** | **42,35,83,346** | **20,55,83,439** | **5,57,49,510** | **98,33,653** | **25,14,99,297** | **17,20,84,049** | **16,36,65,906** |

**Notes:**

**12.1** The difference between Previous year Net block in last year audited balance sheet & figures shown here in above chart is basically on account of elimination of two subsidiaries. Reconciliation of figures are as below:

| Particulars | Gross block | | | | Accumulated depreciation and impairment | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1 April, 2017 | Additions | Disposals | Balance as at 31 March, 2018 | Balance as at 1 April, 2017 | Depreciation / amortisation for the period | Eliminated on deductions of assets | Balance as at 31 March, 2018 | Balance as at 31 March, 2018 | Balance as at 31 March, 2017 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| MANGAL GLOBAL MARBLE PVT LTD | 2,42,63,917 | 3,19,64,947 | - | 5,62,28,864 | 2,39,753 | 5,24,430 | - | 7,64,183 | 5,54,64,681 | 2,40,24,164 |
| MANGAL BUILDHOME PVT LTD | 95,999 | 22,529 | - | 1,18,530 | 55,394 | 27,535 | - | 82,929 | 35,600 | 40,605 |
| **TOTAL OF SUBSIDIARY ELIMINETED** | **2,43,59,916** | **3,19,87,476** | **-** | **5,63,47,394** | **2,95,147** | **5,51,965** | **-** | **8,47,112** | **5,55,00,281** | **2,40,64,769** |
| **GROSS TOTAL OF PREVIOUS YEAR** | **39,36,09,260** | **9,79,17,757** | **1,15,96,278** | **47,99,30,740** | **20,58,78,586** | **5,63,01,477** | **98,33,653** | **25,23,46,409** | **22,75,84,331** | **18,77,30,675** |
| **NET SHOWN IN NOTE 12 AS PREVIOUS YEAR** | **36,92,49,344** | **6,59,30,281** | **1,15,96,278** | **42,35,83,346** | **20,55,83,439** | **5,57,49,512** | **98,33,653** | **25,14,99,297** | **17,20,84,049** | **16,36,65,906** |

**12.2** During the year ended March 31, 2019 the management based on technical assessment and past performance reassessed the remaining useful life of assets primarily consisting of computers with effect from April 1, 2014. Accordingly the useful lives of certain assets required a change from the previous estimates.

The existing and revised useful lives are as below:

| Category of Assets | Earlier Useful Life (Years) | Current Useful Life (Years) |
|---|---|---|
| Computer equipment and its parts | 5 years | 6 Years |

Had the Subsidiary company M/s Mangal Compusolution Pvt Ltd continued with the previously assessed useful lives, charge for depreciation for the year ended March 31, 2019 would have been higher by Rs. 2.55 crore for assets held at April 1, 2014. The revision of the useful lives will result in the following changes in the depreciaiton expense as compared to the original useful life of the assets.

| Particulars | Impact on 2014-15 | Impact on 2015-16 | Impact on 2016-17 | Impact on 2017-18 | Effect on 2018-19 |
|---|---|---|---|---|---|
| Increase / (Decrease in depreciation expense) | (22,14,830) | (39,18,552) | (39,00,342) | (15,74,414) | 1,16,08,138 |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 13 NON CURRENT INVESTMENTS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| a) Investment in Land | 1,41,04,245 | 1,41,04,245 |
| b) Investment in Equity Instruments of Other Companies | | |
| Quoted | 55,74,145 | 41,61,333 |
| Unquoted | 12,78,14,000 | 12,88,79,000 |
| c) Investment in Partnership Firm's Capital | - | 9,94,650 |
| **Total** | **14,74,92,390** | **14,81,39,229** |

## 14 LONG-TERM LOANS & ADVANCES

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Secured, Considered good** | | |
| - Non-current Maturity of Loans & Advances | 7,06,71,450 | - |
| Unsecured, considered good | | |
| Security Deposits | 55,94,560 | 2,13,30,491 |
| Capital Advance | - | 6,59,53,000 |
| **Other Loans and advances** | | |
| -Balances with Revenue Authorities* | 72,30,854 | 89,50,488 |
| -MAT Credit Entitlement | 55,56,274 | 72,96,196 |
| - Non-current Maturity of Loans & Advances | 48,64,812 | - |
| - Other Loans & Advances | 10,95,77,000 | 11,01,06,110 |
| **Total** | **20,34,94,950** | **21,36,36,285** |

*Balance with revenue authorities includes cash of the Company seized by the Income Tax Authorities on 01.10.2013 from the residence of director of the company.

## 15 OTHER NON CURRENT ASSETS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Rent Deposit | 97,81,763 | 1,16,35,505 |
| Share Capital Increase Expenses | - | 84,480 |
| Insurance Charges to be amortised | 2,65,625 | - |
| Arbitration Deposit | 70,00,000 | 70,00,000 |
| Deposit with Stock Exchange & Clearing Member | 2,18,33,000 | 1,21,29,000 |
| Other Deposit | 2,66,497 | 48,03,212 |
| **Total** | **3,91,46,885** | **3,56,52,197** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 16 INVENTORY

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Inventory | 2,90,000 | 18,03,44,226 |
| **Total** | **2,90,000** | **18,03,44,226** |

## 17 CURRENT INVESTMENTS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| a) Investment in Equity Instruments of Other Companies | | |
| Quoted | 1,79,49,216 | 1,63,06,168 |
| Unquoted | - | - |
| b) Fixed Deposit (lien with Govt Of India under GST) | - | 15,30,000 |
| **Total** | **1,79,49,216** | **1,78,36,168** |

## 18 TRADE RECEIVABLES

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Outstanding for a period exceeding six months from the date they were due for payment** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 5,80,02,830 | 4,49,84,839 |
| Doubtful | - | - |
| Less: Provision for doubtful trade receivable | - | - |
| **Other trade receivable/ Advance to Supplier** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 20,91,14,626 | 24,79,35,064 |
| Doubtful | - | - |
| Less: Provision for doubtful trade receivable | - | - |
| **Total** | **26,71,17,456** | **29,29,19,903** |

- The compnay has not recceived any Registeration Certificate from any vendor as to whether it is Registered under the Sec 22 of Micro, Small & Medium Enterprises Development Act, 2006.

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 19 CASH AND BANK BALANCES

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **A. Cash and Cash Equivalents** | | |
| (a) Cash in hand | | |
| in INR | 14,34,564 | 18,58,968 |
| in MYR | 45 | - |
| in SGD | 1,800 | - |
| in USD | 1,450 | - |
| (b) Balances with banks in current account | 3,55,93,231 | 1,70,24,527 |
| (c.) Cheques, drafts on hand | 1,23,271 | - |
| | **3,71,54,361** | **1,88,83,495** |
| **B. Other Bank Balances** | | |
| (a) Unpaid Dividend Account | 9,47,244 | 6,57,172 |
| | **9,47,244** | **6,57,172** |
| **C. Fixed Deposit with Bank** | | |
| FD with Bank against Guarantees | 3,17,50,000 | 18,69,44,532 |
| FD with Bank against OD | 10,00,00,000 | 9,69,50,000 |
| FD Pledged with Exchange | 26,35,50,000 | 68,37,090 |
| | **39,53,00,000** | **29,07,31,622** |
| **Total (A+B+C)** | **43,34,01,605** | **31,02,72,289** |

## 20 SHORT TERM LOANS AND ADVANCES

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| **Secured, considered good** | | |
| Current Maturity of Long Term Loans & Advances | 36,64,297 | - |
| Short Term Loans & Advances | 5,37,04,131 | 8,01,17,401 |
| **(a)** | **5,73,68,428** | **8,01,17,401** |
| **Unsecured, considered good** | | |
| Current Maturity of Long Term Loans & Advances | 3,47,00,057 | - |
| Loans and Advances to Subsidiaries | - | - |
| Other Short Term Loans & Advances | 43,76,26,912 | 62,83,72,568 |
| **(b)** | **47,23,26,969** | **62,83,72,568** |
| **Other Advances** | | |
| Balance with Revenue Authorities | 4,52,987 | 4,59,386 |
| SAD Refund Receivable | - | 17,15,243 |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Prepaid Expenses | 19,44,172 | 36,28,998 |
| Advance to Staff | 1,35,000 | 12,90,429 |
| Advance for Shares acquisition | - | 77,50,000 |
| Receivable from Stock Exchange | 15,06,899 | 23,97,153 |
| GST Receivable | 34,28,380 | 90,12,140 |
| GST Refund receivable | 39,66,483 | - |
| Income Tax Refundable | 1,23,27,369 | 1,42,95,001 |
| Advance Tax/TDS (Net of provision for taxation) | 66,60,586 | 27,24,544 |
| (c) | **3,04,21,876** | **4,32,72,894** |
| **Total (a+b+c)** | **56,01,17,273** | **75,17,62,863** |

## 21 OTHER CURRENT ASSETS

| Particulars | As at 31.03.2019 Rupees | As at 31.03.2018 Rupees |
|---|---|---|
| Trade Advance | 3,85,00,000 | 4,91,00,000 |
| **Unsecured, considered good** | | |
| Interest accrued and but not due on Loans & Advances | 2,38,500 | - |
| Interest due but not received on Loans & Advances | 1,61,51,818 | 1,60,11,837 |
| Interest accrued on Fixed Deposit Deposit | 36,11,897 | 32,31,541 |
| Others Receivables | 3,59,80,877 | 76,92,931 |
| Unamortized Expenses | - | 28,160 |
| Deposits | - | 1,23,150 |
| **Total** | **9,44,83,092** | **7,61,87,619** |

## 22. REVENUE FROM OPERATIONS

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| A. Interest Income | 7,21,62,368 | 7,80,53,179 |
| B. Sale of Product | 24,07,85,840 | 43,21,07,986 |
| C. Sale of Services | 62,01,41,712 | 56,99,73,516 |
| D. Other Operating Revenue | 5,89,54,343 | 2,20,13,257 |
| **Total** | **99,20,44,263** | **1,10,21,47,939** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 23. OTHER INCOME

