

PERSONAL LOAN



GOLD LOAN



SME LOAN



**Transforming  
dreams into  
reality.**

**Unlocking  
opportunities.**

**Mangal Credit & Fincorp Limited is a listed non-banking financial services company offering gold loans, personal loans and SME loan. The Company has a strong presence in the state of Maharashtra and has more than ₹83 crore of assets under management.**

**Financial year 2020-21  
at a glance**

**Revenue**

**₹1,141 lakhs**

**EBITDA**

**₹899 lakhs**

**Net profit**

**₹571 lakhs**

**Disbursement**

**₹4,130 lakhs**

**Net interest margin**

**15.68%**

**Return on assets**

**7.83%**



To read this report online or to download, please visit  
[www.mangalfincorp.com](http://www.mangalfincorp.com)

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### **Forward-looking statement**

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

**In the past eight years of its journey, Mangal Credit & Fincorp Ltd. has dedicated itself in creating a distinctive identity through the creation of products and services that addresses the evolving financing requirements with speed, quality and transparency for its ever-growing network of customers who otherwise do not have access to mainstream commercial banks.**

In the process the Company has created a robust process, invested in technology and created a robust foundation that will help the company accelerate its journey towards its next phase of growth.

In a year when the business landscape became extremely volatile, it tested the resilience of our business model and helped us to achieve all-round performance without stretching the balance sheet.

As we prepare to leap to the next stage of our growth, we are positioned attractively to transform the dreams of our numerous customers into reality and unlock significant value for our stakeholders in the process.



**We are poised to grow for an exciting journey ahead.**

# Knowing Mangal Credit & Fincorp Limited

## Building a strong legacy

Starting its journey in 2012, Mangal Credit and Fincorp Limited (MCFL) is emerging as a trusted non-banking financial company based out of Mumbai, Maharashtra. In less than a decade of its presence, MCFL has emerged as a trusted partner of prosperity among its growing customer base.

Strengthening its footprint in Maharashtra with 1 branch & 5 channel partners, the Company is now ready to mark its presence in multiple cities in India across different states. We are building a robust foundation underpinned by solid core processes, innovative product suite and accelerated investments in digitisation to provide our customers with unmatched experiences.



## Our Mission

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



## Our Vision

We Build relationship for better tomorrow

- 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 Core 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 and get the best out of our resources to fulfill all the requirements of our customers. All our strategies and decisions revolve around its primary principle followed by our entire organization.

### Customer Focus

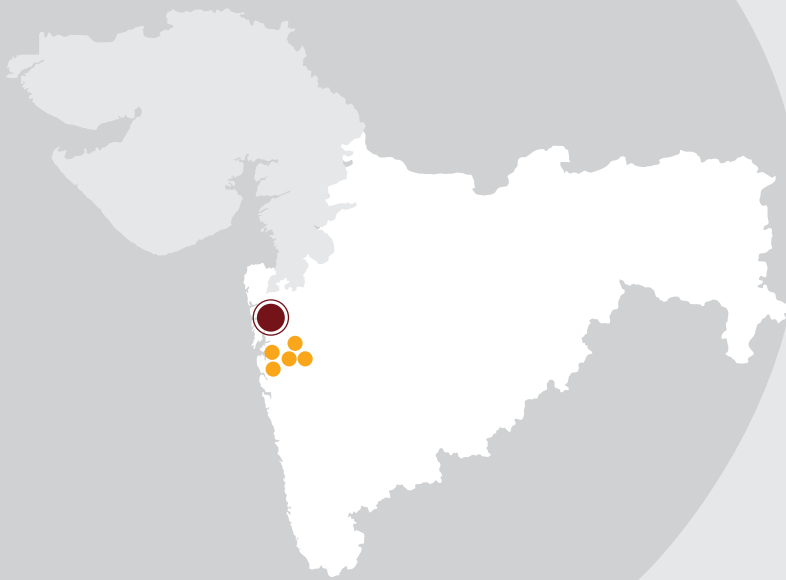
Our main aim is to put the needs of the customer first before anything else. We strive to provide them with the best quality of services and we

are always 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.

## Our Presence



 **Branches in Mumbai**  
Vile Parle

 **Channel Partners  
tie-up in Mumbai**

Lower Parel - 1  
Dombivali - 1  
Santacruz - 1  
Ghansoli - 1  
Andheri - 1

## Our business in numbers

Asset under management

₹**83.73** Crores

Customer base

**546**

NNPA (%)

**1.12**

Branch offices

**1**

Net worth

₹**99.78** Crores

Capital adequacy ratio

**86.43%**

**WHAT WE HAVE ON OFFER**

# Meeting diverse requirements

**We have created a suite of products differentiated by our effective credit appraisal policies, enhanced level of transparency and a faster turnaround time. Our offerings include gold loans, personal loans and SME loans.**



## Gold loans

The Company's gold loan provides its customers access to access funds in lieu of gold jewellery. Our efficient process facilitates loans faster over the counter with minimal documentation and transparent charges. To add to that, our competitive interest rates help ease the burden of the borrowers. The Company ensures safety of the customers' gold.

### Features

- Instant fund up to ₹50 lakhs against the gold jewellery
- Digital renewal providing convenience
- Highest level of safety of the deposited jewellery
- Easy repayment with no penalty
- Schemes are customized as per client requirements
- Faster disbursements
- No minimum tenure



## Personal loans

The Company's offers personal loan for a minimum of ₹50,000 to a maximum of ₹5,00,000 with minimal documentation and speedy approval from the experts.

### Features

- No collateral
- Minimal documentation
- Flexible tenure
- Faster disbursal
- Attractive Rol



## SME loans

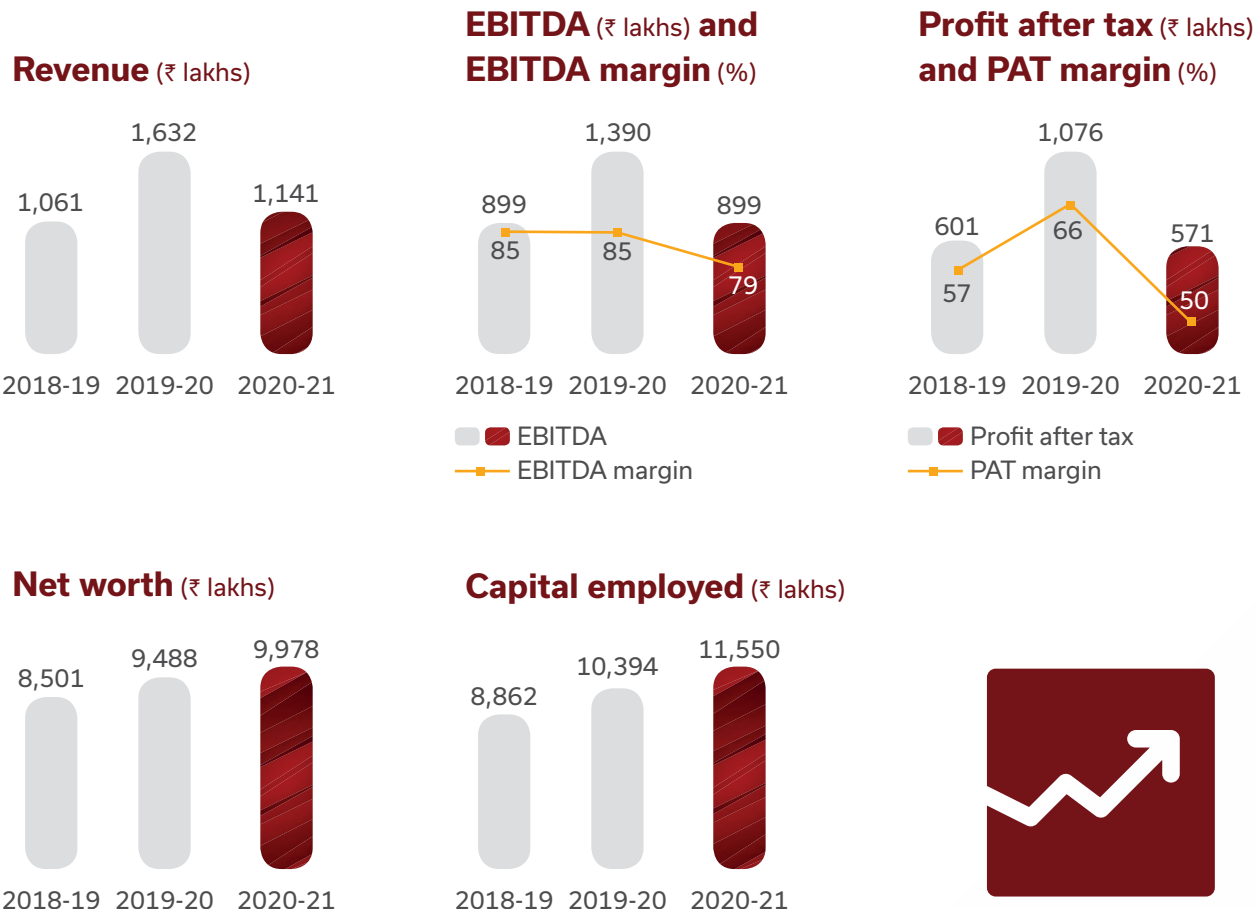
The Company provides business loan up to ₹20 lakhs for the SME segment. The Company offers simple application process with a few documents and your funds are available for use in very short time. The funds can be utilised for investments in infrastructure, expansion of operations, upgrade to the latest plant and machinery, maintain inventory, or to increase working capital. The Company provides flexible repayment options.

### Features

- Affordable rates
- Hassle-free unsecured loans
- Affordable interest rates
- Quick sanction

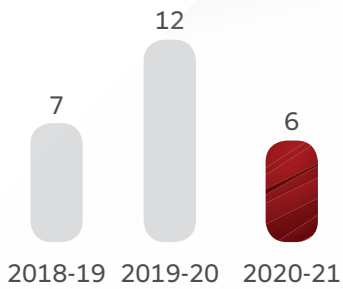
# Steadfast growth

Despite the pandemic wreaking havoc on the economy and the lockdown disrupting businesses during the first half of the year, we were able to report strong performance aided by our robust business model.

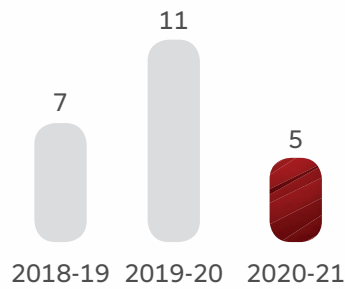




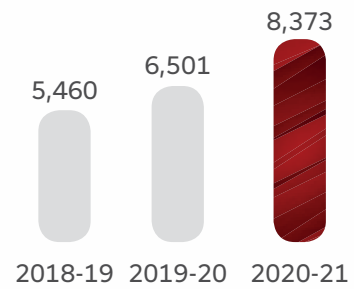
**RoE (%)**



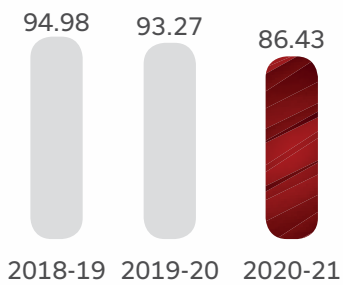
**RoCE (%)**



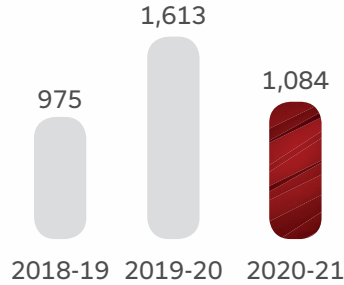
**Asset under management (₹ lakhs)**



**Capital adequacy ratio (%)**



**Net interest margin (₹ lakhs)**



# Management communiqué

**"As we embark on our growth journey, it is imperative for us to focus on strengthening our visibility and create a business model which helps us poise for a stronger growth momentum."**



**DESPITE THIS CHALLENGING BUSINESS AND SOCIAL ENVIRONMENT, WE MAINTAINED RESILIENCE AND REPORTED A REVENUE OF ₹1,141 LAKHS AGAINST ₹1,632 LAKHS REPORTED IN 2019-20.**

## Dear shareholders,

It will not be an exaggeration to say that the financial year 2020-21 was the most challenging one in our lifetime, owing to the widespread disruption caused by the pandemic in human lives across the globe. Numerous lives were lost; uncertainties were created over livelihood followed by the economic growth going downhill. However, the resilience demonstrated by the human race was unparalleled. I extend my gratitude to the frontline workers tirelessly working towards saving our lives from this catastrophe.

Despite this challenging business and social environment, we maintained resilience and reported a revenue of ₹1,141 lakhs against ₹1,632 lakhs reported in 2019-20. Our reported EBITDA stood at ₹899 lakhs against ₹1,390 lakhs in 2019-20 while net profit for the year stood at ₹571 lakhs during FY2020-21. Our stringent asset monitoring initiatives helped us restrict net NPA to 1.12% against 2.99% reported in 2019-20. We continued to maintain a strong balance sheet with debt-equity at 0.13x with a cash balance of ₹40 lakhs.

The NBFC sector is one the most important tools for driving financial inclusion in the country. The sector in India has traversed highs and lows to reach where it is today. The scale of operations and diversity in financial intermediation reflects their ability to evolve with the dynamic business environment and the requirements of a growing economy. NBFCs complement banks in the credit intermediation process by offering diversified, customized financial products through innovative service delivery machineries. The sector plays an important role in facilitating financial inclusion by providing credit to unbanked sections of the population.



**AS WE EMBARK ON OUR GROWTH JOURNEY, IT IS IMPERATIVE FOR US TO FOCUS ON STRENGTHENING OUR VISIBILITY AND CREATE A BUSINESS MODEL WHICH HELPS US POISE FOR A STRONGER GROWTH MOMENTUM.**

The pandemic has caused great loss to the economy. The role of NBFC has become even more relevant in these challenging times as it continues to drive financial inclusion across the country. It played important role in providing timely loans to the business community to stay afloat during this turbulence. I am elated to state that our team shown exemplary character in these adversities and continued business to meet the financial needs of our growing base of customers

After a business washout during the first quarter of the year, the government and the country's apex bank came out with slew of measures to revive the economy, especially the MSME sector. This included various schemes within the *Atmanirbhar Bharat* scheme including the ₹20 lakhs Crore comprehensive package, known as the Emergency Credit Line Guarantee Scheme (ECLGS), aiding the sector for working capital needs, operational liabilities and restarting business impacted by the pandemic.

The current challenging times have brought a great uptrend in the growth of our Gold/Diamond Loan business and we have further moved a step ahead in our expansion plan by setting up yet another retail branch in order to gain more market share, while strengthening our business loan segment.

### **Defining our strategic priorities**

As we have achieved the desired scale in our existing market, it paves the way for us to strengthen our presence in newer geographies and strengthen our customer base. We are following an asset right strategy where we plan to appoint low-cost channel partners on profit sharing basis to accelerate our scale of presence and grow the business. Besides, our focus on growing our gold loan business de-risk's us from the portfolio risk point of view wing to the nature of the collateral.

We understand that technology and digitization will be key differentiating factor for a sustained growth momentum. We are investing heavily in building a robust

technology infrastructure to strengthen our processes on one hand while strengthening our customer experience on the other to create a long-term relationship.

Since beginning we have largely relied on our net worth to drive our business. As we increase our growth appetite, we are drawing up plans for raising capital through both debt as well as equity routes. We have already drawn-out requirement for a long-term bank facility during the year aid our growth aspirations. Our comfortable capital and liquidity positions place us favorably for raising funds.