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Commission/Brokerage Income | - | 1,84,586 |
| Dividend Income | 80,77,661 | 3,60,522 |
| Reimbursement of common expense | 9,18,669 | - |
| Delay Payment Charges | 68,639 | - |
| Discount Received | 237 | 2,47,348 |
| Profit/(Loss) on sale of Motor vehicles | 67,509 | - |
| Profit/(Loss) on sale of shares | 52,94,781 | 3,04,925 |
| Profit/(Loss) on share and Bond Trading | - | 1,56,36,343 |
| Profit on sale of Investment | - | 1,67,87,312 |
| Profit on sale of Fixed Assets | 11,64,960 | 52,074 |
| Misc. Income | 10,37,168 | 4,12,546 |
| Gain from Foreign Exchange Fluctuations | - | 1,25,426 |
| Interest on Loans & Advances | 1,53,69,240 | 22,85,656 |
| Interest on Deposits | 2,76,46,942 | 1,73,57,501 |
| Interest on FD & other parties | 1,60,530 | 50,07,939 |
| Interest on Income Tax Refund | 9,27,935 | 3,02,405 |
| Sundry Payable Written off | 6,97,158 | 23,11,471 |
| Profit/Loss of Associate | - | 65,429 |
| **Total** | **6,14,31,429** | **6,14,41,482** |

## 24. COST OF MATERIAL/SERVICES CONSUMED

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Cost of Material Consumed/Services Consumed | 36,41,00,440 | 30,44,64,117 |
| **Total** | **36,41,00,440** | **30,44,64,117** |

## 25. PURCHASE OF STOCK IN TRADE

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Purchase of Stock in Trade | 25,58,54,434 | 35,62,67,713 |
| **Total** | **25,58,54,434** | **35,62,67,713** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 26. CHANGES IN INVENTORIES

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| **Inventory at the end of year** | | |
| Stock-in-Trade | 17,46,67,392 | 18,34,26,581 |
| | **17,46,67,392** | **18,34,26,581** |
| **Inventory at the beginning of the year** | | |
| Stock-in-Trade | 18,03,44,226 | 26,59,97,868 |
| | **18,03,44,226** | **26,59,97,868** |
| **Total** | **56,76,834** | **8,25,71,288** |

* Difference in previous year's closing Inventory & opening year inventory is on account of elimination & addition of subsidiaries

## 27. EMPLOYEE BENEFITS EXPENSE

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Director's Remuneration | 1,17,34,934 | 1,18,89,080 |
| Directors Fees/Travelling | 1,70,000 | 39,000 |
| Salaries, Bonus and Allowances | 7,01,39,447 | 6,54,90,496 |
| Staff Welfare Expenses | 14,75,377 | 21,60,312 |
| Contribution to Provident & Other Funds | 10,65,175 | 25,02,220 |
| Gratuity | 2,44,456 | 7,89,803 |
| **Total** | **8,48,29,389** | **8,28,70,911** |

## 28. FINANCE COSTS

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Interest cost: | | |
| On Bank Loan | 5,78,74,557 | 4,78,46,172 |
| On Car Loan | - | 2,919 |
| On Unsecured Loan | 68,59,984 | 1,83,00,328 |
| Net Gain /Loss on foreign currency transactions | 36,75,447 | - |
| On Late Payment of Statutory Dues | 3,11,617 | 3,49,959 |
| Others | 95,99,968 | 49,69,028 |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

| | | |
|---|---|---|
| Other Borrowing Cost : | | |
| Bank Guarantee Fee | 95,74,585 | 41,84,799 |
| Bank Charges | 6,18,060 | 14,80,220 |
| FD pre Closure Charges | 16,161 | - |
| Loan Processing Charges | 13,15,596 | 17,43,623 |
| Term Loan Closure charges | 17,81,913 | - |
| **Total** | **9,16,27,888** | **7,88,77,048** |

## 29. DEPRECIATION & AMORTISATION EXPENSES

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Depreciation | 6,57,62,012 | 5,64,45,059 |
| Share capital increase expenses written off | - | 28,160 |
| **Total** | **6,57,62,012** | **5,64,73,219** |

## 30. OTHER EXPENSES

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Advertisement Expenses | 5,93,408 | 2,08,550 |
| Payment to Auditor | 8,22,736 | 8,14,032 |
| Internal Audit Fees | 1,80,000 | 1,80,000 |
| Discount Allowed | 37,047 | 6,27,876 |
| Loss on sale of Fixed Asset | 4,255 | 57,535 |
| Brokerage & Commission Expenses | 75,99,726 | 88,16,831 |
| Business Promotion Expenses | 29,04,097 | 35,39,339 |
| Donation | 14,630 | 33,152 |
| Electricity & Water Charges | 40,42,201 | 39,42,683 |
| Exchange Expenses | 33,05,717 | 38,22,830 |
| Freight Expenses | 17,10,346 | 2,14,838 |
| Insurance | 5,19,086 | 4,39,280 |
| Legal & Prof.Charges | 1,42,67,832 | 1,28,04,757 |
| Office Expenses | 16,00,225 | 19,93,034 |
| Overtime- Outstanding Working Pay | 94,590 | 88,200 |
| Motor Car Expenses | 14,97,261 | 9,28,808 |
| Repair & Maintenance | 59,15,022 | 48,52,504 |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Annual maintenance charges | 1,11,500 | - |
| Membership Fees | 5,04,856 | 3,52,778 |
| Miscellaneous Expenses | 21,33,151 | 17,41,653 |
| Listing Fees | 2,50,000 | 2,60,000 |
| CDSL Custody Fees | 2,53,041 | 1,56,663 |
| Postage, Courier & Telegrams | 7,14,857 | 9,66,550 |
| Printing & Stationery | 18,20,333 | 19,88,560 |
| Invoice Endorsement Exp | 9,50,800 | - |
| Property Tax | - | 51,894 |
| Rent, Rates and Taxes | 1,84,73,192 | 1,47,32,940 |
| Provision on Standard Assets | 66,277 | (2,89,076) |
| Provision on Sub Standard Assets | (2,82,500) | 3,42,500 |
| Provision on Doubtful Assets | 5,65,000 | - |
| Penalty | 2,120 | 3,02,916 |
| ROC Filling Fee | 72,820 | 89,370 |
| Bad Debts | 4,16,647 | 81,47,452 |
| Registration charges | 1,62,728 | - |
| Sundry balances write off | 9,35,076 | - |
| Short term capital loss | 16,45,358 | - |
| Service Tax Expense | 1,13,946 | 15,33,217 |
| Swachh Bharat Cess Written off | - | 60,866 |
| VAT Expenses | - | 2,27,888 |
| GST Expenses | 67,728 | 79,322 |
| Conveyance Expenses | 34,76,812 | 35,67,449 |
| Website Development | 1,39,258 | 66,430 |
| Telephone & Internet Charges | 31,49,270 | 38,17,992 |
| **Total** | **8,08,50,449** | **8,15,61,613** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 31. Earnings per Share

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| Number of equity shares outstanding at the beginning of the year | 1,93,13,986 | 1,61,12,038 |
| Number of equity shares issued | | |
| - bonus issue | - | - |
| - preferential allotment to the promoters/non promoters | - | - |
| - on account of equity shares to the promoters/non-promoters against share warrants | - | 32,01,948 |
| Number of equity shares outstanding at the end of the year | 1,93,13,986 | 1,93,13,986 |
| Weighted average number of shares | | |
| a) Basic | 1,93,13,986 | 1,79,54,255 |
| b) Effect of dilutive equity shares on account of: | | |
| - share warrants | - | - |
| c) Diluted | 1,93,13,986 | 1,79,54,255 |
| Profit/(Loss) after tax | 7,16,83,044 | 8,40,22,056 |
| Basic earnings/(loss) per share (Rs.) | 3.71 | 4.68 |
| Diluted earnings/(loss) per share (Rs.) | 3.71 | 4.68 |
| Nominal value per share (Rs.) | 10 | 10 |

## 32. CONTINGENT LIABILITIES & COMMITMENTS

| Particulars | For the Year ended 31.03.2019 Rupees | Previous Year ended 31.03.2018 Rupees |
|---|---|---|
| (i) Contingent Liabilities | | |
| (a) Claims against company not acknowledged as debt (Refer Note 32.1) | 71.88 Lacs | 195.89 Lacs |
| (b) Guarantees (Refer Noter 32.2) | 4466 Lacs | 14021 Lacs |
| (c) Other money for which the company is contingentally liable | - | - |
| (ii) Commitments | | |
| (a) Estimated Amounts of contracts remaining to be executed on capital account and not provided for | - | - |
| (b) Uncalled liability on shares and other investment partly paid up | - | - |
| (c) Other commitments | - | - |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

32.1 Claims against the Company not acknowledged as debts for the year ended March 31, 2019 included demand from the Indian income tax authorities for payment of tax Rs. 52.64 Lacs.

Demands included addition u/s 68 of the Income tax Act, 1961. The addition arose on account of contention of the ld. A.O. by way of treating unsecured loan from Praveen Kumar Jain Group as cash credit.

The matter is pending before Commissioner of Income Tax – Appeals-47, Mumbai. The company is contesting the demand and the Management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have any adverse effect on the Company's financial position and results of operations.

In the matter of Rahul Bajaj v/s Satco Capital Markets Limited of 2001, Appeal filed u/s 37 by Satco before division Bench is pending for hearing. By Interim Order dated 25th August 2016, Award u/s 34 of the Arbitration and order u/s 36 of High Court is stayed. Further Satco has deposited Rs. 7000000/- as per the said order. As per the manegement's interpretation of the said order the eventual maximum liability, if any of the company shall be limited to such deposit.