### **Creating all-round visibility**

As we embark on our growth journey, it is imperative for us to focus on strengthening our visibility and create a business model which helps us poise for a stronger growth momentum. Our multi-pronged marketing initiatives include promoting our brand through partner companies engaged in bullion trading, direct communication with customers, digital marketing, search engine optimization and traditional media advertisements.

### **Concluding thoughts**

I am thankful to all our team members and channel partners for effectively counter the pandemic which led to business continuity. The successful roll out of vaccination across the country raised the hope for resumption of business to the pre-COVID level. However, the spread of the second wave dampened the recovery process owing to the localized restrictions announced in a bid to control the spread. However, the impact is gradually waning and the economy is coming back on track. We expect the credit growth to continue momentum which in turn is expected to drive business growth.

I am thankful to our investors for your continued trust. The journey for an exciting growth future has already started at MCFL.

### **Meghraj Jain**

Chairman and Managing Director

## PERFORMANCE REVIEW

# Strong performance despite challenges

The pandemic could not deter MCFL's zeal to perform and despite the headwinds, it put up a credible performance to further strengthen our fundamentals.



### Credit rating

Infomeric assigned IVR BBB-/Stable for the Company's proposed long-term bank facilities. The rating validates the substantial its operations and diversifying its loan portfolio geographically, while maintaining the asset quality indicators, adequate capital position and profitability.



### Cost Optimisation

The Company undertook several initiatives towards cost optimization that included measures such as increasing digitisation, enhanced level of automation, asset-right business model and using tools for productivity improvement among others.



### Capital adequacy

As on March 31, 2021, the Capital to Risk Assets Ratio (CRAR) stood at 86.43%, well above the regulatory requirements.

(In Mn)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Tier I Capital	646.38	945.08	993.73
Risk Weighted Assets	680.57	1013.31	1149.71
Tier I CRAR (%)	94.98%	93.27%	86.43%
Overall CRAR	94.98%	93.27%	86.43%



### Risk management

The Company continuously sharpened its focus on the underwriting and credit risk management practices in tandem with the evolving requirements of the changing economic environment. The effective credit approval mechanisms, credit control processes, audit and risk management processes and policies help us to maintain the desired quality of the portfolio. The Company's NNP stood at just 1.12% during FY21 with a provisioning of ₹38.35 lakhs.



### Net interest margin

Negligible exposure to borrowed funds has helped the company in maintaining healthy NIM, driving business profitability and sustain business growth.

(In Mn)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Non current Liabilities	36.16	90.57	157.21
Owner Equity	193.14	193.14	193.14

Capital to Risk Assets Ratio

**86.43%**



## STRATEGIC PRIORITY

# Roadmap for creating long-term value

**We are devising our strategic priorities that is driven by our organizational vision and will enable us to achieve our business goals over the medium - and long-term.**



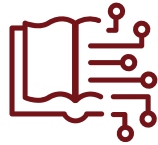


### Geographic expansion

Having achieved a scale in our existing locations, we are now poised to take our journey ahead and enter new geographies that will enable our next growth phase. We have set a target of entering 10 new cities by 2022, translating into 2,000 new customers.

### Progress

We have created an asset-right model where the Company is creating a combination of own offices and channel partner to accelerate our expansion journey. The Company always focuses on building long-lasting relationship with our partners by being transparent and rewarding.



### Digitization

In this new normal, digitization has emerged as a key driver for business efficiency as well as customer acquisition. Leveraging our rich experience, we are investing in digitization and technology to gain competitive edge.

### Progress

The Company's multi-year research 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.



### Capital raise

Capital forms the key raw material for the Company to drive growth and to expand its business. Having said that, the Company had borrowing of ₹9.24 crores as on March 31, 2021. The Company has chalked out its borrowing strategy that will help in expanding the current business.

### Progress

The Company has proposed a long-term bank facility of ₹20 crores and received a credit rating of IVR BBB- stable, derived from its experienced promoters, comfortable capital adequacy ratio and comfortable capital structure.



### expansion

The Company has significant growth opportunity in its existing portfolio. It is sharpening its focus on enhancing the share of gold loan and business loan segments to expand its AUM. Traditionally, gold is considered as a mean to fund requirements in adverse conditions in Indian families. With majority of the gold loan sector serviced by the informal sector, there is enough room for growth. Further, demand for business loans by MSMEs has increased multifold since 2019, owing global slowdown and pandemic challenges and MCFL is well positioned to cater this demand.

### Progress

MCFL has innovated within the gold loan segment and emerged as one of the handful players in the country to offer loan in lieu of diamond jewellery. This has opened up plethora of opportunities for the company as HNIs and UHNIs can reap huge benefits from this offering. For availing more amount of loan, an individual can keep diamonds as collateral.

**BUSINESS MODEL**

# Building strong pillars of growth

At MCFL, the Company is building a resilient business model that is counter-cyclical, lean and agile and making the Company future-ready for a robust growth.

**Financial**

The Company has invested ₹ 9,977.82 lakhs in net worth

**Infrastructure**

The Company has 1 branch offices with 5 channel partners across its focus markets

**Intellectual**

A decade of strong understanding of customer behaviour and expectations

**Value creation process****Our pillars****Vision****Mission****Robust business model focused on value creation****Portfolio**

A strong suite of products focused on diverse needs and purpose of the customers

**Customer profile**

Targeting the under penetrated customer segment having limited or no access to formal banking system and credit

**Customer centricity**

Stronger process and credit appraisal system ensures minimum documentation, hassle-free approval, flexible repayment and faster turnaround time

**Strategic priorities**

Geographic expansion



Capital raise



Digitization



Portfolio expansion

**Financial**

Revenue: ₹1,141 lakhs  
EBITDA: ₹899 lakhs  
RoE: 5.87%  
AUM: ₹8,373 lakhs

**Infrastructure**

Added 5 new channel partners during the year

**Intellectual**

Robust customer differentiation achieved  
Improvement in IT downtime  
Disbursement and collections through digital channels



**Human**

Strong team of experienced Professionals

**Social and relationship**

Building a strong customer base while extending care to the local communities



**Core values**

**Processes**

Robust process developed through years of experience aided by technology enabling better credit appraisal and risk management

**Businesses**



Gold loans



Personal loans



Business loans

**Human**

Performance oriented culture  
Continuous productivity enhancement  
Enabling work culture

**Social and relationship**

Customers added: 446  
CSR spend: ₹23.23 lakhs

**OPPORTUNITY LANDSCAPE**

# Enabling growth environment

**The Indian formal credit market is still under penetrated compared to its peer and the developed economies. At MCFL, the Company's devising its growth strategy to capitalize on the emerging trends and register superior growth to drive stakeholder value.**

**Increasing access to formal finance system**

For several years, only the middle and high classes of the society accessed formal types of credit while the underprivileged section and the rural population had to rely largely on the informal credit system, paying exorbitant rates.

The Government of India has been introducing several exclusive schemes for the purpose of financial inclusion. These schemes intend to provide social security to the less fortunate sections of the society and facilitate financial inclusion. Some of these include schemes like Jan Dhan Yojana, Atal Pension Yojana, Pradhan Mantri Mudra Yojana and Stand Up India Scheme among others. These are expected to drive formal credit demand in the country.

**Significant opportunity**

The cash-driven informal credit and shared spending market among the households in India is now a massive \$500 billion opportunity which has a vast digitisation potential. The market is largely informal and offers significant opportunity.

**Robust MSME potential**

There are around 63 million micro, small, and medium-size enterprises (MSMEs) operating in India today, which are leading contributors to the nation's employment and gross domestic product (GDP). Yet this contribution remains well below its potential. A significant barrier to growth has been the lack of access to formal credit. Among MSMEs with credit access, the formalization of their balance sheets would be a major driver of credit growth. While sourcing bank loans, many MSMEs also

**MSMEs in India without access to formal credit system**

**~29 million**





borrow from informal sources for their 'cash' transactions. Formal accounts only have transactions captured by goods-and-services-tax data systems. Greater formalization could see MSME demand for formal credit jump by 30-50% (i.e., by ₹8-15 trillion). India's 27-29 million MSMEs without any access to formal credit form the long tail of MSME credit demand.

ECLGS and other interventions for the MSME sector have led to higher loan amount disbursed to MSME segment in FY 2021 than earlier years.

### Digitization

India is establishing itself as a major presence in the world digital economy. By any number of key metrics, from internet connections to app downloads, both the volume and the growth of its digital economy now exceed those of most other countries. Availability of smartphones and cheaper internet cost has accelerated digital adoption in the country. The success of the digitisation story is partly attributable to the availability of newer business process management solutions such as Video KYC. Faster on-boarding meant faster origination and with a process as easy as Video KYC, the major problem of customer abandonment could also be reduced. It became a perfect match to accelerate SME lending through Video KYC which seemed like the most practical solution to break the on-boarding bottleneck.

This new wave of BPM solutions has allowed lenders to invest in creating analytics assets (by combining their own information with external information) that are product specific, thereby sharpening their ability to segment rural consumers.

## OUR RESPONSE

# Capitalizing on the growth opportunities

Based on its unique strengths, MCFL is attractively positioned to capitalize on the opportunities provided by the sector in which it is present.



## ○ ○ ● **Unique offering**

- ○ ○ The Company is the only one in the country to offer loan against diamond jewellery, offering it with a unique channel for growth.
- ○ ○



## **Growing portfolio**

Being one of the pioneers in the industry to bring the concept of loan against diamond jewellery, MCFL have focused on strategically widening its portfolio from just gold loans to personal loans to SME loans. Thereby, not only successfully grew its customer count but also helped realise the dreams of the aspiring middle class of the nation.



## **Building trust**

When it comes to money, trust is the most critical factor which makes or breaks an organisation in this line of business. In the last eight years, we have been successful in building a strong brand trust in the regions of our presence by following a few simple steps i.e. being transparent with our customers, provide loans at competitive rates, easy to understand process and with no additional or hidden costs.



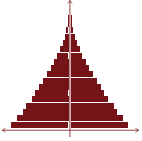
## **Experienced promoters**

MCFL commenced its lending operations 2012, after taking over the business from its previous management. The promoters and executive team has rich experience in the financial services industry which supports the business profile of the Company. Also, on its board are other experienced professionals who maintain strong oversight on the business, which has helped the Company in placing prudent lending practices with stringent credit assessment and monitoring.



## **Comfortable capital structure**

MCFL's capital structure remains comfortable marked by low gearing ratio of 0.13x as on March 31, 2021. Going forward company is planning to borrow funds from the bank to expand its existing business.



### Comfortable Capital Adequacy Ratio

MCFL's capital adequacy ratio (CAR) remained healthy at 86.43% as on March 31, 2021, against the regulatory requirement of 15%. The Net worth of the company stood at ₹99.78 crores as on March 31, 2021.



### Lifecycle engagement

MCFLs has its main focus on existing customers and reducing customer attrition, to better leverage the lifetime value of the relationship by efficient engagement of customers, building effective reward and loyalty programmes, focusing on customer satisfaction.



## GOVERNANCE

# Visionary leadership guiding the business

**We have a strong Board of Directors adequately represented by independent directors and women director. The Board has diverse skills in areas including banking, finance, taxation, marketing, corporate law and business operations among others.**

## Board of Directors



**Mr. Meghraj Jain**  
Chairman &  
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.



**Mr. 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.



**Mr. Sujan Sinha**  
Non-Executive  
Non-Independent

Mr. Sujan Sinha, is a senior finance professional, with more than 3½ decades in the industry, having worked for banks and NBFCs, primarily in the retail field. Graduating from Calcutta (Kolkata) University in Geology, Mr. Sinha has a vast experience working with organizations like SBI, Usha Martin group, Axis Bank, Shriram Housing Finance Limited (SHFL). After superannuating, he is now a promoter director of Stragility Consulting Pvt. Ltd. & SMS Vans Consulting Pvt. Ltd.; an independent director on the board of Transcorp International.



**Mr. 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 4 decades of experience in Management of Rural Financial Institutions/ Micro Finance Institutions/ Training organizations/ Business Schools.

He has been associated with NABARD since 1989 wherein he was involved in

- Management of SHG Bank Linkage Programme, the largest microfinance programme in the world.
- Preparation of policy and operational guidelines for Microfinance Development and Equity Fund.
- Coordination of NABARD-GTZ Rural Finance Programme.
- Organizing/participating policy seminars/conferences/summits & Strategic Planning.
- Management of Financial Inclusion Fund and Financial Inclusion Technology Fund.

Presently he is on the Boards of seven MFIs, one NBFC and one HFC as Independent Director



**Mrs. Nirupama  
Pendurkar**  
Independent Director

Mrs. Nirupama Pendurkar, graduated from Sydenham College of Commerce and Economics, Churchgate, Mumbai. She studied Law from Government Law College, Mumbai and 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 banks. She acts as a consultant on Agri funding, Agri trading and community based project management.



**Mr. Subramanyam Ganesh**  
Independent Director

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.



**Mr. Sriram  
Sankaranaryanan**  
Independent Director

Mr. Sriram Sankaranaryanan is the CEO of a software services company since 2007, specialized in creating innovative, cutting edge software, using latest technologies, in the fast paced Stock Broking segment. He started his work career with Hindustan Lever in 1989. He has more than three decades of varied experience in finance, accounting, equity/ sector research, information technology and management. He is a qualified Chartered Accountant with the unique distinction of having qualified at the age of 19 years and 6 months. He is also a qualified Cost Accountant, Certified Information Systems Auditor and Certified Information Security Manager.

## Management Team



**Ankita Rathi**  
Vice President- Operation

Ankita is qualified Chartered Accountant & holds Diploma in Information Technology (DISA) from ICAI. Over her 12 years of experience, she has led the team & worked on projects across the spectrum of Business, Finance, IT & HR, which makes her strategic & tactical business leadership strong to achieve goals. She specializes in optimizing business processes, especially with the intervention of technology to achieve maximum results with effective planning.



**Dr. G. Rameshkumar**  
Chief Business Officer

Dr.Kumar brings with him over 2 decades of rich and varied experience across various asset businesses (Secured and Unsecured lending) including Gold loan, MSME loan besides Equity Broking and Financial Investments. Prior to joining Mangal Credit & Fincorp, he was the Vice President -Business Development for Muthoot Fincorp Limited having managed a large team of over 2000+ across North & West India. He has also worked in Senior Management Roles with reputed brands viz. Indiabulls Group, MFGlobal and Unicon Investments to name a few. He led key assignments across functions in Business Development, Sales & Marketing, Operations and Product Management. He is an MBA graduate from S.I.E.S.College of Management Studies, besides having pursued Strategic Management from IIM-Ahmedabad. Dr. G.Rameshkumar was Conferred with the Prestigious & Coveted "REX Karmaveer Chakra Award 2019" (Instituted by ICONGO & United Nations) and the REX Karmaveer Global Fellowship, for leading social change and changing mindsets & pursuing passion by doing alternative things.Dr. G.Rameshkumar was also conferred with the Degree of "DOCTOR OF LETTERS" (Honoris Causa) by GLOBAL HUMAN PEACE UNIVERSITY (Transforming Peace Around the World) - Accredited by United Nations Academic Impact & Planning Commission Government of India.



**Sumit Bajaj**  
Finance Manager

Sumit brings 8+ years of experience in Fund Raising, Treasury, Financial Reporting, Audit & Accounts, Financial Planning & Budgeting. Before MCFL, he was associated with Jainsons Finlease Limited (JSFL), promoted by Mr. Vineet Rai. He played a significant role in building up the Company from scratch. In his last role with JSFL, he served as the Assistant Manager of the Company, wherein he was managing a liability book of ₹200 Cr+ across 20 lenders and other Treasury Operations. Sumit is Commerce graduate from RD National College, Bandra (Mumbai University) & CA-Semiqualfied from ICAI.