(In Lacs)

| Name of the Company | Amount as on 31.03.2019 | For the Period |
|---|---|---|
| Mangal Credit & Fincorp Ltd | 30.79 | A.Y. 2014-15 |
| | 9.97 | A.Y. 2013-14 |
| Satco Capital Markets Ltd. | 11.88 | A.Y. 2011-12 |
| | **52.64** | |

In the matter of Rahul Bajaj v/s Satco Capital markets Limited of 2001, Appeal filed u/s 37 by Satco before Division Bench is pending for hearing. By Interim order dated 25th August 2016, Award u/s 34 of the Arbitration and Order u/s 36 of High Court is stayed. Further Satco has deposited Rs 7000000/- (Refer Note No 14 (iii) as per the said order. As per the management's interpretation of the said order the eventual maximum liability, if any of the company shall be limited to such deposit.

While service tax audit of M/s Indtrans Container Lines Pvt Ltd a subsidiary following points were raised against which show cause notice had been issued but the matter is sub-judice.

| Demand Document No. | Amount (Rs.) | Related to F.Y. |
|---|---|---|
| SCN/AC/MW/DIV-VI/AUDIT-III/05/INDTRANS/2018-19 | 237124 | 2013-14 |
| | 506516 | 2014-15 |
| | 346829 | 2015-16 |
| | **1090469** | |
| SCN/AC/MW/DIV-VI/AUDIT-III/05/INDTRANS/2018-19 | 23132 | 2013-14 |
| | 303168 | 2014-15 |
| | 141134 | 2015-16 |
| | 757280 | 2016-17 |
| | 24607 | 2017-18 |
| | **1249321** | |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

**32.2 The company has given the following guarantees:**

i. Guarantee to The Bharat Co-Operative Bank (Mumbai) Ltd for Loan of Rs. 20.00 crore availed by M/s Mangal Buildhome Pvt. Ltd., subsidiary of the company.Current Outstanding balance is Rs. 7.91 Crore
ii. Guarantee to Fullerton India Credit India Pvt. Ltd. for Loan of Rs. 5 crore availed by M/s Mangal Compusolutions Pvt. Ltd., subsidiary of the company.Current Outstanding balance is Rs. 4.54 Crore
iii. Guarantee to Reliance Home Finance for Loan of Rs. 2.32 crore availed by M/s Mangal Compusolutions Pvt. Ltd., subsidiary of the company.Current Outstanding balance is Rs. 2.26 Crore
iv. Guarantee to State Bank of India for Loan of Rs 5.30 crore availed by M/s Mangal Global Marbles Pvt. Ltd.Current Outstanding balance is Rs. 3.90 Crore
v. Guarantee to HDFC for Loan of Rs. 63 crore availed by M/s Satco Capital Markets Ltd., subsidiary of the company. Current Outstanding balance is Rs. 12.87 Crore
vi. Guarantee to The Bharat Co-Operative Bank (Mumbai) Ltd for Loan of Rs 4 crore availed by M/s Mangal Compusolutions Pvt. Ltd. Subsidiary of the company.Current Outstanding balance is Rs. 3.61 Crore
vii. Satco Capital Market Limited had issued bank guarantee on behalf of Stock Exchange for Rs. 6.25 Crore.
viii. Mangal Compusolution Pvt Ltd had issued Co-guarantee against term loan taken by the company M/s Orient Autocare Pvt Ltd Rs. 2.20 crore.Current Outstanding balance is Rs. 1.66 Crore
ix. Mangal Compusolution Pvt Ltd had issued Co-guarantee against term loan taken by the company M/s Orient Laboratories Pvt Ltd Rs. 2.20 crore.Current Outstanding balance is Rs. 1.66 Crore

## 33 FOREIGN CURRENCY TRANSACTIONS

| | Particulars | For the Period ended 31.03.2019 | For the Period ended 31.03.2018 |
|---|---|---|---|
| i) | Value of Imported Components calculated on C.I.F. basis | Nil | Nil |
| ii) | Expenditure in Foreign Currency :- | | |
| | Freight Expenses | 479.62 Lacs | 516.12 Lacs |
| | Insurance Expenses | 3.24 Lacs | 3.26 Lacs |
| | Membership Fees | 0.18 Lacs | 0.34 Lacs |
| | Endorsement Expenses | 0.88 Lacs | 3.37 Lacs |
| iii) | Earning in Foreign Currency | 11.6 Lacs | 16.45 Lacs |
| iv) | Value of exports on F.O.B basis | Nil | Nil |
| v) | Remittance in foreign currencies on account of dividend to non-resident Share Holders | Nil | Nil |
| vi) | Capital Commitment Outstanding | Nil | Nil |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 34. During the year following subsidiarie are disposed off as follows.

**Mangal Global Marbles Pvt Ltd and Mangal Buildhome Pvt Ltd**

The effect of disposal of subsidiaries on the financial position and results as included in the consolidated financial statements as at and for the year ended 31st March, 2019 are given below:

In Lacs

| **EQUITY AND LIABILITIES** | **AMOUNT** |
|---|---|
| Share Capital | 222.50 |
| Reserve & Surplus | 395.02 |
| Long Term Borrowings | 1,575.50 |
| Short Term Borrowings | 553.09 |
| Trade Payables | 591.51 |
| Other Current Liabilities | 1,761.65 |
| Short Term Provisions | 5.55 |
| | **5,104.81** |
| **ASSETS** | |
| Property Plant and Equipment | 573.76 |
| Non Current Investments | 1.11 |
| Deferred Tax Asset - Net | 0.49 |
| Long term Loans and Advances | 2.18 |
| **Other Non Current Assets** | |
| Inventories | 1,743.77 |
| Trade Receivables | 785.27 |
| Cash & Cash Equivalents | 13.30 |
| Short Term Loans and Advances | 1,971.10 |
| Other Current Assets | 13.82 |
| | **5,104.81** |
| **REVENUE** | |
| Revenue from Operations | 3,767.17 |
| Other Income | 7.99 |
| **EXPENSES** | |
| Project Expenses | 761.84 |
| Purchases Cost | 2,525.64 |
| Changes in Inventory | 57.17 |
| Employee Benefits Expense | 91.27 |
| Finance Costs | 146.07 |
| Depreciation & Amortisation Expenses | 61.43 |
| Office & Administrative Expenditure | 77.67 |
| **PROFIT/(LOSS) BEFORE TAX** | **54.07** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 35 Employees Benefit

**SATCO CAPITAL MARKET PVT. LTD.**

Provident Fund, Gratuity and Long Term Compensated Absences - disclosures as per Accounting Standard (AS) 15 (Revised) - Employee Benefits as notified by the Companies (Accounting Standards) Rules, 2006: Contributions are made to Government Provident Fund and Family Pension Fund and other statutory funds which cover all regular employees eligible under the respective acts. Both the employees and the Company make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of Rs.10,13,451/- (Previous year Rs. 11,75,049/-) towards employer contribution for the above mentioned funds. Provision for Unfunded Gratuity and Long Term Compensated Absences for all employees is based upon actuarial valuation carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss account.

Disclosures in respect of Gratuity and Compensated Absences:

Changes in the present value of the Defined Gratuity Benefits Obligation representing reconciliation of opening and closing balance thereof:

| Particulars | Gratuity (Unfunded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31st March, 2019 | 31st March, 2018 | 31st March, 2019 | 31st March, 2018 |
| 1. Present Value of Defined Benefit Obligation as on 31-3-2017 | 29,96,250 | 22,87,336 | 3,14,055 | 2,88,985 |
| 2. Interest Cost @ (0.075) | 2,24,719 | 1,71,550 | 24,339 | 21,674 |
| 3. Current Service Cost | 2,44,457 | 2,65,082 | (24,225) | 868 |
| 4. Benefits Paid during the year ending 31-3-2018 | (1,89,836) | (72,692) | (2,92,637) | (54,403) |
| 5. Actuarial (Gain)/ loss on Defined Benefit Obligation | (2,24,720) | 3,44,974 | 2,45,173 | 56,931 |
| 6. Present Value of Defined Benefit Obligation as on 31-3-2018 | 30,50,870 | 29,96,250 | 2,66,705 | 3,14,055 |

**Amounts to be recognised in the Balance Sheet as on 31-3-2019**

| Particulars | Gratuity (Unfunded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31st March, 2019 | 31st March, 2018 | 31st March, 2019 | 31st March, 2018 |
| 1. Present Value of the Defined Benefit Obligation:31-3-2018 | 30,50,870 | 29,96,250 | 2,66,705 | 3,14,055 |
| 2. Fair Value of Plan Assets: 31-3-2018 | NIL | NIL | NIL | NIL |
| 3. Liability recognised in Balance Sheet : 31-3-2018 | 30,50,870 | 29,96,250 | 2,66,705 | 3,14,055 |
| Long-Term | 29,55,603 | 29,07,108 | 2,58,284 | 3,07,938 |
| Short-Term | 95,267 | 89,142 | 8,421 | 6,117 |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

**Amounts to be recognised in the statement of Profit & Loss for the year ended 31-3-2019**

| Particulars | Gratuity (Unfunded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31st March, 2019 | 31st March, 2018 | 31st March, 2019 | 31st March, 2018 |
| 1. Current Service Cost | 2,44,457 | 2,65,082 | (24,225) | 868 |
| 2. Interest Cost on Obligation | 2,24,719 | 1,71,550 | 24,339 | 21,674 |
| 3. Expected return on plan assets | NIL | NIL | NIL | NIL |
| 4. Net Actuarial (gain)/loss recognised in the year ended 31.3.2018 | (2,24,720) | 3,44,974 | 2,45,173 | 56,931 |
| 5. Expenses recognised in the statement of Profit & Loss | 2,44,456 | 7,81,606 | 2,45,287 | 79,473 |

The actuarial calculations used to estimate commitments and expenses in respect of unfunded Gratuity and Compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

| Particulars | 31st March, 2019 | 31st March, 2018 |
|---|---|---|
| a) Rate of Interest | 7.50% per annum | 7.50% per annum |
| b) Salary Growth | 7.5% per annum | 7% per annum |
| c) Withdrawal Rate | 1% | 1% |
| d) Mortality Rates | Indian Assures Lives (2006-08) Ultimate Mortality Rates | Indian Assures Lives (2006-08) Ultimate Mortality Rates |
| e) Retirement Age | 58 years | 58 years |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## 36 SEGMENT INFORMATION :

### A ) Information about Business Segments- Primary

Rs. In Lacs

| S. No. | Particulars | Finance | Construction | Marbles | Renting of Movable Assets | Broking | Logistics | Others | Total |
|---|---|---|---|---|---|---|---|---|---|
| 1. | **Segment Revenue** | | | | | | | | |
| | Gross Revenue (a) | 1,016 | 1,424 | 2,351 | 1,392 | 1,332 | 3,158 | - | 10,672.66 |
| | | **(982.73)** | **(1,070.13)** | **(3,812.54)** | **(1,494.46)** | **(1,374.81)** | **(2,500.26)** | **(629.60)** | **(11,864.52)** |
| | Inter Segment Revenue (b) (Elimination) | 134.77 | - | - | 3.13 | - | - | - | 137.90 |
| | | **(199.40)** | **-** | **-** | **(4.77)** | **-** | **(8.75)** | **(15.71)** | **(228.63)** |
| | **Total Revenue (a-b)** | **880.99** | **1,423.75** | **2,351.41** | **1,388.97** | **1,331.59** | **3,158.06** | **-** | **10,534.76** |
| 2. | **Segment Result :** | | | | | | | | |
| | Profit / ( Loss ) Before Taxation | 706.95 | 48.19 | 157.00 | 596.12 | 329.67 | 126.55 | (0.46) | 1,964.02 |
| | | **(623.02)** | **(90.02)** | **(65.28)** | **(653.58)** | **(410.06)** | **(117.88)** | **(33.97)** | **(1,993.81)** |
| | Less : | | | | | | | | |
| | 1) Interest / Finance Cost | 85.96 | 0.21 | 97.18 | 443.23 | 214.00 | 75.69 | 0.01 | 916.28 |
| | | **(183.03)** | **(19.49)** | **1.55** | **(357.91)** | **(104.35)** | **(69.38)** | **(56.16)** | **(788.77)** |
| | 2) Other unallocated corporate expenses | | | | | | | | |
| | Income Tax | 184.45 | 11.43 | 4.06 | 57.54 | 21.39 | 13.00 | 1.20 | 293.07 |
| | | **(167.62)** | **(13.68)** | **(6.46)** | **(32.54)** | **(28.69)** | **(14.31)** | **(0.43)** | **(263.73)** |
| | Profit from Ordinary Activity | 436.54 | 36.55 | 55.76 | 95.35 | 94.28 | 37.86 | (1.66) | 754.67 |
| 3. | **Other Information :** | | | | | | | | |
| | Segment Assets | 7,215.08 | - | - | 4,888.89 | 6,765.21 | 1,456.08 | 9.49 | 20,334.74 |
| | | **(6,288.72)** | **(4,200.30)** | **(1,962.65)** | **(4,200.30)** | **(5,100.73)** | **(1,203.44)** | **-** | **(22,956.15)** |
| | Add : Unallocated common assets | - | - | - | - | - | - | | - |
| | **Total Assets** | **7,215.08** | **-** | **-** | **4,888.89** | **6,765.21** | **1,456.08** | | **20,335** |
| | Segment Liabilities | 258.79 | - | - | 4,009.23 | 4,564.86 | 1,238.04 | 13.38 | 10,084.30 |
| | | **(948.36)** | **(3,518.96)** | **(1,327.50)** | **(3,406.96)** | **(2,670.37)** | **(987.44)** | **-** | **(12,859.60)** |
| | Add : Unallocated common liabilities | - | - | - | - | - | - | | - |
| | **Total Liabilities** | **258.79** | **-** | **-** | **4,009.23** | **4,564.86** | **1,238.04** | | **10,070.92** |
| | | **6,956.29** | **-** | **-** | **879.66** | **2,200.35** | **218.03** | **(3.89)** | **10,250.44** |
| 4. | **Capital Expenditure during the year :** | **-** | **-** | **-** | **-** | **649.18** | **-** | **-** | **649.18** |
| | | **-** | **-** | **(286.38)** | **-** | **(37.36)** | **-** | **-** | **(323.74)** |
| 5. | **Depreciation and amortisation :** | **16.66** | **1.03** | **60.41** | **538.59** | **39.55** | **1.39** | **-** | **657.62** |
| | | **(21.25)** | **(0.28)** | **(5.53)** | **(511.13)** | **(24.10)** | **(1.01)** | **-** | **(563.30)** |
| | Add : Unallocated Depreciation | | | | | | | | |
| 6. | **Non - Cash Expenditure :** | **-** | **-** | **-** | **-** | **-** | **-** | | **-** |

Note: Amount in brackets representation previous year figure.

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## Note 37 Name of Related Parties and Relationships

| S. No. | Related Parties | |
|---|---|---|
| A | **Comman Directors** | |
| | Ally Insurance Brokers Private Limited | Mirae Asset Trustee Company Private Limited |
| | Bansiwala Real Estates Private Limited | Shri Laxmi Metal Udyog Limited |
| | Dhakad ProprietiesPrivate Limited | Premium Financial Services Ltd |
| | E-Ally Commodities India Private Limited | Standard Infra-Developers Private Limited |
| | E-Ally Consulting India Private Limited | CNX Industries Private Limited |
| | E-Ally Equities India Private Limited | Mangal Finserv Private Limited |
| | Mangal Meta Forging Private Limited | South India Finvest Private Limited |
| | Shwet Developers Private Limited | United Overseas Facilities Management Private Limited |
| | CNX Corporation Ltd. | Gilada Finance and Investments Limited |
| | Woodland Constructions Private Limited | Asirvad Micro Finance Limited |
| | Ecotech Informatics Private Limited | Landscape Structures Private limited |
| | Anjana Buildestate Private Limited | Epitome Management Systems Private Limited |
| | Scarled Computech Private Limited | Addchem Private Limited |
| | I-Nexus Realtors Pvt Limited | Gurgaon Infratech Private Limited |
| | I-Nexus Consulting Private Limited | Mangal Royal Jewels Pvt Ltd |
| | Hexacon Tradecon Private Limited | Shree Mangal Abhushan Pvt Ltd |
| | Village Financial Services Limited | Shree Mangal Jewels Pvt Ltd |
| | Samasta Microfinance limited | Shree Radhey Mangal Gold Chain Pvt Ltd |
| | Unnati Microfin Private limited | Shree Ratna Mangal Jewels Pvt Ltd |
| | Hindustan Microfinance Private Ltd | Swarna Bhavya Mangal Jewels Pvt Ltd |
| | Five Star Business Finance Limited | Xangar Solutions Pvt Ltd |
| | Five Star Housing Finance Private Limited | Mangal Entertainment Pvt Ltd |
| | Apl Apollo Tubes Limited | Satguru |
| | Apollo Metalex Private Limited | |
| | Kinshuk Construction Pvt Ltd | |
| | Chakshu Realtors Pvt Ltd | |
| | Customer Centerial Technoligies LLP | |
| | Xangars Infratech Solutions Pvt Ltd | |
| C. | **Key Management Personnel** | |
| | Meghraj Sohanlal Jain | Rajendra M Babani |
| | Srichand Tekchand Gerela ( Appointed on 12-06-2018) | S T Gerela |
| | Nirupama Dattatraya Pendurkar ( Appointed on 12-06-2018) | Naresh Tejwani |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

| | | |
|---|---|---|
| | Subramanyam Ganesh( Appointed on 14-11-2018) | Pathik M Desai |
| | Abhishek Jain( Appointed on 06-07-2018) | Anaheeta R Balsara |
| | Ramanathan Annamalai( Appointed on 06-07-2018) | Madhavikutty Rajagopal Sudhir |
| | Naval KamalKishor Maniyar ( Appointed on 21-05-2018) | Sandeep Maloo |
| | Ratish Suresh Tawde( Resigned w.e.f 12-06-2018) | |
| | Swati Sharma( Resigned w.e.f 20-06-2018) | |
| | Gurumurthy Ramchandran(Resigned w.e.f. 14-08-2018) | |
| **D.** | **List of Relatives of Key Managerial Person** | |
| | Rayomand Balsara | M. G. Babani HUF |
| | Bhagwati M Jain | Vinti Rajendra Babani |
| | Pathik Computers | Yash Rajendra Babani |
| | Meghraj Jain HUF | Jaikrishna Naresh Tejwani |
| | Sohanlal Jain | Sneha Naresh Tejwani |
| | Sangeeta Babani | Rohan Naresh Tejwani |
| | Mohini Babani | Chaitali Rajiv Gerela |
| | Rajiv Srichand Gerela | Suneeta M Tejwani |
| | Prerana Srichand Gerela | Ajit Jain |
| | Kamini Srichand Gerela | Lab Chand Maloo |
| | Sivaramkrishnan Shankarnarayan Chelakara | Neeta Maloo |
| | | Harshvardhan Birani |

**Note: Transaction from related parties are attached in Annexure - A1 to notes**

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## Note 38 Lease:

The Company has significant leasing arrangements in respect of operating leases for premises and utilities. Operating lease rental charged to revenue amount to 1,57,76,446/-. ( Previous year 1,19,67,183/-)

## Note 39

The leverage ratio of the Non-Banking Finance Company is less than 7 as per norms prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND.

## Note 40

The company has complied with norms prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND.