**Sumit Hegde**  
Regional Sales Head

Sumit Holds Master Degree in Business Administration, A veteran of Mangal Credit and Fincorp Limited, Sumit has held several senior level positions working as Regional Head with over 15 Years of experience in NBFC & BFSI industry. He is passionate to lead business team to achieve great heights.





# Corporate Information

## Board of Directors

### Mr. Meghraj Jain S C

Chairman and Managing Director  
(DIN: 01311041)

### Mr. Naval Maniyar

Director & CFO  
(DIN: 06657440)

### Mr. Ramanathan Annamalai A N

Independent Director  
(DIN: 02645247)

### Mrs. Nirumpama Dattatray A S N C

Independent Director  
(DIN: 01605060)

### Mr. Ganesh Subramanyam A S N C

Independent Director  
(DIN: 01718431)

### Mr. Sriram Sankaranaryanan

Independent Director  
(w.e.f. 11/11/2020)  
(DIN: 00146563)

### Mr. Sujan Sinha

Non-Executive Non-Independent Director  
(w.e.f. 11/11/2020)  
(DIN: 020033322)

### Mr. A. Ramanathan

Independent Director

### Mrs. Nirupama Pendurkar

Independent Director

### Mr. Subramanyam Ganesh

Independent Director

### Mr. Sriram Sankaranaryanan

Independent Director

## Auditors

M/s MGB & CO. LLP,  
Chartered Accountants

## Bankers

Axis Bank  
HDFC Bank  
Bharat Bank  
Federal Bank  
South Indian Bank

## Key Managerial Personnel

### Mr. Meghraj Jain

Chairman and 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, 17<sup>th</sup> 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

- A Audit Committee
- S Stakeholders Relationship Committee
- N Nomination And Remuneration Committee
- C Corporate social responsibility committee

# Management discussion and analysis

## Review of the global economy

The year 2020 started with a once-in-a-century crisis unleashed by the pandemic led by the onset of COVID-19. The magnitude of the impact was enormous, infecting more than 90 million and killing ~2 million people worldwide. Governments across the world restricted social movement and opted physical distancing to save lives over livelihood. Governments around the world responded with speed to stave off the health and economic contagion of the crisis. Fiscal and monetary stimulus packages were rolled out to save the economy.

The economic impact of the pandemic was even more profound than the fall experienced during the great recession caused by the subprime crisis in 2009. The impact of pandemic was sharper in the developed economies owing to the strict lockdown measures undertaken by many countries in Europe and several states of the United States of America imposed early on during the outbreak. Output in developed economies is estimated to have shrunk by 4.6% in 2020, with growth projected to re-cover to 5.6% in 2021. Global trade disruptions resulted in a contraction of 2.1% across the emerging economies. Overall, the global output reported a negative growth of 3.2% during 2020.

The fiscal outlays from the developed countries represented nearly 80% of the USD 12.7 trillion of fiscal stimulus announced globally, with Germany, Japan and the United States accounting for more than 50% of the entire fiscal stimulus. The group of 46 least developed countries (LDCs), collectively managed to increase direct and indirect fiscal support by only 2.6% of their GDP, while the size of the stimulus for the developed countries averaged 15.8% of their GDP.

The pandemic has however accelerated demand for digital services, hastening ongoing digital transformation. With lockdowns and movement restrictions in place, digital transaction has been the only viable option for many to stay in business and government agencies to perform their functions. Digitalization and emerging technologies, including artificial intelligence and machine learning, are also transforming service delivery worldwide. They will increasingly facilitate the cross-border exchange of health, education and other services, reinforcing the growing importance of services in global trade and development.

The pandemic has caused significant shock to global trade, restricting cross-border travel, disrupting international supply chain and depressing demand worldwide.

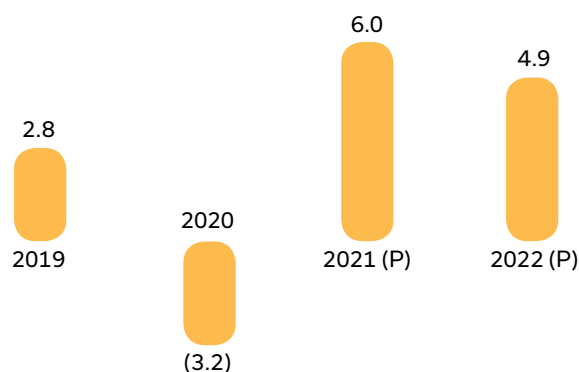
However, merchandise trade has been recovering since mid-2020 on the back of strong demand for electric and electronic equipment, pharmaceuticals and, especially, personal protective equipment. The recovery in merchandise trade has been led by China and other East Asian economies, which were relatively successful in containing the spread of the virus and experienced a faster-than-expected rebound in economic activities. Besides, successful rollout of vaccination across the globe is pace up the recovery of economic activities. However, a second wave is decelerating an even recovery owing to renewed restrictions across various countries.

## Outlook

A sturdy recovery is unlikely as part of the population remain susceptible to the virus and its mutations. Recovery witnessed severe setback in countries that experienced renewed waves, such as India. The rapid spread of the mutant variants delayed economic reopening in the United Kingdom, whereas China's Guangdong province imposed mobility restrictions in May 2021 following an outbreak after months of minimal new infections. Similarly, Australia reintroduced targeted lockdowns in June.

According to the World Economic Outlook published by July 2021 by the IMF, it is expected that the global economy will report a strong 6% growth in 2021 followed by an expected growth of 4.9% in 2022. Despite near-term supply disruptions, global trade volumes are expected to register a growth of 9.7 percent in 2021. The merchandise trade recovery is expected to expand after being initially concentrated in pandemic-related purchases, consumer durables, and medical equipment. The services trade recovery is expected to be slower as cross-border travel continues to be subdued owing to the consistent risk of virus transmission.

## Global output (%)



Source: WEO, July 2021 | P: Projection

## Review of the Indian economy

The FY 2020-21 started with the nation-wide lockdown announced during the last week of previous financial year. The lockdown to contain the COVID-19 outbreak led to significant social and economic disruptions, resulting in 24.4% contraction in economic output in the first quarter of FY 2020-21. The recovery started from the second quarter as the economy was gradually opened up. However, two subsequent quarters of de-growth pushed the Indian economy into a technical recession. The Central Government responded timely by taking adequate measures for to the economically vulnerable sections. The fiscal packages were announced to help economy recover. This included cumulative stimulus of ₹29.87 lakh crores accounting for nearly 15% of the country's GDP. Gradual unlocking led to the economy back on track. This along with the pent up demand led to faster recovery. From July 2020 onwards, the recovery was sharper than expected and was a 'V' shaped.

The discovery of vaccines during the end of the year boosted confidence. However, the financial year closed with beginning of the second wave which saw localized restriction

India adopted a unique four-pillar strategy that included containment, fiscal, financial, and long-term structural reforms. Well-calibrated fiscal and monetary support was provided considering the evolving economic situation, cushioning the vulnerable in the lockdown and boosting consumption and investment while unlocking, mindful of fiscal repercussions and entailing debt sustainability. A favorable monetary policy ensured abundant liquidity in the system and immediate relief to debtors via temporary moratoria, while unclogging monetary policy transmission.

The manufacturing sector displayed superior resilience during the year while rural demand cushioning overall economic activity and structural consumption shifts in booming digital transactions. Agriculture was a prime driver to cushion the shock of the COVID-19 pandemic on the economy in 2020-21. A series of progressive reforms undertaken by the government have contributed to nourishing a vibrant agricultural sector.

A profound V-shaped recovery in industrial production was witnessed over the year. Manufacturing rebounded and industrial value started to normalize. Indian services sector sustained its recovery from the pandemic driven declines with PMI Services output and new business rising for the third straight month in December.

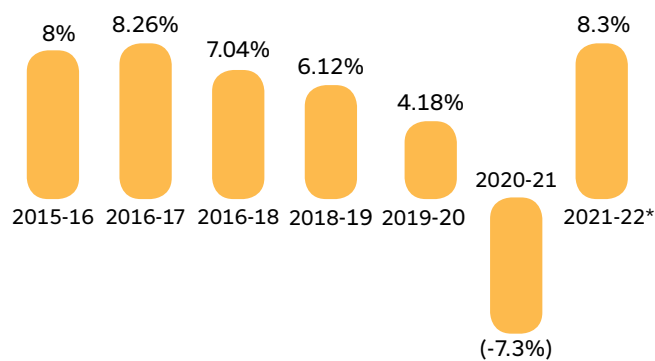
Bank credit remained subdued in FY 2020-21 amid risk aversion and muted credit appetite.

High food prices contributed majorly to inflation in 2020. Inflation in December, 2020 fell back into the RBI's target range of 4+/-2% to reach 4.6% year-on-year against 6.9% in November. This was driven by a step fall in food prices, particularly of vegetables, cereals, and protein products and favorable base effects.

The external sector provided an effective cushion to growth with India. India's current account in the balance of payments ended in a surplus to the extent of 0.9% of GDP in FY '21 for the first time in 17 years as trade deficit narrowed due to contraction in pandemic induced import demand.

India remained a preferred investment destination in FY 2020-21 with FDI pouring in amidst global asset shifts towards equities and prospects of quicker recovery in emerging economies. Net FPI inflows were reported at ₹2,74,034 crores in FY 2020-21 as investors' risk appetite returned, with a renewed search for yield, and US dollar weakened amid global monetary easing and fiscal stimulus packages. India was the only country among emerging markets to receive equity FII inflows in 2020. The country reported highest-ever FDA of USD 81.72 bn during FY 2020-21.

### India's GDP growth (%)



(Source: <https://www.businesstoday.in/latest/economy-politics/story/india-gdp-grows-q4-fy21-fy21-amid-covid-19-concerns-297410-2021-05-31> and <https://timesofindia.indiatimes.com/business/india-business/indian-economy-will-grow-to-8-3-in-2021-says-world-bank/articleshow/83341057.cms>)

The pandemic has accelerated adoption of digital across the country as increasing people opting for contactless transactions. This is reflected in the growing UPI payments trend. Transaction volumes over the Unified Payments Interface (UPI) more than doubled over a year, touching 2.73 billion in March 2021 compared to 1.25 billion a year ago. The March numbers are also a 20% jump from February's 2.29 billion. Transactions value crossed ₹5 trillion in March, up 18% from February.

## Outlook

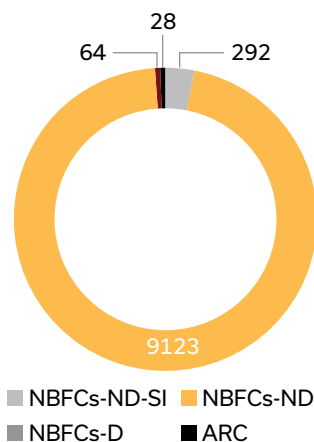
Growth prospects in India have been downgraded following the severe second COVID wave during March-May and expected slow recovery in confidence from that setback. The IMF expects the country to report a growth of 9.5% for the fiscal year to March 31, 2022 as the onset of a severe second COVID-19 wave cut into recovery momentum. For 2022-23, IMF expects economic growth of 8.5%. With the vaccination taking accelerated pace to cover the entire populace, the country is expected to recover faster.

## NBFC sector in India

After the debacle, the NBFC sector, especially the smaller players are facing increasing difficulties in access funds from banks. The top rated large NBFCs were able to access funds via multiple sources including targeted long-term repo rates (TLTROs).

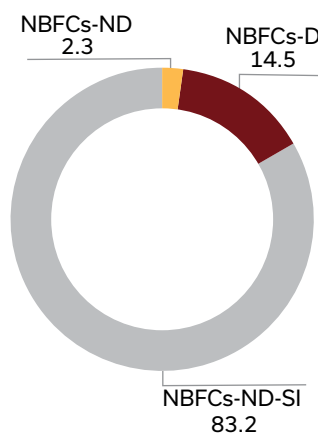
### Distribution of NBFCs: Number and Share in Assets

a. Number of NBFCs as on January 31, 2021



Note: 1. Including CICs  
2. Data are provisional

b. Distribution of NBFCs by Asset-size in March 2020 (%)



Note:  
1. Based on NBFCs that filed returns regularly (excluding CICs). However, it includes 1,220 NBFCs-ND that filed the annual return in March 2020  
2. Date are provisional.

Source: RBI

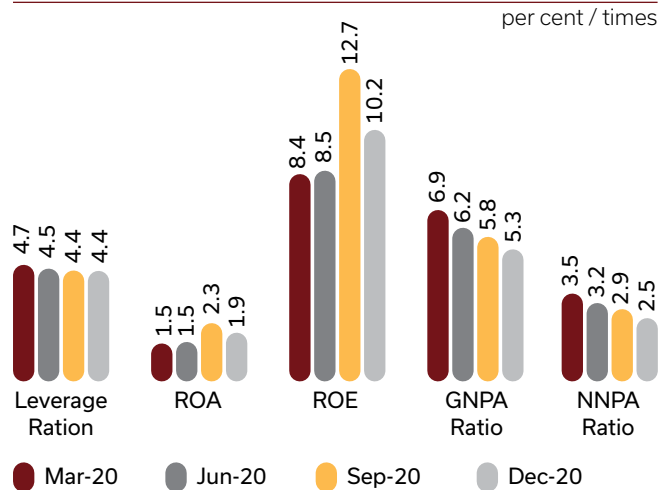
The assets under management (AUM) of the sector grew by a modest 4% in FY2021 vis-a-vis 6% in FY2020 (16% in FY2019). The HFCs (adjusted) grew by about 6% during the last fiscal; within the other NBFC space, retail credit (comprising vehicle, business loans, personal credit, microfinance etc.) grew by 4% while the wholesale credit declined on a y-o-y basis. Overall, the sectoral AUM

is expected to grow at 7-9% in FY2022 bolstered by the growth in the NBFC retail credit and HFCs, which is expected to be about 8-10%, while NBFC wholesale credit growth would remain muted.

India's non-banking financial companies grew at a tepid pace in second and third quarters of financial year 2020-21 on annual basis due to COVID-19-led disruptions and muted demand but continued to disburse credit, according to RBI reports. The profitability of NBFCs dipped in the immediate aftermath of the COVID-19 in Q1FY2020-21, as businesses suffered economic losses due to nationwide lockdown.

Asset quality of NBFCs witnessed improvement in 2020-21 so far, compared to Q4:2019-20 on account of regulatory forbearance. However, GNPA ratio of NBFCs was elevated in Q1 and Q2:2020-21 compared to the corresponding period in 2019-20. In Q3:2020-21, both GNPA and NNPA ratios fell compared to Q3:2019-20.

### Global output (%)



Source: RBI

Note: Data are provisional.

All ratios except leverage ratio are in per cent. Leverage ratio is expressed as times of net owned funds.

The Government announced PCGS 1.0 during the Budget FY 2019-20 to provide relief to NBFCs during the liquidity crisis. Further, as a part of special economic package during the COVID-19 crisis, the government announced the PCGS 2.0 worth ₹45,000 crores for NBFCs and MFIs. The move was aimed at aiding NBFCs, impacted severely by the Covid-19 crisis, tackle their temporary liquidity mismatch and also enable them to continue to lend and aid last-mile financing.

## Trends defining the NBFC sector

### AI – Driven Predictive Financing

Artificial Intelligence or AI brought about a sea change in the financing industry as with its help they can now consolidate all internal and external data, build predictive profiles of customers and members in real time. Thus, with a consumer data that is rich, accessible and financially viable to deploy, the non-banking financial institutions are not only able to know their customers, but also provide advice for the future.