## Note 41 Additional disclosures:

**Capital to Risk Assets Ratio (CRAR)**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| CRAR | 94.98% | 85.01% |
| CRAR - Tier I Capital | 94.98% | 85.01% |
| CRAR - Tier II Capital | 0.00 | 0.00 |

## Note 42 Loan portfolio classification and provision (As per RBI Prudential Norms)

(Rs. in Lacs)

| Particulars | Gross Loan Outstanding | | Provision For Assets | | Net Loan Outstanding | |
|---|---|---|---|---|---|---|
| | March, 2019 | March, 2018 | March, 2019 | March, 2018 | March, 2019 | March, 2018 |
| Standard Asset | 5353.80 | 5087.01 | 13.38 | 12.72 | 5340.42 | 5074.30 |
| Sub Standard Asset | 33 | 61.25 | 3.30 | 6.12 | 29.70 | 55.12 |
| Doubtful Asset | 28.25 | - | 5.65 | - | 22.6 | - |
| Loss Asset | | - | | - | | - |
| **Total** | **5415.05** | **5148.26** | **22.33** | **18.84** | **5392.72** | **5129.42** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

## Note 43 Schedule to the Balance Sheet of Non-Deposit Taking Non-Banking Financial Company

**as required in terms of paragraph 18 of chapter IV - Prudential Regulations of Master Directions – Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016**

(Rs. in Lacs)

| S. No. | Particulars | Amount Outstanding | Amount Overdue |
|---|---|---|---|
| **Liability side:** | | | |
| **(1)** | **Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:** | | |
| | (a) Debenture : Secured | - | - |
| | Unsecured | - | - |
| | (Other than falling within the meaning of public deposits*) | | |
| | (b) Deferred Credits | - | - |
| | (c) Term Loans | - | - |
| | (d) Inter-Corporate Loans and Borrowings | 43.50 | - |
| | (e) Commercial Paper | - | - |
| | (f) Public Deposits* | | |
| | (g) Other Loans; | - | - |
| | -Bank Overdraft | - | - |
| | - Loan from Directors | 155.17 | - |
| *Please see Note (a) Below | | | |
| **(2)** | **Break up of (1)(f) above (Outstanding Public Deposits inclusive of Interest accrued thereon but not paid):** | | |
| | (a) In the form of Unsecured Debenture | - | - |
| | (b) In the form of Partly Secured Debenture i.e. debenture where there is a shortfall in the value of securities. | - | - |
| | (c) Other Public Deposits | - | - |
| *Please see Note (a) Below | | | |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

(Rs. in Lacs)

| S. No. | Particulars | Amount Outstanding |
|---|---|---|
| **Assets Side :** | | |
| **(3)** | **Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :** | |
| | (a) Secured | 1280.40 |
| | (b) Unsecured | 4134.82 |
| **(4)** | **Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :** | |
| | (i) Lease assets including lease rentals under sundry debtors: | |
| | (a) Financing Lease | - |
| | (b) Operating Lease | - |
| | (ii) Stock on hire including hire charges under sundry debtors: | |
| | (a) Asset on hire | - |
| | (b) Repossessed Asset | - |
| | (iii) Other loans counting towards AFC activities | |
| | (a) Loans where asset have been repossessed | - |
| | (b) Loans other than (a) above | - |
| **(5)** | **Break-up of Investments :** | |
| | **Current Investments :** | |
| | 1. Quoted | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |
| | 2. Unquoted | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |
| | **Long Term Investments :** | |
| | 1. Quoted | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

| S. No. | Particulars | Amount Outstanding |
|---|---|---|
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |
| | 2. Unquoted | |
| | (i) Shares : (a) Equity | 2176.46 |
| | (b) Preference | 400.00 |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others – Investment in Land | 141.04 |

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above:**
Please see **Note (b)** below

(Rs. in Lacs)

| Category | | Amount Net of Provisions | | |
|---|---|---|---|---|
| | | Secured | Unsecured | TOTAL |
| 1. | Related Parties | | | |
| (a) | Subsidiaries | - | 228.80 | 228.80 |
| (b) | Companies in the same group | - | - | - |
| (c) | Other related parties | - | 682.27 | 682.27 |
| 2. | Other than related parties | 1280.39 | 3223.60 | 4503.99 |
| | **TOTAL** | **1280.39** | **4134.67** | **5415.06** |

**(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**
Please see **Note (c)** below

(Rs. in Lacs)

| Category | | Market Value Break up or fair value or NAV | Book Value (Net of Provisions) |
|---|---|---|---|
| 1. | Related Parties | | |
| (a) | Subsidiaries | 2152.23 | 1298.34 |
| (b) | Companies in the same group | - | - |
| (c) | Other related parties | - | - |
| 2. | Other than related parties | 1278,12 | 1278.12 |
| | **TOTAL** | **3430.35** | **2576.46** |

# Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2019

**8. Other Information:**

| | | Amount Outstanding |
|---|---|---|
| (i) | Gross Non-Performing Assets | |
| (a) | Related Parties | - |
| (b) | Other than related parties | 61.25 |
| (ii) | Net Non-Performing Assets | |
| (a) | Related Parties | - |
| (b) | Other than related parties | 52.30 |
| | Assets acquired in satisfaction of debt | - |

**Sub Notes:**

a. As defined in point xix of paragraph 3 of chapter II of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016.

b. Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016

c. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

## Note 44: Previous Year Figures

Previous year figures have also been regrouped, re-arranged and reclassified wherever necessary to confirm to the current year's classification.

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**Sd/-**
**SANDEEP JHANWAR**
PARTNER
M.NO. 078146
Place: Mumbai
Date : 29th May, 2019

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Ltd**

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **Supriya Agarwal** | **Meghraj Jain** | **Naval Maniyar** |
| Company Secretary | Managing Director | Director & CFO |
| M. No.: A35286 | DIN: 01311041 | DIN: 06657440 |

**Formatting Part of Notes on Accounts Annexure -"A-1"**

**Name of Related Parties and Their Transaction**

| Name of the Related Parties & Nature of Relationships | Nature of Transaction | 2018-19 | | 2017-18 | |
|---|---|---|---|---|---|
| | | Transaction Value | O/s Amount carried to Balance Sheet | Transaction Value | O/s Amount carried to Balance Sheet |
| **Companies / Others under Common Control** | | | | | |
| Mangal Royal Jewels Pvt Ltd | Loan Given | 50,00,000 | 50,00,000 | - | - |
| | Interest Received | 4,110 | 4,110 | - | - |
| Shree Mangal Abhushan Pvt Ltd | Loan Given | 50,00,000 | 50,00,000 | - | - |
| | Interest Income | 14,384 | 12,946 | - | - |
| Shree Mangal Jewels Pvt Ltd | Loan Given | 50,00,000 | 50,00,000 | - | - |
| | Interest Income | 19,520 | 17,568 | - | - |
| Shree Radhey Mangal Gold Chain Pvt Ltd | Loan Given | 50,00,000 | 50,00,000 | - | - |
| | Interest Income | 12,330 | 11,097 | - | - |
| Shree Ratna Mangal Jewels Pvt Ltd | Loan Given | 50,00,000 | 50,00,000 | - | - |
| | Interest Income | 12,330 | 11,097 | - | - |
| Swarna Bhavya Mangal Jewels Pvt Ltd | Loan Given | 50,00,000 | 50,00,000 | - | - |
| | Loan Repaid | 12,330 | 11,097 | - | - |
| Digital Edge Technology | Sharing of expense | 1,83,734 | - | 51,207 | - |
| | Website development | 30,000 | - | 14,60,000 | - |
| Mangal Entertainment Pvt Ltd | Sales | - | - | 15,340 | - |
| E - Ally Consulting India Private Limited | Sales | - | - | - | 3,650 |
| | Loan taken | - | - | 59,364 | - |
| | Loan repaid | - | - | 59,364 | - |
| | Consulting Expense | 3,00,000 | 3,48,000 | - | - |
| Satguru | Rent Payment | 24,00,000 | - | 22,50,000 | - |
| | Brokerage income | 9,156 | - | 60,606 | - |
| Chakshu Realtors Pvt Ltd | Rent Payment | 51,00,000 | - | 42,00,000 | - |
| Dhakad Properties & Financial Services Pvt Ltd | Brokerage income | 43,952 | - | 1,16,807 | - |
| Premium Financial Services Ltd | Brokerage income | 4,528 | - | 2,057 | - |
| **Key Management Person** | | | | | |
| Sandeep Maloo | Directors Remuneration | - | - | 13,50,000 | - |
| | Loan Taken | - | - | 25,29,08,159 | - |

| Name of the Related Parties & Nature of Relationships | Nature of Transaction | 2018-19 | | 2017-18 | |
|---|---|---|---|---|---|
| | | Transaction Value | O/s Amount carried to Balance Sheet | Transaction Value | O/s Amount carried to Balance Sheet |
| | Loan Repaid | - | - | 25,58,11,528 | 3,34,44,013 |
| | Interest Paid | - | - | 29,35,538 | 20,99,241 |
| | Sales | - | - | - | 58,800 |
| Meghraj Jain | Directors Remuneration | 3,60,000 | - | 7,20,000 | - |
| | Loan Taken | 52,96,17,269 | 6,79,67,230 | 42,24,37,302 | 3,13,82,341 |
| | Loan Repaid | 49,42,40,372 | - | 47,72,47,104 | - |
| | Interest Paid | 52,53,440 | - | 82,99,840 | - |
| | Shares Acquired | 50,010 | - | 50,000 | 50,000 |
| | Shares sold | 50,000 | - | 1,48,690 | 1,66,690 |
| | Sales | - | - | 7,320 | - |
| Naval Maniyar | Directors Remuneration | 10,33,000 | - | - | - |
| | Loan taken | 5,00,000 | - | - | - |
| | Loan Repaid | 5,00,000 | - | - | - |
| | Interest Paid | 495 | - | - | - |
| Pathik M Desai | Loan Taken | 13,000 | - | 42,670 | - |
| | Loan Repaid | 13,000 | - | 42,670 | - |
| | Director Remuneration | 12,49,000 | -58,003 | 5,94,000 | - |
| Anaheeta R Balsara | Directors Remuneration | 22,20,000 | - | 16,80,000 | - |
| S T Gerela | Director Remuneration | 16,25,000 | - | 14,90,000 | - |
| | Brokerage income | - | | 3,941 | - |
| Rajendra Babani | Director Remuneration | 19,50,000 | - | 18,00,000 | - |
| | Loan taken | 1,13,00,000 | 1,13,00,000 | 15,00,000 | - |
| | Loan repaid | - | - | 83,00,000 | - |
| | Brokerage income | - | - | 625 | - |