### Voice and Vernacular

Voice in digital payments will play an important role going forward, as it will be further enabled by different Indian languages. This will help the NBFCs in a big way in reaching the next set of users who are new to the internet and Voice will certainly make experiences more interactive and help reach the masses.

### Video KYC

Video KYC is a feature that is increasingly emerging as the future of identity verification as no other solution has come this close to eliminating identity fraud online. This will help benefit Online NBFCs in a big way.

### Blockchain

By introducing blockchain solutions in functions such as the KYC process, data can be made available on a decentralised network and therefore, can be easily accessed by third parties directly after permission has been granted. The online NBFCs are able to benefit greatly from this.

### Cloud Integration

Cloud computing has helped NBFCs in creating a flexible business model that fulfills growing business needs. Some of the prominent advantages of cloud services are lower costs, quick implementation, and global availability.

### Automation

Another important future innovation which has strongly impacted the functioning of NBFCs is the power of Automation. It is a technology that helps in speeding up the lending processes and facilitates consistency in decisions.

### Chatbots and Robo-Advisors

Some of the NBFCs have already employed chatbots and robo-advisors that interact with prospects and customers for self-on-boarding of the customer, customer servicing and employee-related services. Most of these chatbots and robo-advisors have been developed with vernacular capabilities, making them well-suited for rural and semi-urban India and thus, the entire process of availing various financial services by masses has become much easier and hassle-free.

### Biometrics

Through biometric-based authentication, the NBFCs are able to uniquely identify an individual by evaluating one or more of his/her distinguishing biological traits- like their fingerprints, voice waves, or retina and iris patterns. For customer's KYC authentication, the financial entities use either the fingerprints or iris patterns of an individual to authenticate their identities

## Micro, small and medium enterprises

The MSME sector is the second-largest employment creator, providing employment to around 11 crores people. It contributes to 30 percent of the GDP and accounts for 48 percent exports.

The micro, small and medium enterprises (MSMEs) are integral to the country's growth. However, the onset of the pandemic has impacted the sector hard. The government of India announced several measures to aid the sector to revive the growth of the economy.

According to the SIDBI - TransUnion CIBIL MSME Pulse Report, loans worth ₹9.5 lakh crores were disbursed

to MSMEs in FY2020-21, substantially higher than FY 2019-20, when loans amounting to ₹6.8 lakh crores were disbursed. Government interventions like Emergency Credit Line Guarantee Scheme (ECLGS) under the Atmanirbhar Bharat program was the major factor in driving this surge in credit disbursement to MSMEs.

The total on-balance sheet commercial lending exposure in India stood at ₹74.36 lakh crores in March'21, with y-o-y growth rate of 0.6%. MSME segment's credit exposure stood at ₹20.21 lakh crores as of March'21, reflecting y-o-y growth rate of 6.6%. This credit growth is observed across all the sub-segments of MSME lending.

### India's gold loan market

Gold finance in India has evolved in past 12 years across four phases. The first phase (FY09-12) was characterized by robust loan growth and high LTVs (with no regulatory cap). The second phase witnessed AUM decline (over FY12-14) and heightened interest reversals, driven by regulatory headwinds (LTV cap) and declining gold prices. During the third phase (FY14-18), there was regulatory parity between banks and NBFCs, resulting in gold financiers getting back on their feet. The fourth phase (FY18- date) is witnessing gold financiers expanding their balance sheets supported by growing branch network and rising gold prices.

The gold loan market in India is largely driven by the unorganized gold finance companies accounting for approximately 65% of the gold loan market. This was driven by their deep rural reach, higher LTVs, flexibility, high convenience and lower documentation demand from customers.

Owing to lower risk and faster turnaround time, gold loan demand in India has been growing exponentially. According to World Gold Council, Indian consumers sitting on a \$1.5 trillion hoard of the yellow metal. It is further expected that the gold loans market to grow at an annual rate of 15.7% and reach ₹4.617 trillion in the fiscal year ending March 2022, from ₹3.448 trillion in the year ended March 2020. It is expected that the total gold loan outstanding in the organized sector stood at 5.5% of the total household gold holding in India, providing strong optimism for growth. The COVID-19 pandemic has boosted demand for gold loans through banks and non-banking financial companies (NBFCs). With traditional funding getting clogged during the time of the pandemic, gold loan facilitated quick access to credit.

With banks and NBFCs looking at expanding credit, gold loans, taken for both business purposes and emergencies, have gained more attention. Besides, gold price rally since 2019 and a bullish outlook have also aided to the popularity of this credit segment among lenders and borrowers.

### Factors driving the gold loan market in India:

- The Reserve Bank of India has recently raised the loan to value for gold loans to 90%, effective till March 2021
- Gold loan offers immediate financing as long as the purity of gold is certain and a relatively lower cost of interest compared with most other loans
- Gold loan offers relatively lower risks for the lender as the asset can be quickly liquidated, in case of a default
- Traders and retailers take gold loans for business exigencies. Such loans also work as bridge financing to take care of temporary cash flow mismatch

### Growth drivers of India's NBFC sector

**Increasing market opportunity:** Continued stress witnessed by the public sector banks owing to increasing bad debt, lending in rural areas deterioration has unlocked opportunities for NBFCs to strengthen presence. The success of NBFCs can be attributed to their customized product lines, lower cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and a better understanding of customer segments versus banks.

**Serving the underserved:** NBFCs have been an integral cornerstone of financing to MSMEs, and been catalysing significant growth in rural, small scale and unbanked sectors. Structural catalysts include a large vibrant startup and entrepreneurial ecosystem which has created NBFC demand and government policy initiatives such as Pradhan Mantri Yojana and National Rural Financial plan further bolstering the industry.

Improving macro-economic conditions, higher credit penetrations, consumption themes and disruptive digital trends have influenced NBFC credit growth. Additionally, underlying credit demand, digital disruption for MSMEs and SMEs as well as increased consumption and distribution access and sectors where traditional banks do not lend are major reasons for the switch from traditional banks to NBFCs.

### Production-linked incentive scheme to boost MSMEs

The Budget 2021-22 allocated a provision of ₹2 lakh crores for schemes related to the PLI scheme and an average of five per cent of production is given as incentive. It is expected to benefit the country's MSME sector by creating anchor units in every sector that will need a new supplier base across the entire value chain.

**Favourable policies:** NBFCs have benefitted from the liquidity measures undertaken by the Reserve Bank and improved market financing conditions that helped them to raise funds, preserve business continuity, and build enterprise resilience amid pandemics. This is besides government-run social protection schemes that are playing an important role in alleviating the distress of low-income rural and urban households who avail credit facilities from NBFCs.

### Company overview

Mangal Credit & Fincorp Limited is non-deposit accepting non-banking financial services company specializing in gold loans, personal loans and business loans for the MSME sector. The cumulative asset under Management for the Company stood at ₹8,372 lakhs as on 31<sup>st</sup> March 2021. The Company has 1 branche and 5 channel partners, primarily in the state of Maharashtra. The Company is expanding its presence in other states to expand its business.

This was one of the challenging years for the Indian economy owing to the disruptions caused by the pandemic. Despite the challenges we continued our growth journey driven by our resilient business model. We focused on strengthening our presence in our existing markets, invest in process robustness and create a digital ecosystem and laid down the blueprint of our future growth.

### SCOT analysis

#### Strengths

- Strong suite of products with hassle free processing
- Asset right model leveraging channel partners to expand market presence
- Strong credit management helping maintain asset quality
- Strong fundamentals with excellent capital adequacy and low gearing

#### Challenges

Need for market expansion may see temporary surge in cost, impacting profitability in the short term

#### Opportunities

Online offerings to expand customer base and reduce acquisition cost

### Threats

Increased competition from banking sector with their growing presence in the gold loan and MSME funding space

### Financial review

Despite a tumultuous year for the overall economy, MCFL reported robust performance. The Company reported a 22% growth in revenues from ₹887 lakhs in FY 2019-20 to ₹1,131 lakhs in FY2020-21 while EBITDA and net profit strengthened by -6% and -16% respectively during the same period. Our earning per share for the year stood at ₹2.96 against ₹5.57 reported in FY2019-20.

The onset of the pandemic led the Company to immediately evaluate the existing cost structure and optimise operating cost. Cost to income ratio stood at 0.28 in FY 2020-21 against 0.17 reported in FY 2019-20.

Steady demand from our customer resulted in 11% growth in disbursements from ₹4,130 lakhs in FY 2019-20 to ₹3,725 lakhs in FY2020-21.

Our consolidated Asset under management stood at ₹8,372 lakhs as on March 31, 2021 against ₹6,501 lakhs reported as on March 31, 2020.

Our deleveraged balance sheet helped us in maintaining a low gearing of 0.13x during the year. The Company enjoyed a strong CAR of 86.43 during the year against that of 93.27% reported in the previous year. The Company has been increasingly focusing on maintaining asset quality and bolstering collection efficiency reflected in a 187 bps reduction in NPA from 2.99% in FY 2019-20 to 1.12% in FY 2020-21.

### Risk management

The Company has proactively invested in a robust risk management process based on the rich experience gained over the years. The Company has identified the key risk having potential impact on its progress and accordingly devised strategies to mitigate them. The key risks of the company include credit risk, economy risk, customer acquisition risk, cost risk, geographic concentration risk and liquidity risk among others.

Risks and explanation	Mitigation initiatives
Economic slowdown may impact disbursements	After a debacle caused by the pandemic and successive lockdown, India's economic activities are on fast recovery path with the GDP growth expected to be in the high single digit region. This is expected to boost credit demand across segments.

Risks and explanation	Mitigation initiatives
Credit risk may arise owing to decrease in the value of assets owing to insecurity around a customer's ability to meet obligations	The Company has a strong credit appraisal and risk monitoring mechanism in place The Company is continuously strengthening its credit policy based on the evolving market realities
Customer acquisition risk can be attributed the Company's inability to acquire new customers and grow business	The Company has a strong suite of products with hassle free process enabling faster loan processing. This has led to increase in customer acquisition, growing from 100 in FY2019-20 to 546 in FY 2020-21
Increase cost of operation may impact profitability	The company continuously monitoring to minimise and reduce the unnecessary cost
The Company's concentrated presence in one state may lead to risk of a slowdown in economic activities in the state.	The Company is expanding its presence in 10 new cities outside Maharashtra in a bid to widening its presence.
Liquidity risk may arise due to the Company's inability to access funds for growth	The Company is largely deleveraged which is giving it room for raising bank facilities to drive its business growth going forward.
Occurrence of future pandemic may test the stability of the business model	The company is planning to go digital lending through authentic tool as business continuity plan .The various authenticity and validity tool from which company is planning and exploring to lend through digitally by way of adopting this tools.

### Human resource

The Company's people strength stood at 33 full time employees. Along with its growth strategy, the Company is drawing out an effective human resource strategy which will help the Company in manning its growth. The Company is working on creating an inducing work environment to attract and retain talents. The Company encourages equal opportunity and created an environment of inclusivity and diversity. The employees are regularly trained to hone their skills and remain relevant in the market. During the year, the Company provided 120-man hours of training.

The Company resorted to virtual platform for recruitment and onboarding of the employees. During the year, the Company recruited 20 employees across categories.

Employee engagement remained one of the key priorities. During the year, the Company walked the extra mile to engage with their people to ensure mental wellbeing as the pandemic created deep business uncertainties. The top management regularly interacted with the team members over virtual platform to appraise them about business environment and the road ahead.

### 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.

### Fulfillment of RBI norms

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 norm.

### 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.



# Board's Report

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

Your Directors are pleased to present the 59<sup>th</sup> Annual Report on the affairs of your Company along with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2021.

## FINANCIAL PERFORMANCE AND COMPANY'S STATE OF AFFAIRS

The key highlights of the performance of your Company for the financial year ended 31<sup>st</sup> March, 2021 and comparison with the previous financial year ended 31<sup>st</sup> March, 2020 are summarized as under:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Total income	114,103,715	163,227,970
Total expenditure	32,268,935	27,594,119
Profit before taxation	81,834,780	135,633,851
Less: Provision for Taxation		
- Current tax	23,054,281	30,884,655
- Deferred tax asset	1,669,830	(3,512,937)
-Tax in respect of Earlier Year	-	614,780
Net profit after taxes	57,110,669	107,647,353
Earnings per share (Face Value ₹10/- each)		
Basic	2.96	5.57
Diluted	2.96	5.57

### BRIEF EXPLANATION ABOUT THE FINANCIAL PERFORMANCE AND COMPANIES STATE OF AFFAIRS

We wish to inform you that the YOY portfolio has grown by 29%, i.e. ₹8,373 Lacs as on FY21.

The YOY has declined in Revenue by 30% over last year against 31% growth in Operating expenses. Operating profit of ₹841 Lacs is a 0.4x decreased over last year while PAT has also decreased by 0.4x.

There is improvement in the portfolio and the same is evident with increased number of clients in the portfolio.

### GRANT OF MORATORIUM TO CUSTOMERS

In order to mitigate the burden of debt servicing brought about by disruptions on account of the fallout of the COVID-19 pandemic, the RBI issued various circulars to ensure continuity of viable businesses and households. Your Company has been supportive of RBI's initiative and has provided its borrowers, affected by the pandemic, with moratorium on payment of loan instalments. Your

Company believes that this move has enabled borrowers to cope with the difficult conditions caused by the pandemic.

### FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The audited financial statements together with Auditor's Report(s) thereon the financial year ended March 31, 2021 shall be laid before the ensuing Annual General Meeting of the Company and are also available on the website of the Company at [www.mangalfincorp.com](http://www.mangalfincorp.com).

### DIVIDEND

The Board of Directors are pleased to recommend final dividend of 5% i.e. ₹0.5/- per equity share of face value of ₹10/- each for the financial year ended 31<sup>st</sup> March, 2021. 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.

**CREDIT RATING(S)**

Your Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies, summarised below:

Particulars/Rating Agencies	Amount	Ratings
Long Term Bank Facilities		
Infomeric Valuation & Ratings Private Limited	20 Crore	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)

**TRANSFER TO STATUTORY RESERVES**

Pursuant to the requirement of Section 45-IC of the Reserve Bank of India Act, 1934, an amount of INR 11,422,134/- (previous year: INR 21,529,471/-) was transferred to statutory reserve fund.

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

**DEBT EQUITY RATIO**

Your Company's Debt Equity ratio as on 31<sup>st</sup> March, 2021 stood at 0.13.

**CAPITAL ADEQUACY RATIO**

Your Company is well capitalised to provide adequate capital for its continued growth. As on 31<sup>st</sup> March, 2021, the Capital to Risk Assets Ratio ("CRAR") of your Company stood at 86.43% (Tier I Capital to Risk Assets Ratio), well above the regulatory limit of 15% as prescribed by the RBI for NBFCs.

**NET OWNED FUNDS**

The Net Owned Funds of your Company as on 31<sup>st</sup> March, 2021 stood at 99.37 crore, ₹4.86 crore increase over the previous year.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Your Company does not have any subsidiaries, joint venture(s)/associate company(ies) within the meaning of Section 2(6) of the Act as at the end of the financial year 2020-21.

**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**

The Company is registered with RBI as non-deposit taking non-banking financial company ("NBFC"). Thus, 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, the issued, subscribed and paid-up share capital of the Company as at 31<sup>st</sup> March, 2021 was INR 19,31,39,860/- divided into 1,93,13,986 equity shares of face value of INR 10/- each.

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 31<sup>st</sup> March, 2021 in the prescribed Form MGT-9 is annexed as **Annexure A** to this Board's Report and is also available on the website of the Company at [www.mangalfincorp.com](http://www.mangalfincorp.com).

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of the Listing Regulations and the circulars, directions, notifications issued by RBI ("RBI Directions"), 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 31<sup>st</sup> March, 2021, the Board of Directors of your Company comprises of 7 (Seven) Directors of which 1 (One) is Non-Executive Non Independent Director, 4 (Four) are Non-Executive Independent Directors and 2 (Two) are Executive Directors. The Chairman is an Executive 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:**

All appointments of Directors are made in accordance with the relevant provisions of the Act, the Listing Regulations, the RBI Directions and other laws, rules, guidelines as may be applicable to the Company. The Nomination &

Remuneration Committee ("NRC") exercises due diligence inter-alia to ascertain the 'fit and proper' person status of person proposed to be appointed on the Board of Directors of the Company, and if deemed fit, recommends their candidature to the Board of Directors for consideration.

During the year under review, Mr. Sujan Sinha (DIN: 02033322) was appointed as Non-Executive Non Independent Director at the Board Meeting held on 11<sup>th</sup> November, 2020 for a period of (1) one year and received shareholders' approval at the 58<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> December, 2020 and accordingly holds office upto 10/11/2021.

Considering the rich experience and expertise of Mr. Sujan Sinha in the financial services industry, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 12<sup>th</sup> August, 2021 re-appointed Mr. Sinha as Non-Executive Non Independent Director of the Company liable to retire by rotation, subject to approval by shareholders of the Company at the ensuing Annual General Meeting. The Company has received the requisite notice from a member in writing proposing Mr. Sinha's re-appointment as a Director. A brief profile of Mr. Sinha has been included in the notice convening the ensuing Annual General Meeting.

Mr. Sriram Sankaranarayanan (DIN: 00146563) was appointed as Non-Executive Independent Director at the Board Meeting held on 11<sup>th</sup> November, 2020 for a term of 5(Five) years and received shareholders' approval at the 58<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> December, 2020.

#### **Retirement by Rotation of the Directors:**

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

#### **Resignation /Cessation of the Directors:**

With deep regret, we report the sad demise of our Non-Executive Non Independent Director, Mr. Srichand Teckchand Gerela, on May 27, 2020. Your Directors would like to place on record their highest gratitude and appreciation for the guidance given by Mr. Srichand Teckchand Gerela to the Board during his tenure as a Director.

#### **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 31<sup>st</sup> March, 2021 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 all the Independent Director(s) of the Company, 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 - Chairman & Managing Director;
2. Mr. Naval Maniyar - Chief Financial Officer and
3. Ms. Supriya Agarwal - Company Secretary & Compliance Officer

#### **RBI DIRECTIONS**

Your Company complies with the direction(s), circular(s), notification(s) and guideline(s) issued by the Reserve Bank of India as applicable to your Company as a non-deposit taking non-systemically important non-banking financial company ("NBFC").

#### **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) was appointed as the Statutory Auditors of the Company for a term of 4 (Four) consecutive years, from the conclusion of 57<sup>th</sup> Annual General Meeting till the conclusion of 61<sup>st</sup> Annual General Meeting of the Company at the Annual General Meeting held on 30<sup>th</sup> September, 2019.

M/s. MGB & Co. LLP, Statutory Auditors in their report(s) on the audited financial statements of your Company for the financial year ended 31<sup>st</sup> March, 2021, have not submitted any qualifications, reservations, adverse remarks or disclaimers.

The observations and comments, if any, given by the Auditors in their report read together with notes on

financial statement are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

#### **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 2020-2021. The Report of the Secretarial Audit and Annual Secretarial Compliance Report pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08<sup>th</sup> February, 2019 is annexed herewith as **Annexure B** and **Annexure C**. The observations and comments given by the Secretarial Auditors in their report are as follows:

The Company had received a mail from BSE Ltd. on 5<sup>th</sup> March, 2021 for freezing all the promoter's demat account as the Company is non-compliant with the provisions of Regulation(s) 17(1) of SEBI (LODR) Regulations, 2015 for the quarter ended December 2020 and levied a fine of ₹2,41,900/-.

*The Company replied to BSE Ltd. on 8<sup>th</sup> March, 2021 that the composition of Board of Directors of the Company for the quarter ended December 2020 is as per the Regulation 17(1) of SEBI (LODR) Regulations, 2015 and requested for the waiver of the fine levied on the Company.*

*The company paid the penalty amount of ₹2,41,900/- to BSE on 15<sup>th</sup> June, 2021 under protest.*

#### **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 G** 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, 4 (Four) meetings of the Board of Directors were held as per the details below:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1	30 <sup>th</sup> June, 2020	3.	11 <sup>th</sup> November, 2020
2	15 <sup>th</sup> September, 2020	4.	12 <sup>th</sup> February, 2021

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, Asset Liability Management Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Internal Complaints Committee(s) and Corporate Social Responsibility Committee.

Details with respect to the composition, terms of reference, number of meeting(s) held and attended by respective member(s) has 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.

### **BOARD EVALUATION**

In terms of the provisions of the Act and the Listing Regulations, 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 Chairperson.

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 30<sup>th</sup> June, 2021 to inter-alia review the performance of the Non- Independent Directors including the Chairman and the Board, as a collective entity.

The Board of Directors have 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.

The statement 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 D** 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.

### **TRANSACTION WITH RELATED PARTIES AND RELATED PARTY TRANSACTION POLICY**

In terms of the provisions of the Act, the Listing Regulations and the RBI Directions, the Board of Directors adopted 'Related Party Transaction Policy' to ensure obtaining of proper approvals and reporting of transactions with related parties.

In terms of Section 177 of the Act and Regulation 23 of the Listing Regulations read with the Related Party Transaction Policy of the Company, transactions with related parties were placed before the Audit Committee for its approval.

During the year under review, your Company had not entered into any related party transactions covered within the purview of Section 188(1) of the Act, and accordingly, the requirement of disclosure of related party transactions in terms of Section 134(3)(h) of the Act in Form AOC - 2 is not applicable to the Company. All other transactions with related parties, during the year under review, were in compliance with the Related Party Transaction Policy. Further, during the year under review, the Company had not entered into transactions with related parties which could be considered to be 'material' in accordance with the Related Party Transaction Policy of the Company.

Suitable disclosures as required by the IND AS-24 have been made in the notes to the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 31, 2021.

Details of the Related Party Transaction Policy have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

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

As per Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 top 1000 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.

The Board of Directors is of a view that your Company's internal control systems are commensurate with the nature of its business, size and complexity of its operations.

**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 31<sup>st</sup> March, 2021 is enclosed herewith at **Annexure F** to this Board's Report.

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

In terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee in the Meeting held on 13<sup>th</sup> December, 2019 and in light of your Company's philosophy of being a responsible corporate citizen, the Board of Directors adopted a 'CSR Policy' in the Meeting held on 12<sup>th</sup> February, 2020 which lays down the principles and mechanism for undertaking various projects / programs as part of Company's CSR activities. In terms of the CSR Policy, Company's CSR activities are focused in the fields of education, women empowerment, environment, sanitation & water, healthcare and humanitarian relief.

Details of the composition of the CSR Committee and the CSR Policy have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report. The Policy is available on Company's Website at [www.mangalfincorp.com](http://www.mangalfincorp.com).

Disclosures in terms of Section 134(3)(o) and Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, with respect to CSR activities undertaken by the Company during the year under review and CSR Policy have been provided at **Annexure E** to this Board's Report.

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

The Company is committed to provide conducive environment in which all individuals are treated with respect and dignity and promote a gender sensitive and safe work environment. Accordingly, the Board of Directors adopted a 'Policy for prevention of Sexual Harassment at workplace' and also constituted an Internal Complaints Committee, in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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 AND COMMITMENTS 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 is no material or significant order 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 Fincorp Limited**

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

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

**Place:** Mumbai  
**Date:** 12/08/2021

## ANNEXURE - A

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended 31<sup>st</sup> March, 2021

[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, 17 <sup>th</sup> Floor., 'A' Wing, Lotus Corporate Park, Western Express Highway, Goregaon (E), Mumbai-400063, Maharashtra, India <b>Tel.:</b> 022-42461300; <b>Email:</b> <a href="mailto:compliance@mangalfincorp.com">compliance@mangalfincorp.com</a>
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 <b>Add.:</b> C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 <b>Tel.:</b> 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: Nil

## 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 - 2020				Shareholding at the end of the year - 2021				% 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	7379242	0	7379242	38.2067	7917758	0	7917758	40.9949	2.7882
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00



Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2020				Shareholding at the end of the year - 2021				% Change During theyear
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	3868305	0	3868305	20.0285	3868305	0	3868305	20.0285	0.00
	Sub Total (A)(1)	11247547	0	11247547	58.2352	11786063	0	11786063	61.0235	2.7882
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(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)	11247547	0	11247547	58.2352	11786063	0	11786063	61.0235	2.7882
(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	1500	1500	0.078	0	1500	1500	0.078	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	1500	1500	0.078	0	1500	1500	0.078	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 ₹1 lakh.	1557416	748250	2305666	11.9378	1317486	688730	2006216	10.3874	-1.5504
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	4809399	17400	4826799	24.9912	4599573	17400	4616973	23.9048	-1.0864
(b)	NBFCs registered with RBI	240	0	240	0.0012	240	0	240	0.0012	0.00
(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	233574	0	233574	1.2094	288233	0	288233	1.4924	0.2830
	Non Resident Indians (Non Repat)	25163	2400	27563	0.1427	22711	2050	24761	0.1282	-0.0145

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2020				Shareholding at the end of the year - 2021				% Change During theyear
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Non Resident Indians (Repat)	4514	0	4514	0.0234	4772	0	4772	0.0247	0.0013
	Clearing Member	119183	0	119183	0.6171	40359	0	40359	0.2090	-0.4081
	Bodies Corporate	544340	3060	547400	2.8342	492899	2640	495539	2.5657	-0.2685
	Sub Total (B)(3)	7293829	771110	8064939	41.7570	6766273	710820	7476093	38.7082	-3.0488
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	7293829	772610	8066439	41.7648	6816603	712320	7527923	38.9765	-2.7883
	Total (A)+(B)	18541376	772610	19313986	100	18601666	712320	19313986	100	0
(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
	<b>Total (A)+(B)+(C)</b>	<b>18541376</b>	<b>772610</b>	<b>19313986</b>	<b>100</b>	<b>18601666</b>	<b>712320</b>	<b>19313986</b>	<b>100</b>	<b>-</b>

## ii) Shareholding of Promoters:

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2020			Shareholding at the end of the year - 2021			% 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	Meghraj Sohanlal Jain	4114372	21.3026	0.0000	4470342	23.1456	0.0000	1.8430
2	Ajit S Jain	2484240	12.8624	0.0000	2484240	12.8624	0.0000	0.0000
3	E Ally Consulting India Private Limited	1679700	8.6968	0.0000	1679700	8.6968	0.0000	0.0000
4	Dhakad Properties Private Limited	1259205	6.5197	0.0000	1259205	6.5197	0.0000	0.0000
5	Shree Jaisal Electronics And Industries Limited	929400	4.8121	0.0000	929400	4.8121	0.0000	0.0000
6	Hardik Meghraj Jain	442883	2.2931	0.0000	561280	2.9061	0.0000	0.6130
7	Ajit Sohanlal Jain	336547	1.7425	0.0000	399696	2.0695	0.0000	0.3270
8	Sandeep Maloo	600	0.0031	0.0000	600	0.0031	0.0000	0.0000
9	Neeta Maloo	600	0.0031	0.0000	600	0.0031	0.0000	0.0000
10	Seema jain	0	0	0.0000	1000	0.0000	0.0000	0.0000
	<b>Total</b>	<b>11247547</b>	<b>58.2352</b>	<b>0.0000</b>	<b>11786063</b>	<b>61.0184</b>	<b>0.0000</b>	<b>2.7831</b>

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

SrNo	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		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	4114372	21.3026			4114372	21.3026
	Market Purchase			10 Apr 2020	55599	4169971	21.5904
	Market Purchase			17 Apr 2020	8743	4178714	21.6357
	Market Purchase			24 Apr 2020	5825	4184539	21.6658
	Market Purchase			01 May 2020	19033	4203572	21.7644
	Market Purchase			08 May 2020	11410	4214982	21.8235
	Market Purchase			15 May 2020	6465	4221447	21.8569
	Market Purchase			22 May 2020	95	4221542	21.8574
	Market Purchase			29 May 2020	7659	4229201	21.8971
	Market Purchase			25 Sep 2020	45801	4275002	22.1342
	Market Purchase			30 Sep 2020	11153	4286155	22.1920
	Market Purchase			02 Oct 2020	7905	4294060	22.2329
	Market Purchase			09 Oct 2020	2517	4296577	22.2459
	Market Purchase			13 Nov 2020	1970	4298547	22.2561
	Market Purchase			20 Nov 2020	43947	4342494	22.4837
	Market Purchase			27 Nov 2020	18956	4361450	22.5818
	Market Purchase			04 Dec 2020	7630	4369080	22.6213
	Market Purchase			11 Dec 2020	11940	4381020	22.6831
	Market Purchase			18 Dec 2020	22684	4403704	22.8006
	Market Purchase			31 Dec 2020	8148	4411852	22.8428
	Market Purchase			08 Jan 2021	49063	4460915	23.0968
	Market Purchase			15 Jan 2021	296	4461211	23.0983
	Market Purchase			26 Feb 2021	2495	4463706	23.1113
	Market Purchase			12 Mar 2021	1952	4465658	23.1214
	Market Purchase			19 Mar 2021	2360	4468018	23.1336
	Market Purchase			26 Mar 2021	2324	4470342	23.1456
	At the end of the Year					4470342	23.1456
2	Ajit S Jain	2484240	12.8624			2484240	12.8624
	At the end of the Year					2484240	12.8624
3	E Ally Consulting India Private Limited	1679700	8.6968			1679700	8.6968
	At the end of the Year					1679700	8.6968
4	Dhakad Properties Private Limited	1259205	6.5197			1259205	6.5197
	At the end of the Year					1259205	6.5197
5	Shree Jaisal Electronics And Industries Limited	929400	4.8121			929400	4.8121
	At the end of the Year					929400	4.8121
6	Hardik Meghraj Jain	442883	2.2931			442883	2.2931
	Market Purchase			20 Nov 2020	5400	448283	2.3210
	Market Purchase			27 Nov 2020	28665	476948	2.4694
	Market Purchase			04 Dec 2020	1282	478230	2.4761
	Market Purchase			11 Dec 2020	645	478875	2.4794
	Market Purchase			18 Dec 2020	19247	498122	2.5791

SrNo	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		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			25 Dec 2020	187	498309	2.5800
	Market Purchase			31 Dec 2020	62851	561160	2.9055
	Market Purchase			12 Mar 2021	120	561280	2.9061
	At the end of the Year					561280	2.9061
7	Ajit Sohanlal Jain	336547	1.7425			336547	1.7425
	Market Purchase			20 Nov 2020	2506	339053	1.7555
	Market Purchase			27 Nov 2020	10240	349293	1.8085
	Market Purchase			04 Dec 2020	4269	353562	1.8306
	Market Purchase			11 Dec 2020	4481	358043	1.8538
	Market Purchase			18 Dec 2020	5594	363637	1.8828
	Market S Purchase			25 Dec 2020	7685	371322	1.9226
	Market Purchase			31 Dec 2020	11196	382518	1.9805
	Market Purchase			19 Feb 2021	17178	399696	2.0695
	At the end of the Year					399696	2.0695
8	Neeta Maloo	600	0.0031			600	0.0031
	At the end of the Year					600	0.0031
9	Sandeep Maloo	600	0.0031			600	0.0031
	At the end of the Year					600	0.0031
10	Seema Jain	0	0			0	0
	Market Purchase			25 Feb 2021	1000	1000	0
	At the end of the Year					1000	0