| Name of the Related Parties & Nature of Relationships | Nature of Transaction | 2018-19 | | 2017-18 | |
|---|---|---|---|---|---|
| | | Transaction Value | O/s Amount carried to Balance Sheet | Transaction Value | O/s Amount carried to Balance Sheet |
| Naresh Tejani | Director Remuneration | 19,50,000 | 4,433 | 18,00,000 | - |
| **Key Management Person's Relatives** | | | | | |
| Sohanlal V Jain | Sale of Shares | - | - | 31,04,610 | 31,04,610 |
| Bhagwati M Jain | Sale of Shares | - | - | 12,20,000 | 12,20,000 |
| Harshvardhan Birani | Sale of Shares | - | - | 19,50,000 | 19,50,000 |
| Labh Chand Maloo | Sale of Shares | - | - | 99,000 | 99,000 |
| Ajit Jain | Sale of Shares | 1,87,49,987 | - | - | - |
| Neeta Maloo | Sale of Shares | 68,06,000 | 68,06,000 | - | - |
| Raymond Balsara | | | | | - |
| | Professional Fees | 19,80,000 | - | 13,70,000 | - |
| Sangeeta Babani | Brokerage Paid | 5,744 | 3,860 | - | - |
| | Outsourcing Expense | 381 | - | - | - |
| Rajiv Srichand Gerela | Brokerage Paid | 1,668 | 56 | - | - |
| Prerana Srichand Gerela | Brokerage Paid | 3,077 | - | - | - |
| M. G. Babani HUF | Brokerage Paid | 2,250 | - | - | - |
| Vinti Rajendra Babani | Brokerage Paid | 3,071 | - | - | - |
| Yash Rajendra Babani | Brokerage Paid | 1,536 | - | - | - |
| | Outsourcing Expense | 8,472 | 8,472 | - | - |
| Sneha Naresh Tejwani | Brokerage Paid | 576 | - | - | - |
| Rohan Naresh Tejwani | Brokerage Paid | 803 | - | - | - |
| Suneeta M Tejwani | Brokerage Paid | 26 | - | - | - |
| Kamini Srichand Gerela | Brokerage Paid | 7,582 | - | - | - |
| Binny Pathik Desai | Salary paid | 10,00,000 | 8,443 | - | - |
| | Bonus paid | 1,50,000 | - | - | - |
| Mukesh Desai | Salary paid | 12,00,000 | 1,10,540 | - | - |
| | Bonus paid | 1,50,000 | - | - | - |
| | Loan given | 2,00,000 | 2,00,000 | - | - |
| Neeta Mukesh Desai | Salary paid | 10,00,000 | 50,865 | - | - |
| | Bonus paid | 1,50,000 | - | - | - |

# Notice

NOTICE is hereby given that the 57th Annual General Meeting of the Members of **Mangal Credit and Fincorp Limited** will be held on Monday, 30th September, 2019 at 11:00 a.m. at Utkarsh Mandal Hall Malviya Road, Vile Parle (East), Mumbai- 400057, to transact the following businesses:

**Ordinary Business:**

1. To receive, consider and adopt the Annual Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Statutory Auditors thereon;

2. To declare the final dividend on equity shares for the financial year ended 31stMarch, 2019;

3. To appoint a Director in place of Mr. Meghraj S. Jain (DIN:01311041),who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment;

4. To appoint a Director in place of Mr. Naval Maniyar (DIN: 06657440),who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment;

5. **To Re-appoint Statutory Auditors of the Company**

   To consider and, if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution**

   **"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. MGB & Co. LLP, Chartered Accountants, (FRN: 101169W/W-100035) be and are hereby re-appointed as the Statutory Auditors of the Company for a term of 4 years, to hold the office from the conclusion of this Annual General Meeting until the conclusion of the Sixty First Annual General Meeting at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

**Special business:**

6. **To appoint Mr. Subramanyam Ganesh (DIN: 01718431) as an Independent Director of the Company**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to provision of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per applicable Regulations and Schedules of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, Mr. Subramanyam Ganesh (DIN: 01718431) who was on the recommendation of Nomination and Remuneration Committee appointed as the Additional Independent Director by the Board of Directors in their Meeting held on 14th November, 2018 to hold office till the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under the provisions of section 160 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 14th November, 2018."

7. **To appoint Mr. Srichand Teckchand Gerela (Din: 01565534) as Non-Executive Director of the Company**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

   **"RESOLVED THAT** pursuant to provision of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, approval of the Members of the Company be and is

hereby granted to appoint Mr. Srichand Teckchand Gerela (DIN: 01565534), who has attained the age of Eighty One (81) years, as a Non-Executive Director of the Company w.e.f. 01st October, 2019 and that he shall be liable to retire by rotation."

8. **To Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, pursuant to Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to all such approvals as may be required, the consent, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall deem to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred hereunder) to sell or transfer or otherwise dispose of its entire investment and/or shareholding in its material subsidiary, Indtrans Container Lines Private Limited on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do and perform all such acts, deeds, matters and things as it may, in their absolute discretion, deem fit, necessary, proper or desirable, including finalizing, varying and settling the terms and conditions of such sale and to finalize, execute, deliver and perform the Agreement, contracts, deeds, undertakings, and other documents in respect thereof and seek the requisite approvals, consents and permissions as may be applicable."

9. **To Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, pursuant to Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to all such approvals as may be required, the consent, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall deem to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred hereunder) to sell or transfer or otherwise dispose of its entire investment and/or shareholding in its subsidiary, Satco Capital Markets Private Limited on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do and perform all such acts, deeds, matters and things as it may, in their absolute discretion, deem fit, necessary, proper or desirable, including finalizing, varying and settling the terms and conditions of such sale and to finalize, execute, deliver and perform the Agreement, contracts, deeds, undertakings, and other documents in respect thereof and seek the requisite approvals, consents and permissions as may be applicable."

10. **To Authorize Board of Directors to Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary and other investments held by the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to all such approvals as may be required, the consent, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall deem to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred hereunder) to sell or transfer or otherwise dispose of its partial/entire investment and/ or shareholding in its subsidiary and other investments including but not limited to land to such persons/entities, in such form and manner and upon such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company such that the aggregate amount of such sale/ transfer / disposal transactions shall not exceed Rs. 100 crore (Rupees One Hundred crore only), during a financial year;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**11. To ratify the resolution passed for Sale, Transfer or Disposal of the shares held by the Company in its Subsidiary Mangal Buildhome Private Limited**

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) the members of the Company hereby ratifies the sale/transfer/disposal of its entire investment and/or shareholding in its subsidiary, Mangal Buildhome Private Limited made by the Board of Directors on 27th March, 2019;

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matter and things as they may deem necessary and/or expedient to give effect to the above resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard."

**Place:** Mumbai
**Date:** 14th August, 2019

**By order of the Board of Directors**
**For Mangal Credit and Fincorp Limited**

**Sd/-**
**Meghraj Jain**
**Managing Director**
DIN: 01311041
**Address:** 401/402, SheelaNiwas, Ramabai Chemburkar Mg. Pranjapea Scheme, Vile-Parle (East), Mumbai 400057

**Registered Office:**
1701/02, A Wing, 17th Floor, Lotus Corporate Park,
Western Express Highway, Goregaon (E),
Mumbai-400063, Tel.: +91 22-42461300
E-mail:compliance@mangalfincorp.com

**NOTES:**

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.

2. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. The instrument appointing the proxy must be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.**

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

3. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.

4. Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s)duly filled in and copies of Annual Report. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

5. The Register of Members and Transfer Books of the Company will be closed from 24th September, 2019 to 30th September, 2019, both days inclusive.

6. Members seeking any information or clarifications on the Annual Report are requested to send in written, queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting;

7. All the relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.

8. Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India('ICSI'), information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished as anAnnexure to the Notice.

9. The Members who have not updated their e-mail addresses are requested to update the same with their respective Depository Participant(s) or communicate it to the Registrar and Share Transfer Agent, to enable the Company to send future communications in electronic mode. Members are requested to send a signed letter, communicating their Name, Folio No./DP ID Client ID and e-mail address either by e-mail (scanned copy) to rnt.helpdesk@linkintime.co.in or send a hard copy thereof to them.

10. As mandated by SEBI, Members are requested to submit their Permanent Account Number (PAN) and bank account details to their respective Depository Participant(s) with whom they are maintaining their demat accounts or to the Registrar and Share Transfer Agent of the Company.

11. The Annual Report of the Company for the financial year 2018-19 (**"Annual Report"**) and the AGM Notice, inter alia, indicating the process and manner of e-voting, along with the Attendance Slip and Proxy Form are being sent by electronic mode to all the Members whose email address(es) are registered with the Company / Depository Participants / Registrar and Transfer Agent - Link Intime India Private Limited (**"Link Intime"**) for communication purposes, unless a Member has requested a physical copy of the same. For Members who have not registered their email address(es) and / or have opted to receive a copy in physical form, physical copies of the Annual Report and the AGM Notice along with the Attendance Slip and Proxy Form are being sent through permitted mode.

12. Members may note that the copies of the Annual Report and the AGM Notice will not be distributed at the venue of the AGM. Members are requested to bring their copy of the Annual Report and the AGM Notice at the venue of the AGM.

13. A route map giving directions to reach the venue of AGM is given at the end of the AGM Notice.

14. As per the provisions of the Companies Act, 2013 read with the rules made thereunder facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company.

15. Members are requested to note that dividend which remains unpaid or unclaimed for 7 (seven) consecutive years from the date of transfer to the Company's Unpaid Dividend Account are liable to be transferred to the Investor Education & Protection Fund (**"IEPF"**) and all shares on which divended has not been paid or claimed for 7 (seven) consecutive years shall also be transferred to IEPF Authority, in terms of the provision of Section 124 of the Act read with Rules made thereunder. In view of this, Shareholders who have not claimed their dividend are requested to claim their dividend within the stipulated timeline by corresponding with the Registrar and Share Transfer Agent, Link Intime India Privited Limited or the Company Secretary, at the Company's Registered & Corporate Office.

16. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd at C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.

    Tel No: 022-49186000,
    Fax No.: 022-49186060,
    Email: rnt.helpdesk@linkintime.co.in

17. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form. Members can contact the Company or M/s. Link Intime India Pvt. Ltd for assistance in this regard.

18. **E- voting:**

    In compliance with section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modifications or re-enactment thereof for the time being in force) the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 57thAnnual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

**Process for E -Voting –**
**The procedure and instructions for e-voting are as follows:**

i. The voting period begins from 09:00 A.M. on Wednesday, 25th September, 2019 and ends on Sunday, 29th September, 2019 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 23rd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The shareholders should log on to the e-voting website www.evotingindia.com.

iii. Click on Shareholders / Members.

iv. Now Enter your User ID

    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the serial number (printed on the address label) in the PAN field.<br>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN of Mangal Credit and Fincorp Limited to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvii. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non–Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

xxi. Mr. Vijay Tiwari, Practicing Company Secretary (ICSI Membership No. ACS- 33084) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witness not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorized by him in writing; who shall countersign the same and declare the result off the voting forthwith.

xxii. The results declared alongwith the Scrutinizer's report shall be placed on the Company's website www.mangalfincorp.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be immediately forwarded to BSE Limited.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**Item No. 6**

Members are requested to note that the Board of Directors of the Company, on recommendation of the Nomination & Remuneration Committee ("NRC"), at their meeting held on 14th November, 2018 approved the appointment of Mr. Subramanyam Ganesh as Additional Independent Director on the Board of the Company and accordingly, in terms of the provisions of Section 161 of the Companies Act, 2013 ("Act"), holds office up to the date of the forthcoming Annual General Meeting of the Company.

The brief profile(s) of Mr. Subramanyam Ganesh are given in the annexure to the Notice.

Members are requested to note that the Company has received a declaration from Mr. Subramanyam Ganesh stating that he meet the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Act.

Members are further requested to note that the Company has received notice(s) in writing in terms of the provisions of Section 160 of the Act from Member proposing the candidature of Mr. Subramanyam Ganesh as Director on the Board of the Company.

Members are requested to note that it is proposed to appoint Mr. Subramanyam Ganesh as an Independent Director on the Board of the Company for a term of 5 years commencing from 14th November, 2018.

In the opinion of the Board, the proposed appointment of Mr. Subramanyam Ganesh as Independent Director fulfills the conditions specified in the Act and the LODR Regulations and is independent of the management.

The Board of Directors are of the opinion that the proposed Independent Director possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association with the Company as an Independent Director.

Members are requested to note that in terms of Section 150 and Schedule IV of the Act, the appointment of Independent Directors is subject to the approval by the Members of the Company.

Except Mr. Subramanyam Ganesh none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution(s).

The Board recommends the resolution(s) set out at Item No. 6 of the Notice to the Members for their consideration and approval, by way of an Ordinary Resolution.

**Item No. 7**

Mr. Srichand Teckchand Gerela (Din: 01565534), born on 6th February, 1938 is MA LL.B, CAIIB. He has worked in senior positions with Reserve Bank Of India (RBI), Securities And Exchange Board Of India (SEBI) and Stock Exchange, Mumbai (BSE) for over 4 decades and has experience in the areas of Banking, Finance, Risk Management and Supervision over the markets. He has also worked on several committees set up by Government, SEBI, CDSL and BSE, on capital market related areas. He has authored a book on "Working of the Stock Exchange, Mumbai", which is accessed by market participants and students as reference material. He is also a visiting faculty member to the various management and training institutes of repute and delivers lectures on capital market related subjects. He has joined Satco as a chief executive officer in April, 2004. He is working as a whole–time director of Satco since 19th July, 2007.

Pursuant to Regulation 17 (1A) of SEBI (Listing Obligations And Disclosure Requirements) amendment Regulations, 2018, *no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person."*

Mr. Gerela was appointed as Non-Executive Non- Independent Director of the Company w.e.f 12th June, 2018 by the Board. His appointment was approved by the Shareholders in the 56th Annual General Meeting held on 29th September, 2018 by way of Ordinary Resolution.

However, in order to comply with the above mentioned SEBI amended regulations 2018, Mr. Gerela resigned from the Board w.e.f. 1st April, 2019.

The Board of Directors are of the opinion that Mr. Gerela possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association with the Company as Director.

Members are requested to note that the Company has received a declaration from Mr. Srichand Teckchand Gerela stating that that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Act.

Members are further requested to note that the Company has received notice in writing in terms of the provisions of Section 160 of the Act from Member proposing the candidature of Mr. Srichand Teckchand Gerela as Director on the Board of the Company.

Details of Mr. Srichand Teckchand Gerela are provided in the "Annexure" to the Notice.

Except Mr. Srichand Teckchand Gerela, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

Since Mr. Gerela has attained the age of 81 years, the Board recommends the resolution set out at Item No. 7 of the Notice to the Members for their consideration and approval pursuant to Regulation 17(1A) of the SEBI (LODR) amendment Regulations, 2018, by way of Special Resolution.

**Item No. 8, 9, 10 & 11**

The Board has evaluated the performance and growth prospects of Investments made by the Company. The Board has found that the businesses in which investments made, are performing less than the expectations so as to fetch returns in future as desired. The opportunity loss on these investments are not compensatory in line with money invested in NBFC business. Hence the Board has decided to dilute all the investments lying with the Company and approved that the money should be used in NBFC business with the approval of Shareholders.

Accordingly, in order to increase the profitability and defensible growth in lending business, the Board has decided to increase its focus on the NBFC business by way of diluting the investments from subsidiaries and others investments to NBFC business. The total investment of the Company is 27.17 Crore out of which 50% was invested in the subsidiaries. The average return on investment in subsidiary is calculated to be 11%. While the interest income on AUM has contributed 82% to the net revenue, with an average return of 16%.

Indtrans Container Lines Private Limited and Satco Capital Markets limited have been an integral part of the group. The Company has decided to dispose off its investments in these subsidiaries keeping in mind the challenges proving to be a hurdle in the growth. Both these businesses are scalable but are unable to reach their potential because of several reasons like dependence on a few clients leading to client concentration risk, which also leads to reduction in the margins in spite of increase in the revenue.

Mangal Compusolution Private Limited is also long back investment of the Company. The Company has decided to dispose off its investment in this company as this business has proved its limitation of scalability as an essential element in growth. It is being observed that the Company is earning fine-looking ROE but unable to get multiplication in its valuation in matching with ROE due to limitation of scalability.

For Indtrans Container Lines Private Limited, the revenue has increased from 2456 lakhs in FY18 to 3158 lakhs in FY19. However, there has been a perceivable decrease in PAT from 41 lakhs in FY18 to 32 lakhs in FY19. This decrease is also because of the lack of control in the foreign subsidiary. In the case of Satco Capital Market Private Limited, the revenue has grown from 1252 lakhs in FY18 to 1265 lakhs in FY19, while the PAT has decreased from 175 lakhs in FY18 to 35 lakhs for FY19. Being the parent of these subsidiaries, the Company has a huge exposure in corporate guarantee, thereby directly exposing itself to the liabilities. The compliance burden and changing regulatory policies are some other challenges that are faced by these companies.

In view of the above, the Board has decided to increase the focus on core business and to do so it is hereby proposed the following:

- to dilute the investments made by the Company in Indtrans Container Lines Private Limited;
- to dilute the investments made by the Company in Satco Capital Market Private Limited;
- to ratify the already diluted investment in Mangal Buildhome Private Limited;
- dilution of its remaining subsidiaries and other investments held by the Company as and when required.

By doing this, the Company will be ensuring low exposure of the corporate guarantee as the parent company.

The Board recommends the resolution set out at Item No. 8, 9, 10 & 11 of the AGM Notice to the Members for their consideration and approval, by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8, 9, 10 & 11 of the AGM Notice, except to the extent of any transaction of sale that may be executed by the Company with any entity in which any of the Directors or Key Managerial Personnel of the Company or their relatives may be concerned or interested in any capacity.