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

SrNo	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		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	1000000	5.1776			1000000	5.1776
	At the end of the Year					1000000	5.1776
2	Harish Sampatlal Jain	513549	2.6589			513549	2.6589
	Market Sale			10 Apr 2020	-1000	512549	2.6538
	Market Sale			26 Jun 2020	-290	512259	2.6523
	Market Purchase			14 Aug 2020	1239	513498	2.6587
	Market Purchase			21 Aug 2020	1000	514498	2.6639
	Market Purchase			28 Aug 2020	500	514998	2.6665
	Market Sale			30 Sep 2020	-645	514353	2.6631
	Market Purchase			11 Dec 2020	1000	515353	2.6683
	Market Sale			18 Dec 2020	-1000	514353	2.6631
	Market Purchase			12 Feb 2021	1000	515353	2.6683
	At the end of the Year					515353	2.6683
3	Mohit Kabra	353000	1.8277			353000	1.8277
	Market Purchase			07 Aug 2020	1250	354250	1.8342
	At the end of the Year					354250	1.8342

SrNo	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		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
4	Pravin Udaylal Jain	342570	1.7737			342570	1.7737
	At the end of the Year					342570	1.7737
5	Jyotivardhan Jaipuria	225573	1.1679			225573	1.1679
	Market Sale			10 Jul 2020	-90	225483	1.1675
	Market Sale			24 Jul 2020	-9910	215573	1.1161
	Market Sale			07 Aug 2020	-1060	214513	1.1107
	Market Sale			14 Aug 2020	-18940	195573	1.0126
	Market Sale			06 Nov 2020	-3720	191853	0.9933
	Market Sale			13 Nov 2020	-1280	190573	0.9867
	Market Sale			20 Nov 2020	-3474	187099	0.9687
	Market Sale			27 Nov 2020	-7526	179573	0.9298
	Market Sale			11 Dec 2020	-2000	177573	0.9194
	Market Sale			19 Mar 2021	-356	177217	0.9176
	Market Sale			31 Mar 2021	-508	176709	0.9149
	At the end of the Year					176709	0.9149
6	Manan Trading Company Private Limited	223000	1.1546			223000	1.1546
	Market Sale			21 Aug 2020	-27000	196000	1.0148
	Market Sale			28 Aug 2020	-9500	186500	0.9656
	Market Sale			04 Sep 2020	-1500	185000	0.9579
	Market Sale			11 Sep 2020	-15397	169603	0.8781
	At the end of the Year					169603	0.8781
7	Urvi Bankimbhai Desai	177000	0.9164			177000	0.9164
	At the end of the Year					177000	0.9164
8	Jayant Sadashiv Basrur	150000	0.7766			150000	0.7766
	Market Sale			28 Aug 2020	-2000	148000	0.7663
	Market Sale			04 Sep 2020	-1512	146488	0.7585
	Market Sale			18 Sep 2020	-2388	144100	0.7461
	Market Sale			30 Sep 2020	-2000	142100	0.7357
	Market Sale			02 Oct 2020	-2000	140100	0.7254
	Market Sale			09 Oct 2020	-3086	137014	0.7094
	Market Sale			16 Oct 2020	-415	136599	0.7073
	Market Sale			04 Dec 2020	-6414	130185	0.6740
	Market Sale			11 Dec 2020	-14372	115813	0.5996
	Market Sale			18 Dec 2020	-18909	96904	0.5017
	Market Sale			29 Jan 2021	-2558	94346	0.4885
	Market Sale			05 Feb 2021	-10729	83617	0.4329
	Market Sale			26 Feb 2021	-3760	79857	0.4135
	Market Sale			05 Mar 2021	-3000	76857	0.3979
	At the end of the Year					76857	0.3979
9	Galaxy Trading Private Limited	149512	0.7741			149512	0.7741
	Market Purchase			28 Aug 2020	5100	154612	0.8005
	Market Purchase			11 Sep 2020	14000	168612	0.8730

SrNo	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		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			15 Jan 2021	2004	170616	0.8834
	Market Purchase			22 Jan 2021	6226	176842	0.9156
	Market Purchase			12 Feb 2021	2000	178842	0.9260
	At the end of the Year					178842	0.9260
10	Satco Capital Markets Ltd	110000	0.5695			110000	0.5695
	Market Purchase			03 Apr 2020	3500	113500	0.5877
	Market Sale			10 Apr 2020	-54270	59230	0.3067
	Market Sale			17 Apr 2020	-8743	50487	0.2614
	Market Sale			24 Apr 2020	-5825	44662	0.2312
	Market Sale			01 May 2020	-19033	25629	0.1327
	Market Sale			08 May 2020	-11410	14219	0.0736
	Market Sale			15 May 2020	-6367	7852	0.0407
	Market Purchase			22 May 2020	2483	10335	0.0535
	Market Purchase			29 May 2020	2867	13202	0.0684
	Market Sale			05 Jun 2020	-3974	9228	0.0478
	Market Purchase			12 Jun 2020	5087	14315	0.0741
	Market Sale			19 Jun 2020	-3335	10980	0.0568
	Market Purchase			26 Jun 2020	84	11064	0.0573
	Market Purchase			30 Jun 2020	4571	15635	0.0810
	Market Sale			03 Jul 2020	-7173	8462	0.0438
	Market Sale			10 Jul 2020	-8440	22	0.0001
	Market Purchase			17 Jul 2020	21118	21140	0.1095
	Market Sale			24 Jul 2020	-584	20556	0.1064
	Market Sale			31 Jul 2020	-7249	13307	0.0689
	Market Sale			07 Aug 2020	-721	12586	0.0652
	Market Purchase			14 Aug 2020	112497	125083	0.6476
	Market Sale			21 Aug 2020	-79701	45382	0.2350
	Market Sale			28 Aug 2020	-35882	9500	0.0492
	Market Sale			04 Sep 2020	-612	8888	0.0460
	Market Sale			11 Sep 2020	-2549	6339	0.0328
	Market Purchase			18 Sep 2020	14999	21338	0.1105
	Market Sale			25 Sep 2020	-16600	4738	0.0245
	Market Purchase			30 Sep 2020	2100	6838	0.0354
	Market Sale			02 Oct 2020	-4000	2838	0.0147
	Market Purchase			09 Oct 2020	3466	6304	0.0326
	Market Sale			16 Oct 2020	-50	6254	0.0324
	Market Sale			23 Oct 2020	-2800	3454	0.0179
	Market Purchase			13 Nov 2020	4497	7951	0.0412
	Market Purchase			20 Nov 2020	19262	27213	0.1409
	Market Sale			27 Nov 2020	-9454	17759	0.0919
	Market Purchase			04 Dec 2020	9472	27231	0.1410
	Market Sale			11 Dec 2020	-9406	17825	0.0923
	Market Sale			18 Dec 2020	-2649	15176	0.0786
	Market Purchase			25 Dec 2020	2526	17702	0.0917
	Market Purchase			31 Dec 2020	39283	56985	0.2950

SrNo	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		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 Sale			01 Jan 2021	-1185	55800	0.2889
	Market Sale			08 Jan 2021	- 24670	31130	0.1612
	Market Purchase			15 Jan 2021	2395	33525	0.1736
	Market Sale			22 Jan 2021	-95	33430	0.1731
	Market Purchase			29 Jan 2021	9	33439	0.1731
	Market Sale			05 Feb 2021	-280	33159	0.1717
	Market Sale			12 Feb 2021	-2231	30928	0.1601
	Market Sale			19 Feb 2021	-18189	12739	0.0660
	Market Purchase			26 Feb 2021	28325	41064	0.2126
	Market Sale			05 Mar 2021	-25149	15915	0.0824
	Market Purchase			12 Mar 2021	97725	113640	0.5884
	Market Sale			19 Mar 2021	-87898	25742	0.1333
	Market Sale			26 Mar 2021	-10759	14983	0.0776
	Market Purchase			31 Mar 2021	8065	23048	0.1193
	At the end of the Year					23048	0.1193
11	Harshvardhan Rajendra Birani	9499	0.0492			9499	0.0492
	Market Purchase			17 Apr 2020	475	9974	0.0516
	Market Purchase			24 Apr 2020	5793	15767	0.0816
	Market Purchase			01 May 2020	1653	17420	0.0902
	Market Sale			08 May 2020	- 5996	11424	0.0591
	Market Purchase			15 May 2020	8392	19816	0.1026
	Market Purchase			22 May 2020	4478	24294	0.1258
	Market Purchase			29 May 2020	6190	30484	0.1578
	Market Purchase			19 Jun 2020	130660	161144	0.8343
	Market Sale			26 Jun 2020	-100	161044	0.8338
	Market Purchase			03 Jul 2020	2670	163714	0.8476
	Market Purchase			31 Jul 2020	694	164408	0.8512
	Market Purchase			07 Aug 2020	1350	165758	0.8582
	Market Purchase			14 Aug 2020	2700	168458	0.8722
	Market Sale			21 Aug 2020	-14250	154208	0.7984
	Market Purchase			28 Aug 2020	11977	166185	0.8604
	Market Purchase			04 Sep 2020	3850	170035	0.8804
	Market Purchase			11 Sep 2020	620	170655	0.8836
	Market Sale			18 Sep 2020	-625	170030	0.8803
	Market Purchase			25 Sep 2020	1966	171996	0.8905
	Market Purchase			09 Oct 2020	520	172516	0.8932
	Market Purchase			16 Oct 2020	2546	175062	0.9064
	Market Sale			23 Oct 2020	-1477	173585	0.8988
	Market Purchase			30 Oct 2020	1510	175095	0.9066
	Market Sale			11 Dec 2020	-2280	172815	0.8948
	Market Purchase			18 Dec 2020	2100	174915	0.9056
	Market Sale			25 Dec 2020	-2000	172915	0.8953
	Market Sale			31 Dec 2020	-44700	128215	0.6638
	At the end of the Year					128215	0.6638

SrNo	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		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
12	Manjulata J Ranka	0	0			0	0
	Market Purchase			04 Dec 2020	50	50	0.0003
	Market Purchase			11 Dec 2020	15670	15720	0.0814
	Market Purchase			18 Dec 2020	3984	19704	0.1020
	Market Purchase			25 Dec 2020	375	20079	0.1040
	Market Purchase			08 Jan 2021	3596	23675	0.1226
	Market Purchase			15 Jan 2021	150	23825	0.1234
	Market Purchase			22 Jan 2021	5924	29749	0.1540
	Market Purchase			29 Jan 2021	6060	35809	0.1854
	Market Purchase			05 Feb 2021	34615	70424	0.3646
	Market Purchase			12 Feb 2021	16826	87250	0.4517
	Market Purchase			19 Feb 2021	17987	105237	0.5449
	Market Purchase			26 Feb 2021	9336	114573	0.5932
	Market Purchase			05 Mar 2021	11862	126435	0.6546
	Market Purchase			12 Mar 2021	148	126583	0.6554
	At the end of the Year					126583	0.6554

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

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	62,969,334	-	62,969,334
ii) Interest due but not paid	-	1,493,959	-	1,493,959
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>64,463,293</b>	-	<b>64,463,293</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	123,980,514	291,557,427	-	415,537,940
Reduction	31,517,974	315,875,475	-	347,393,449
<b>Net Change</b>	<b>92,462,540</b>	<b>(24,318,048)</b>	-	<b>68,144,491</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	92,462,540	38,651,286	-	131,113,825
ii) Interest due but not paid	-	2,668,843	-	2,668,843
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>92,462,540</b>	<b>41,320,129</b>	-	<b>133,782,668</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Chairman & Managing Director	Total
		Mr. Meghraj Jain	
1.	Gross Salary	7,50,000	7,50,000
	(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	-	-
	(c) 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	-	-
	<b>Total</b>	<b>7,50,000</b>	<b>7,50,000</b>

**Remuneration to other directors:**

Particulars of Remuneration	Name of Directors					Total Amount in ₹
	Mr. Sujan S.	Mr. A. Ramanathan	Mrs. D. Nirupama	Mr. S. Ganesh	Mr. Sriram S.	
<b>Independent Director</b>						
Fee for attending board / committee meetings	-	40,000	40,000	40,000	-	1,20,000
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
Total (1)	-	40,000	40,000	40,000	-	1,20,000
<b>Other Non-Executive Directors</b>						
Fee for attending board / committee meetings	10,000	-	-	-	-	10,000
Commission	-	-	-	-	-	-
Others, please specify	1,60,000	-	-	-	-	1,60,000
Total (2)	1,70,000	-	-	-	-	1,70,000
<b>Total (1+2)</b>	<b>1,70,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>-</b>	<b>2,90,000</b>

**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	13,50,000	5,50,500	19,00,500
	(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	-	-	-
	(c) 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	-	-	-
	<b>Total</b>	<b>13,50,000</b>	<b>5,50,500</b>	<b>19,00,500</b>

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

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

By the Order of the Board of Directors  
For Mangal Credit and Fincorp Limited

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

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

Place: Mumbai  
Date: 12/08/2021

## ANNEXURE - B

### Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Mangal Credit and Fincorp Limited**  
Office No- 1701/1702, 17<sup>th</sup> 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 **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 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 **31<sup>st</sup> March, 2021**, 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 31<sup>st</sup> March, 2021 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vi) Based on the representations made by the Company and its officers and my verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance with the following laws applicable specifically to the Company:
- a. The Reserve Bank of India Act, 1934, as applicable to Non-banking Financial Companies;
  - b. Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
  - c. Master Direction - Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016;
  - d. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
  - e. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
  - f. Master Direction - Information Technology Framework for the NBFC Sector;
  - g. Master Direction - Know Your Customer (KYC) Direction, 2016;
  - h. Prevention of Money Laundering Act, 2002 and the Rules made thereunder; and;
  - i. Various Circulars, Notifications, Directions, Guidelines, Master Circulars issued by the Reserve Bank of India from time to time in respect of Non-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 BSE Limited.

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 subject to the following observation:

*Pursuant to Regulation 17 (1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors. Due to sudden sad demise of one of the Director Mr. Srichand Teckchand Gerela on 27<sup>th</sup> May, 2020 the Board of Directors was left with the strength of 5 Directors only. On 11<sup>th</sup> November, 2020, Mr. S Sriram was appointed as Independent Director and Mr. Sujan Sinha was appointed as Non-Executive Non-Independent Director on the Board of the Company in the duly convened Board Meeting.*

*The Company had received a mail from BSE Ltd. on 5<sup>th</sup> March, 2021 for freezing all the promoter's demat account as the Company is non-compliant with the provisions of Regulation(s) 17(1) of SEBI (LODR) Regulations, 2015 for the quarter ended December 2020 and levied a fine of ₹2,41,900/-.*

*The Company replied to BSE Ltd. on 8<sup>th</sup> March, 2021 that the composition of Board of Directors of the Company for the quarter ended December 2020 is as per the Regulation 17(1) of SEBI (LODR) Regulations, 2015 and requested for the waiver of the fine levied on the Company.*

*The company paid the penalty amount of ₹2,41,900/- to BSE on 15<sup>th</sup> June, 2021 under protest as the non-compliance with the provisions of Regulation(s) 17(1) of SEBI (LODR) Regulations, 2015 for the quarter ended December 2020 was not confirmed.*

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, as related to wages, gratuity, provident fund, ESIC, compensation etc;
- (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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 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) Members at their Annual General Meeting held on 30<sup>th</sup> December, 2020 ("AGM") inter alia approved the following:
  - (i) Appointment of Mr. Sujan Sinha (DIN: 02033322) as Non-Executive Director of the Company;
  - (ii) Appointment of Mr. Sriram Sankaranarayanan (DIN: 00146563) as an Independent Director of the Company;

**For Vijaykumar Tiwari & Associates  
Company Secretaries**

Sd/-

**Vijay Kumar Tiwari**

**ACS No: 33084**

**COP No: 12220**

**UDIN: A033084C000773934**

**Place: Mumbai  
Date: 12/08/2021**

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

**ANNEXURE - I**

To,  
The Members,  
**Mangal Credit and Fincorp Limited**  
Office No- 1701/1702, 17<sup>th</sup> 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**  
**Company Secretaries**

Sd/-

**Vijay Kumar Tiwari**

**ACS No: 33084**

**COP No: 12220**

**UDIN: A033084C000773934**

**Place: Mumbai**

**Date: 12/08/2021**

**ANNEXURE - C****SECRETARIAL COMPLIANCE REPORT OF MANGAL CREDIT AND FINCORP LIMITED FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

To,

**MANGAL CREDIT AND FINCORP LIMITED**

1701/1702, 17<sup>th</sup> 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, 2021 ("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;  
(herein after 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 except the following:

The Company had received a mail from BSE Ltd. on 5<sup>th</sup> March, 2021 for freezing all the promoter's demat account as the Company is non-compliant with the provisions of Regulation(s) 17(1) of SEBI (LODR) Regulations, 2015 and levied a fine of ₹2,41,900/- for the quarter ended December 2020.

The Company replied to BSE Ltd. on 8<sup>th</sup> March, 2021 that the composition of Board of Directors of the Company for the quarter ended December 2020 is as per the Regulation 17(1) of SEBI (LODR) Regulations, 2015 And requested for the waiver of the fine levied on the Company also to unfreeze/release the accounts of all the promoters.

**For Vijaykumar Tiwari & Associates  
Company Secretaries**

Sd/-

Vijay Kumar Tiwari

ACS No: 33084

COP No: 12220

UDIN: A033084C000773934

Place: Mumbai

Date: 19/05/2021

## ANNEXURE - D

**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 31<sup>st</sup> March, 2021:**

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

- Mr. Meghraj Jain – 7x
- Mr. Naval Maniyar – 4.20x

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. Meghraj Jain (MD): N.A. (Nil remuneration was paid in F.Y. 2019-20)
- Mr. Naval Maniyar (Director & CFO): 25%
- Ms. Supriya Agarwal (CS): 3.85%

**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 0.56% in the financial year.

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

There were 31 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2021.

**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 benchmark 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 for financial year 2019-20 & 2020-2021 has been annualised for the purpose of comparison.

## ANNEXURE - E

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

1. A brief outline of the Company's CSR Policy, including the overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The CSR Policy was approved by the Board of Directors at its Meeting held on 12<sup>th</sup> February, 2020 and has been uploaded on the Company's website. A gist of the programs that the Company can undertake under the CSR Policy is mentioned below:

CSR Policy is stated herein below:

Web link: <http://www.mangalfincorp.com>

2. The Composition of the CSR Committee during the year:

Name of the Member	Designation in Committee	Designation in the Company
Smt. Nirupama Dattatraya	Chairperson	Independent Director
Shri Ganesh Subramanyam	Member	Independent Director
Shri Meghraj Jain	Member	Chairman & Managing Director

3. Average net profit of the Company for last three financial years: ₹6,36,57,481/-  
 4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹12,73,148/-  
 5. Details of CSR spent during the financial year.  
 a. Total amount to be spent for the financial year: ₹12,73,148/-  
 b. Amount unspent, if any; ₹0/-  
 c. Manner in which the amount spent during the financial year is detailed below:

(Amount in Rupees)

(1) Sr No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs Local area or other Specify the State and district where projects or programs were undertaken	(5) Amount outlay (budget) project or program wise	(6) Amount spent on the projects or programs Sub-heads: Direct Expenditure on projects or programs. Overheads:	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: Direct or through implementing agency.
1	Promotion of Education	Education and Skill development	Project for construction of School at Sisoda, Rajasmand, Rajasthan	₹23,22,724/-	₹23,22,724/-	₹23,22,724/-	Amount was spent Directly

The Company has spent CSR fund for construction of school at Sisoda, Rajasmand, Rajasthan for improving the quality of education, providing facilities and assist promotion of primary education among children.

6. Since, the average net profit of preceding three financial years exceeds the prescribed limit under the Companies Act, 2013, Hence the Company's' CSR Contribution eligibility for the FY 2020-21 stands to ₹12,73,148/-

7. During the year under CSR Activity, the Company has spent an amount of ₹23,22,724/-

The Committee confirms that the implementation and monitoring of CSR policy is in accordance with the CSR objectives and policy of the Company.

Sd/-  
**Meghraj Jain**  
 (Member - CSR Committee)  
 DIN: 01311041

Sd/-  
**Naval Maniyar**  
 Director & Chief Financial Officer  
 DIN: 06657440

Place: Mumbai  
 Date: 12<sup>th</sup> August, 2021



## MANGAL CREDIT AND FINCORP LIMITED CORPORATE SOCIAL RESPONSIBILITY POLICY

Mangal Credit and Fincorp Limited ('MCFL' or 'Company') is registered with the Reserve Bank of India (RBI) as a Non-Systemically Important Non-Deposit Accepting Non-Banking Financial Company (NBFC-ND-NSI).

Mangal Credit and Fincorp Limited as a Company strives to be a responsible organization that has minimal negative impact on the global or local environment, community, society, or economy. To carry forward this endeavor, the Company has framed a CSR (Corporate Social Responsibility) policy and frame work, which elaborates its intent, mechanism and monitoring methodology towards CSR.

CSR is a way of conducting business, by which corporate entities contribute to the social good of its stakeholders and beyond. The essence of CSR is to integrate economic, environmental and social objectives with the company's operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrate its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.

### DEFINITIONS

In this CSR Policy, unless the context otherwise requires

- i. **"Act"** means the Companies Act, 2013 and rules made thereunder (as amended);
- ii. **"Board"** means the Board of Directors of the Company and will include any Committee of the Board;
- iii. **"Corporate Social Responsibility (CSR)"** means and includes:
  - a. Projects or programs relating to activities specified in Schedule VII to the Act as amended from time to time; or
  - b. Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per CSR Policy of the Company subject to condition that such policy shall cover subjects enumerated in Schedule VII of the Act.
- iv. **"CSR Committee"** shall mean the committee of the board constituted in terms of Section 135 of the Companies Act, 2013 read with Rule 5 of the rules.

### CSR ACTIVITIES

The Company endeavors to make CSR a key business process for sustainable development. MCFL is responsible to continuously enhancing shareholders' wealth. It is also committed to its other stakeholders to conduct its business in an accountable manner that create a sustained positive impact on society.

The activities to be taken up during any financial year shall be within the purview of the areas or subjects specified by the MCA under Schedule VII of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force). The activities shall relate to:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents.
- vii. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- viii. Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- ix. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial

Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- x. Rural development projects.
- xi. Slum area development.

Explanation- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

#### **WHAT IS NOT A CSR ACTIVITY**

Following activities will not be considered as CSR activities:

- that benefit only the employees of the Company and their families;
- contribution of any amount directly or indirectly to any political party under the provisions of the Companies Act, 2013;
- activities undertaken in pursuance of normal course of business of a Company.

#### **IMPLEMENTATION**

MCFL intends to implement the CSR Programmes through Company personnel or through external implementing agencies or through 'Mangal Charitable Trust' (and other Trusts, Foundations and Section 8 companies that may be established by the Company from time to time). In such cases, the Company will specify the CSR Programmes which may be undertaken by those Trusts in accordance with their objects and administrative and accounting processes laid down in the respective Trust Deeds/Memorandum and Articles of Association.

Recommendations of the CSR activities in any locations and budget allocations thereof shall be sent to the Secretary of the CSR Committee, who shall place the same before the Committee in its meeting. The CSR committee shall, if consider fit, recommend such activity and amount to be spent on such activity to the Board for its approval.

#### **COMPLIANCE, MONITORING AND REPORTING**

Compliance with this policy will be continuously monitored by the CSR Committee at its meeting(s), subject to annual review by the Board of Directors. The Contents of this

policy shall be disclosed in the Board report and placed on the Company's website. Compliance will be reported to stakeholders through the Company's Annual Report.

The Board shall ensure spending of allocated amount on CSR activities and report the status in its annual report, also specify the reasons of non-spending of the allocated amount, if any.

The members of the CSR committee shall be appointed or removed by the Board of Directors by way of Resolution. Company Secretary shall be the Secretary of the CSR Committee. The minutes of CSR committee meetings shall be placed before the Board meeting.

#### **RESPONSIBILITIES OF CSR COMMITTEE**

- Formulate and recommend the CSR Policy to the Board for approval;
- Recommend to the Board for its consideration and approval CSR activities identified and to be undertaken during the financial year which are in lines with the activities specified in Schedule VII and amount of expenditure to be incurred for each activity/project;
- Put monitoring mechanisms in place to track the progress of each project;
- Meet atleast once a year to review the progress made;

#### **CSR BUDGET**

Mandatory annual spending on CSR Activities in any particular financial year shall be 2% of the average of the annual net profit of the preceding three financial years.

The total budget for the CSR projects, for a financial year will be decided by the CSR Committee.

In case at least 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in the CSR report.

#### **TREATMENT OF SURPLUSES**

Any surplus generated from CSR projects undertaken by the Company will be tracked and channelized into the CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

The CSR Policy has been adopted by the Board of Directors on 12<sup>th</sup> February, 2020 and shall come into force with immediate effect.

## ANNEXURE - F

### CEO and CFO Certificate

To,  
The Board of Directors

**Mangal Credit and Fincorp Limited**

- A. We have reviewed the financial statements and the cash flow statement of Mangal Credit and Fincorp Limited ("the Company) for the year ended 31<sup>st</sup> March, 2021 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, there are 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. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- 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
  - iii. there are no instances of significant fraud of which we have become aware.

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

**Sd/-**  
**Naval Maniyar**  
**Director & Chief Financial Officer**  
**DIN: 06657440**

**Place:** Mumbai  
**Date:** 19<sup>th</sup> May, 2021

## ANNEXURE - G

# Corporate Governance Report

For The Financial Year 2020-2021

(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 2020-2021

## 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 as on 31<sup>st</sup> March, 2021 comprises 7 (Seven) Directors of which 2 (Two) are Executive Directors, 4 (Four) are Non-Executive Independent Directors and 1 (One) is Non-Executive Non-Independent Director. 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 31<sup>st</sup> March, 2021 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. Meghraj Jain	Chairman & Managing Director	#1	1	-	-
Mr. Naval Maniyar	Executive Director & CFO	0	0	-	-
Mrs. Nirupama Dattatraya Pendurkar	Independent Director	1	1	-	-
Mr. Ramanathan Annamalai	Independent Director	4	##5	3	-
Mr. Ganesh Subramanyam	Independent Director	0	2	-	-
Mr. Sriram Sankaranarayanan	Independent Director	0	1	-	-
Mr. Sujan Sinha	Non-Executive Director	1	4^	-	-

# Mr. Meghraj Jain has resigned from Satco Capital Markets Limited w.e.f. 07/07/2021.

## Mr. Ramanathan Annamalai has resigned from Unnati Microfin Private Limited w.e.f. 15/07/2021.

^ Mr. Sujan Sinha has resigned from Purecred Finance Private Limited w.e.f. 11/06/2021.

\*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 31<sup>st</sup> March, 2021 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.

Name of the Director	Attendance at the Board Meeting Held on				Attendance at the Annual General Meeting Held on
	30.06.2020	15.09.2020	11.11.2020	12.02.2021	30.12.2020
Mr. Meghraj Jain	Yes	Yes	Yes	Yes	Yes
Mr. Naval Maniyar	Yes	Yes	Yes	Yes	Yes
Mr. Ganesh Subramanyam	Yes	Yes	Yes	Yes	Yes
Mrs. Nirupama Dattatraya Pendurkar	Yes	Yes	Yes	Yes	Yes
Mr. Ramanathan Annamalai	Yes	Yes	Yes	Yes	Yes
Mr. Sriram Sankaranarayanan	NA	NA	NA	No	Yes
Mr. Sujan Sinha	NA	NA	NA	Yes	Yes

#### Note:

- Mr. Sujan Sinha (DIN: 02033322) was appointed as Non-Executive Non Independent Director at the Board Meeting held on 11<sup>th</sup> November, 2020 and received shareholders approval on 30/12/2020;
- Mr. Sriram Sankaranarayanan (DIN: 00146563) was appointed as Non-Executive Independent Director at the Board Meeting held on 11<sup>th</sup> November, 2020 and received shareholders approval on 30/12/2020.

### 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.

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 alongwith 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, 4 (Four) 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.

### 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
- Industry Experience, Research & Development and

- Innovation
- Global Business
- 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") and RBI Directions, 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:

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

Composition of the Audit Committee and 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			
		30.06.2020	15.09.2020	11.11.2020	12.02.2021
Mr. Ganesh Subramanyam	Chairman	Yes	Yes	Yes	Yes
Mr. Ramanathan Annamalai	Member	Yes	Yes	Yes	Yes
Mrs. Nirupama Dattatraya Pendurkar	Member	Yes	Yes	Yes	No

#### 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 and its financial controls and systems, review and ensure correctness, sufficiency and credibility of annual financial statement of the Company, 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 subsidiary(s).

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 ("AC")

The Audit Committee as on 31<sup>st</sup> March, 2021 comprises of Mr. Subramanyam Ganesh, Mr. Nirupama Dattatray 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 4 (Four) 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 30<sup>th</sup> December, 2020.

#### Asset-Liability Management Committee ("ALCO")

Asset-Liability Management Committee ("ALCO") was constituted by the Board on 12<sup>th</sup> August, 2021. The ALCO comprises of the following Members:

##### Tier 1

1. Mr. Meghraj Jain – Chairman & Managing Director
2. Mr. Naval Maniyar – Director & CFO

##### Tier 2

1. Mr. Ramesh Dubey – IT Head
2. Mr. Shaurya Jindal – Deputy Manager
3. Ms. Supriya Agarwal – Company Secretary and Compliance Officer

#### Terms of Reference

The terms of reference of the ALCO inter-alia includes: monitoring the asset liability composition of the Company's business, determining actions to mitigate risks associated with the asset liability mismatches, determining and reviewing the current interest rate model of the Company,

approve proposals and detailed terms and conditions of borrowings from banks reviewing the borrowing programme of the Company, review product pricing and desired maturity profile of assets and liabilities and also the mix of incremental assets & liabilities.

### Nomination and Remuneration Committee ("NRC")

The Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2021 comprises of Mr. Ramanathan Annamalai,

Mrs. Nirupama Dattatraya and Mr. Subramanyam Ganesh.

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 3 (Three) times. The required quorum was present at all the meetings.