**Details of Directors seeking appointment/re-appointment at the Annual General Meetingpursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) are as follows:**

| Name of Director | Mr. Meghraj Jain | Mr. Naval Maniyar |
|---|---|---|
| DIN | 01311041 | 06657440 |
| Date of Birth | 25th June, 1970 | 18th December, 1988 |
| Nationality | Indian | Indian |
| Date of First Appointment | 14th August, 2013 | 21st May, 2018 |
| Designation | Managing Director | Executive Director |
| Qualification | B.Com | Chartered Accountant |
| Experience | He has more than 2 decades of experience in handling money lending business and Gems &Jewellery business. | More than 7 years of professional experience in audit, finance & accounting functions. |
| No. of Board Meetings attended during the year 2018-19 | 7 | 6 |
| Terms and Condition of appointment and re-appointment | As per resolution passed by the Members at the 56th Annual General Meeting held on 29th September, 2018 read with explanatory statement thereto, Mr. Meghraj Jain was re-appointed as Managing Director of the Company, liable to retire by rotation, who retires by rotation at this AGM and, being eligible, offers himself for reappointment. | As per resolution passed by the Members at the 56th Annual General Meeting held on 29th September, 2018 read with explanatory statement thereto, Mr. Naval Maniyar was appointed as Executive Director of the Company, liable to retire by rotation, who retires by rotation at this AGM and, being eligible, offers himself for reappointment. |
| Directorships held in other Companies | 1. Mangal Mines And Minerals Private Limited<br>2. Woodland Constructions Private Limited<br>3. Mangal Buildhome Private Limited<br>4. Shwet Developers Private Limited<br>5. Chakshu Realtors Private Limited<br>6.Indtrans Container Lines Private Limited<br>7. Dhakad Properties Private Limited<br>8.Mangal Compusolution Private Limited<br>9. Satco Capital Markets Limited | 1. Indtrans Container Lines Private Limited<br>2. Mangal Finserve Private Limited |
| Membership/ Chairmanship of Committees of other Board | None | None |
| Disclosure of relationships between directors inter-se | Not related | Not related |
| No. of Equity shares held in the Company | 37,98,897 | Nil |

| Name of Director | Mr. Subramanyam Ganesh | Mr. Srichand Teckchand Gerela |
|---|---|---|
| DIN | 01718431 | 01565534 |
| Date of Birth | 23rd March, 1959 | 06th February,1938 |
| Nationality | Indian | Indian |
| Date of First Appointment | 14th November, 2018 | 12th June, 2018 and resigned w.e.f. 01st April, 2019 |
| Designation | Independent Director | Non-Executive Director |
| Qualification | Chartered Accountant | MA LL.B, CAIIB |
| Experience | Subramanyam Ganesh is a Chartered Accountant and runs his own practice since 1991. He has over 25 years of rich experience in Loan Syndication & arranging of funds from Financial Institutions for Corporate borrowers, private placement of Equities & Debt with FI's & Fund Houses. He is heading auditing and consulting firm S. Ganesh & Associates having operations in Mumbai. He brings with him the expert knowledge of Credit underwriting, Fund Raising and Product Structuring. | He has worked in senior positions with Reserve Bank Of India (RBI), Securities And Exchange Board Of India (SEBI) and Stock Exchange, Mumbai (BSE) for over 4 decades and has experience in the areas of Banking, Finance, Risk Management and Supervision over the markets. He has also worked on several committees set up by Government, SEBI, CDSL and BSE, on capital market related areas. He has authored a book on "Working of the Stock Exchange, Mumbai". He is a visiting faculty member to various management and training institutes of repute. He has joined Satco as a chief executive officer in April, 2004. He is working as a whole–time director of Satco since 19th July, 2007. |
| No. of Board Meetings attended during the year 2018-19 | 2 | 4 |
| Terms and Condition of appointment and re-appointment | As per resolution at Item No. 6 of the AGM Notice read with explanatory statement thereto, Mr. Subramanyam Ganesh is proposed to be regularised as Non- Executive Independent Director of the Company for a term of 5 (five) consecutive years with effect from 14th November, 2018. | As per resolution at Item No. 7 of the AGM Notice read with explanatory statement thereto, Mr. Srichand Teckchand Gerela is proposed to be appointed as Non- Executive Director of the Company pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 |
| Directorships held in other Companies | 1. Epitome Management Systems Private Limited<br>2. Addchem Private Limited | 1. Satco Capital Markets Limited<br>2. APL Apollo Tubes Limited<br>3. Apollo Metalex Private Limited<br>4. Mirae Asset Trustee Company Private limited<br>5. Satco Wealth Managers Private Limited<br>6. Shri Lakshmi Metal Udyog Limited |

| | | |
|---|---|---|
| **Membership/ Chairmanship of Committees of other Board** | None | **APL Apollo Tubes Limited**<br>Stakeholders Relationship Committee – Member<br>Nomination & Remuneration Committee – Chairman<br>**Mirae Asset Trustee Company Private limited**<br>Audit Committee - Member |
| **Disclosure of relationships between directors inter-se** | Not related | Not related |
| **No. of Equity shares held in the Company** | Nil | Nil |

**Place:** Mumbai
**Date:** 14th August, 2019

**By order of the Board of Directors**
**For Mangal Credit and Fincorp Limited**

**Registered Office:**
1701/02, A Wing, 17th Floor, Lotus Corporate Park,
Western Express Highway, Goregaon (E),
Mumbai-400063, Tel.: +91 22-42461300
E-mail:compliance@mangalfincorp.com

**Sd/-**
**Meghraj Jain**
**Managing Director**
DIN: 01311041
**Address:** 401/402, SheelaNiwas, Ramabai
Chemburkar Mg. Pranjapea Scheme,
Vile-Parle (East), Mumbai 400057

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**MANGAL CREDIT AND FINCORP LIMTED**
(FORMERLY KNOWN AS "TAK MACHINERY AND LEASING LIMITED")
**CIN:** L65990MH1961PLC012227
**REGISTERED & CORPORATE OFFICE**
Office No- 1701/1702, 17th Floor, 'A' Wing, Lotus Corporate Park, Graham Firth Steel Compound,
Western Express Highway, Goregaon (East), Mumbai-400063

**Attendance Slip**

| | |
|---|---|
| 1. Name(s) & Registered Address Of the sole / first named Member : | |
| 2. i) Registered Folio No.: | |
| ii)DP ID No & Client ID No. [Applicable to Members Holding shares in dematerialized Form] | |
| 3. Number of Shares(s) held: | |

I certity that I am a member / proxy for the member of the Company.

I hereby record my presence at the 57th Annual General Meeting of the Company to be held on Monday, 30th September, 2019 at 11:00 a.m at Utkarsh Mandal Hall Malviya Road, Vile Parle (East), Mumbai- 400057

_____
Member's / Proxy's signature

----------Cut Here----------

**ELECTRONIC VOTING PARTICULARS**

| EVSN (Electronic Voting Sequence Number) | User ID PAN / Sequence No. | User ID PAN / Sequence No. |
|---|---|---|
| 190820045 | | |

**Note :** Please read the complete instructions given under the Note 18 (The instructions for shareholders voting electronically) to the Notice of 57th Annual General Meeting. The remote e-voting time starts on September 25, 2019 at 9:00 a.m. and ends in September 29, 2019 at 05:00 p.m. The voting module shall be disabled by CDSL for voting thereafter.

# Route Map

**Utkarsh Mandal Hall, Malaviya Road, Utkarsha Mandal Chowk, Vile Parle East, Vile Parle, Mumbai, Maharashtra 400057**

**MANGAL CREDIT AND FINCORP LIMTED**
(FORMERLY KNOWN AS "TAK MACHINERY AND LEASING LIMITED")
**CIN:** L65990MH1961PLC012227
**REGISTERED & CORPORATE OFFICE**
Office No- 1701/1702, 17th Floor, 'A' Wing, Lotus Corporate Park, Graham Firth Steel Compound,
Western Express Highway, Goregaon (East), Mumbai-400063

**PROXY FORM**
**(Form No. MGT – 11)**
[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | | |
|---|---|---|
| CIN | : | L65990MH1961PLC012227 |
| NAME OF THE COMPANY | : | MANGAL CREDIT AND FINCORP LIMITED |
| REGISTERED OFFICE | : | 1701/1702, 17th Floor, 'A' Wing, Lotus Corporate Park, Graham Firth Steel Compound, Western Express Highway, Goregaon (East), Mumbai-400063 |
| CORPORATE OFFICE | : | 1701/1702, 17th Floor, 'A' Wing, Lotus Corporate Park, Graham Firth Steel Compound, Western Express Highway, Goregaon (East), Mumbai-400063 |
| Name of the member(s) | : | |
| Registered Address | : | |
| Folio No. / Client ID | : | |
| DP ID | : | |
| Email ID | : | |

I/We, being the member(s) of _____Shares of the above named Company, hereby appoint:

1. Name _____
   Address _____
   E-mail ID _____ Signature _____or failing him/her

2. Name _____
   Address _____
   E-mail ID _____ Signature _____or failing him/her

3. Name _____
   Address _____
   E-mail ID _____ Signature _____or failing him/her

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 57th Annual General Meeting of the Company to be held on Monday, 30th September, 2019 at 11:00 a.m at Utkarsh Mandal Hall Malviya Road, Vile Parle (East), Mumbai- 400057

| SR NO | ITEM NO. | I ASSENT TO THE RESOLUTION | I DISSENT FROM THE RESOLUTION |
|---|---|---|---|
| 1. | To receive, consider and adopt the Annual Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Statutory Auditors thereon | | |
| 2. | To declare the final dividend on equity shares for the financial year ended 31stMarch, 2019; | | |
| 3. | To appoint a Director in place of Mr. Meghraj S. Jain (DIN:01311041),who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment | | |
| 4. | To appoint a Director in place of Mr. Naval Maniyar (DIN: 06657440),who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment | | |
| 5. | To Re-appoint Statutory Auditors of the Company | | |
| 6. | To appoint Mr. Subramanyam Ganesh (DIN: 01718431) as an Independent Director of the Company | | |
| 7. | To appoint Mr. Srichand Teckchand Gerela (Din: 01565534) as Non-Executive Director of the Company | | |
| 8. | To Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary | | |
| 9. | To Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary | | |
| 10. | To Authorize Board of Directors to Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary and other investments held by the Company | | |
| 11. | To ratify the resolution passed for Sale, Transfer or Disposal of the shares held by the Company in its Subsidiary Mangal Buildhome Private Limited | | |

Place:

Affix One Rupee
Revenue Stamp

Signed on this _____ day of _____ 2019

(SIGNATURE OF SHAREHOLDER)

Signature of Proxy holder(s) _____

**Notes:**

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2) A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.

MANGAL
CREDIT & FINCORP LIMITED

**Address:**
A-1701-1702, Lotus Corporate Park,
Ram Mandir Road,
Off Western Highway,
Goregaon (East), Mumbai - 400 063,
Phone: +91 22 4246 1300,
Fax: +91 22 4246 1310,
E-mail: info@mangalfincorp.com

Content, Concept & Design at S-ANCIAL (info@s-ancial.com)