Composition of the Nomination and Remuneration Committee and 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		
		30.06.2020	15.09.2020	11.11.2020
Mr. Ramanathan Annamalai	Chairman	Yes	Yes	Yes
Mrs. Nirupama Dattatraya Pendurkar	Member	Yes	Yes	Yes
Mr. Subramanyam Ganesh	Member	Yes	Yes	Yes

### 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 ("SRC")

The Stakeholders Relationship Committee as on 31<sup>st</sup> March, 2021 comprises of Mrs. Nirupama Dattatraya, Mr. Meghraj Jain and Mr. Subramanyam Ganesh. 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 Stakeholders Relationship Committee Meeting Held on			
		30.06.2020	15.09.2020	11.11.2020	12.02.2021
Mrs. Nirupama Dattatraya Pendurkar	Chairperson	Yes	Yes	Yes	No
Mr. Subramanyam Ganesh	Member	Yes	Yes	Yes	Yes
Mr. Meghraj Jain	Member	Yes	Yes	Yes	Yes

### 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 31<sup>st</sup> March, 2021.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee as on 31<sup>st</sup> March, 2021 comprises of Mrs. Nirupama Dattatraya, Mr. Meghraj Jain and Mr. Subramanyam Ganesh. During the year under review, the Corporate Social Responsibility Committee met 1 (One) time. The required quorum was present at the meeting. The Company Secretary of the Company acts as Secretary to the Committee.

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

Name of the Members	Category	Attendance Corporate Social Responsibility Committee Meeting Held on 12/02/2021
Mrs. Nirupama Dattatraya Pendurkar	Chairperson	Yes
Mr. Subramanyam Ganesh	Member	Yes
Mr. Meghraj Jain	Member	Yes

### Terms of Reference

The terms of reference of the CSR Committee inter-alia includes: formulating and monitoring the CSR Policy, recommending to the Board the amount and area of CSR expenditure, implementation and monitoring the CSR Projects.

### Corporate Social Responsibility (“CSR”) Policy

In terms of the provisions of the Act, the Board of Directors adopted a ‘CSR Policy’ which helps towards contribution and furtherance of your Company's objective to create value in the society and community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a socially responsible corporate citizen.

The CSR Policy of the Company inter-alia indicates the CSR activities that can be undertaken by the Company and defines the roles and responsibilities of the Board of Directors and CSR Committee in implementing and monitoring CSR projects identified and supported by the Company.

The CSR Policy is available on the website of the Company [www.mangalfincorp.com](http://www.mangalfincorp.com)

### Other Committee

#### Internal Complaints Committee

The Company is committed to provide conducive environment in which all individuals are treated with respect and dignity and promote a gender sensitive and safe work environment. Accordingly, the Board of Directors adopted a ‘Policy for prevention of Sexual Harassment at workplace’ and also constituted an Internal Complaints Committee, in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Internal Complaint Committee comprises of the following Members:

1. Ms. Ankita Rathi - Presiding Officer
2. Mr. Hiren Upadhyay – Member
3. Ms. Supriya Agarwal – Member
4. Mrs. Ulka Nair - External Member (Social Worker)

No complaints related to sexual harassment were received / were pending during the year under review.

### Terms of Reference

The terms of reference of the Internal Complaints Committee inter-alia includes: conducting an inquiry into complaints made by any aggrieved woman at the workplace and arrive at a conclusion as to whether the allegation for which the complaint has been filed is proved or not and take necessary action to resolve the complaints, preparing annual report for each calendar year and submitting of the same to the Board of Directors, the District Officer and such other officer as may be prescribed, and monitoring and implementing the ‘Policy for prevention of Sexual Harassment at workplace’.

### 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”) 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 30<sup>th</sup> June, 2021 through video conference 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.



### **Familiarisation Programme for Independent Directors**

The Independent Directors of your Company were familiarised with the industry in which your Company operate, the Company's business model and its operations in order to give them an insight into the Company's business and its functioning. The Independent Directors were also familiarised with their functioning roles rights and responsibilities as Independent Directors. Details of how the familiarisation programmes imparted to Independent Directors is available on the website of the Company.

### **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.

### **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.

### **Fair Practices Code**

In terms of the RBI Directions, the Board of Directors adopted a 'Fair Practices Code' which inter-alia deals with matters related to manner of application for loans, their processing, loan appraisal, terms / conditions and disbursement of loans and changes in terms and conditions of loans sanctioned. The Fair Practices Code is available on the website of the Company.

### **Information Technology related Policies and Processes**

In terms of the Master Direction – Information Technology Framework for the NBFC Sector issued by the Reserve Bank of India, the Board of Director adopted various polices for Information Technology (IT) which inter-alia include the 'IT Policy', 'Information Security Policy', 'Cyber Security Policy', 'IT Audit Policy', 'Logical Access Management Policy', 'Change Management Policy', 'Backup Management & Restoration Policy', 'Asset Management Policy', and 'IT Outsourcing Policy'. Further, the Board of Directors adopted various IT processes to ensure effective implementation of the IT policies.

### **Asset Liability Management Policy ("ALCO Policy")**

In terms of requirements of the Asset Liability Management ("ALM") Guidelines prescribed by RBI, the Board of Directors adopted an 'ALCO Policy'.

The ALCO Policy provides a comprehensive and dynamic framework for assessing, measuring, monitoring and managing ALM risks. The policy describes the process that should be followed by the ALCO to evaluate the effectiveness of the Company's internal control procedures with respect to managing ALM risks. The ALCO Policy is available on the website of the Company.

### **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 Transaction Policy

In term of the provisions of the Listing Regulations, the Act and RBI Directions, the Board of Directors adopted a 'Related Party Transaction Policy' to ensure proper approval and reporting of transactions between the Company and its related parties.

The Related Party Transaction Policy inter-alia sets out criteria for identifying material related party transactions and includes the process and manner of approval of transactions with related parties, identification of related parties and identification of potential related party transactions. In terms of the Related Party Transaction Policy of the Company, any transaction with any related parties shall be considered to be appropriate only if it is in the best interests of the Company and its shareholders. The Related Party Transaction Policy is available on the website of the Company at [www.mangalfincorp.com](http://www.mangalfincorp.com)

### Policy for Determination of Materiality of Events and Information

In terms of the provisions of the Listing Regulations, the Board of Directors adopted a 'Policy for Determination of Materiality of Events and Information', which inter-alia sets out guidelines for determining materiality of events / information for the purpose of disclosure to the stock exchanges and identifies officers of the Company who shall be authorized to make necessary disclosures to the stock exchanges. The Policy for Determination of

Materiality of Events and Information is available on the website of the Company.

### 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.

### Remuneration of the Managing Director and Whole-time Directors for the financial year 2020-21

Name of the Director	Gross Salary	Others	Total
Mr. Meghraj Jain	7,50,000	-	7,50,000
Mr. Naval Maniyar	13,50,000	-	13,50,000

### Remuneration of the Non-Executive Directors for the financial year 2020-21

Name of the Director	Sitting Fees	Others	Total
Mr. Sujan S.	10,000	1,60,000	1,70,000
Mr. A. Ramanathan	40,000	-	40,000
Mrs. D. Nirupama	40,000	-	40,000
Mr. S. Ganesh	40,000	-	40,000
Mr. S. Sriram	Nil	-	-
<b>Total</b>	<b>1,30,000</b>	<b>1,60,000</b>	<b>2,90,000</b>

During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. The Company has not granted any stock options to its Non- Executive Directors.

### 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
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.	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Meghraj Jain as the Managing Director</li> <li>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 ₹10/- each</li> </ol>
2018-2019	Monday, 30.09.2019	Utkarsh Mandal Hall Malviya Road, Vile Parle (East), Mumbai- 400057	11:00 A.M	<ol style="list-style-type: none"> <li>1. To appoint Mr. Srichand Teckchand Gerela (Din: 01565534) as Non-Executive Director of the Company</li> <li>2. To Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary (Indtrans Container Lines Pvt. Ltd.</li> <li>3. To Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary (Satco Capital Markets Pvt. Ltd.</li> <li>4. 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</li> <li>5. To ratify the resolution passed for Sale, Transfer or Disposal of the shares held by the Company in its Subsidiary Mangal Buildhome Private Limited</li> </ol>
2019-2020	Wednesday, 30.12.2020	1701/1702, 17 <sup>th</sup> Floor, A Wing, Lotus Corporate Park, Western Express Highway, Goregaon (East), Mumbai-400063 Through Video Conferencing	11:00 A.M	No Special Resolution

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 or and Mumbai Lakshdeep respectively;
- The Financial Statements are also displayed on the website of the Company [www.mangalfincorp.com](http://www.mangalfincorp.com);
- The Management Discussion and Analysis Report forms a part of this Annual report;
- 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 2020-2021	59 <sup>th</sup> Annual General Meeting Date: 29 <sup>th</sup> September, 2021 Day: Wednesday Time: 11:00 A.M. Mode of conducting the meeting: Video conferencing / other audio visual means
Financial year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Date of book closure	Thursday, 23 <sup>rd</sup> September, 2021 to Wednesday, 29 <sup>th</sup> September, 2021
Dividend payment date	Final Dividend for financial year 2020-21, if approved by the shareholders of the Company will be paid on or before 29 <sup>th</sup> October, 2021
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 2021-2022 has been paid by the Company to BSE
In case the Securities are Suspended from Trading, the Directors Report shall explain the Reason thereof	N.A.
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: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
Share Transfer System	In terms of the Listing Regulations w.e.f April 1, 2019, the Equity Shares of the Company can be transferred only in dematerialised form, except in case of request received for transmission or transposition of securities, which shall be approved by the Stakeholders Relationship Committee.
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.  1,86,01,666 equity shares of the Company (96.31% of the equity share capital of the Company) were held in dematerialized form as on 31 <sup>st</sup> March, 2021

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.
Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	N.A.
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 encashed 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.
Address for Correspondence	Ms. Supriya Agarwal Company Secretary & Compliance Officer  1701/1702, 17 <sup>th</sup> Floor., 'A' Wing, Lotus Corporate Park, Western Express Highway, Goregaon (E), Mumbai-400063, Maharashtra, India  Tel.: 022-42461300;  Email: <a href="mailto:info@mangalfincorp.com">info@mangalfincorp.com</a>
Credit Rating	Infomerics Valuation & Ratings Private Limited  Ratings: IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)

### Distribution of shareholding (Shares)

Range of shares	No. of Shareholders	(%) of Total Shareholders	Total Shares for the Range	(%) of Total Share Capital
1-500	3616	79.7002	735570	3.8085
501-1000	460	10.1389	353206	1.8288
1001-2000	181	3.9894	269312	1.3944
2001-3000	77	1.6972	191600	0.9920
3001-4000	27	0.5951	95957	0.4968
4001-5000	23	0.5069	109286	0.5658
5001-10000	58	1.2784	418781	2.1680
Above 10001	95	2.0939	17140337	88.7457
<b>Total</b>	<b>4537</b>	<b>100</b>	<b>19313986</b>	<b>100</b>

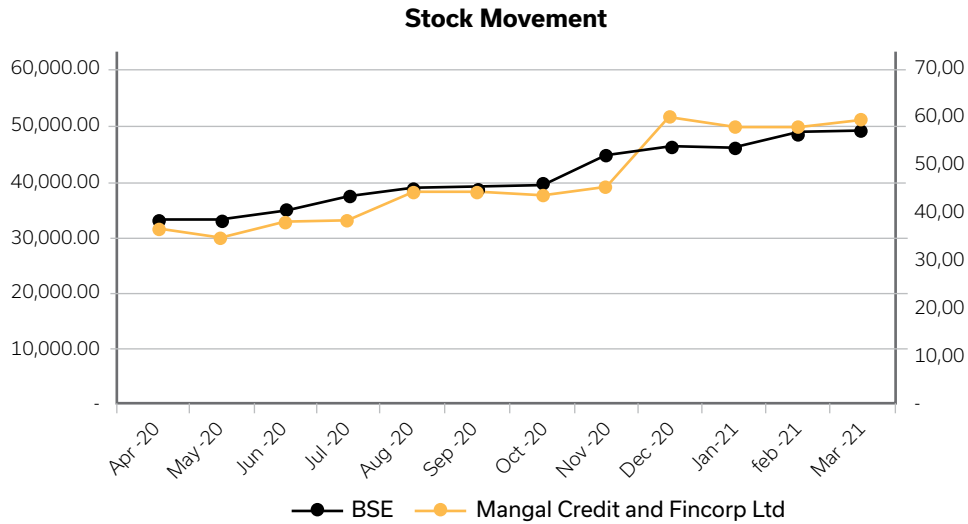
**Shareholding Pattern as on 31<sup>st</sup> March, 2021**

Sr. No.	Category of shareholder	Number of shareholders	Total number of shares	Percentage of the Total
<b>(A) Shareholding of Promoter and Promoter Group</b>				
(1)	Indian	10	11786063	61.02
(2)	Foreign	0	0	0
	Total Shareholding of Promoter and Promoter Group	10	11786063	61.02
<b>(B) Public Shareholding</b>				
(1)	Institutions	2	1500	0.01
(2)	Central Government/ State Government(s)/ President of India	1	50330	0.26
(2)	Non Institutions	4455	7476093	38.71
	Total Public Shareholding	4458	7527923	38.98
<b>(C)</b>				
(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
<b>Total (A) + (B) + (C)</b>		<b>4468</b>	<b>19313986</b>	<b>100</b>

**Monthly high and low prices of equity shares of the Company during the financial year ended 31<sup>st</sup> March, 2021**

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (₹)	Deliverable Quantity	% Deli. Qty to Traded Qty	Spread High-Low	Spread Close-Open
Apr-20	32.55	42.5	31.1	37.15	422661	1501	15286738	69155	16.36	11.4	4.6
May-20	39	39.5	32	35.7	482500	1687	17327212	99202	20.56	7.5	-3.3
Jun-20	36.75	44	33.5	38	662947	1569	24750035	187972	28.35	10.5	1.25
Jul-20	38.7	41.5	34.1	39.4	647824	1785	24542077	162319	25.06	7.4	0.7
Aug-20	39.75	48.7	38.75	45	714920	1694	31185987	285784	39.97	9.95	5.25
Sep-20	45.4	46.9	43	44.7	164800	687	7365748	160260	97.25	3.9	-0.7
Oct-20	47.9	47.9	43.5	43.9	105953	611	4765737	105125	99.22	4.4	-4
Nov-20	44.5	46.95	41	45.4	271594	806	12223451	228064	83.97	5.95	0.9
Dec-20	46.4	63	45.8	60.7	634247	2897	36055760	527978	83.24	17.2	14.3
Jan-21	60.75	62	56.5	57.9	125541	1392	7440685	118290	94.22	5.5	-2.85
Feb-21	59	69	56	58	210622	1182	12499355	174237	82.72	13	-1
Mar-21	58.5	66.6	57	59.3	585445	2937	35715369	360014	61.49	9.6	0.8

## Mangal Credit and Fincorp Limited Vs. Sensex



### Other Disclosure

- During the year under review, the Company has not entered into materially significant related party transactions that may have potential conflict with the interest of the Company entity at large;
- There were no instances of non-compliance, penalties, strictures imposed on the Company by stock exchange(s) or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years except a penalty amount of ₹2,41,900/- levied by BSE Ltd. for the non-compliance with the provisions of Regulation(s) 17(1) of SEBI (LODR) Regulations, 2015 for the quarter ended December 2020. Since the non-compliance for the quarter ended December 2020 was not confirmed, the penalty amount was paid under protest.
- 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 financial statements of the Company for the financial year ended March 31, 2021 is unqualified;

## DECLARATION BY THE CHAIRMAN AND MANAGING DIRECTOR ON ADHERENCE TO THE CODE OF CONDUCT

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel of the Company have affirmed the compliance with Mangal Credit and Fincorp Limited Code of Conduct for the financial year ended 31<sup>st</sup> March, 2021.

### For Mangal Credit and Fincorp Limited

Sd/-

**Meghraj Jain**

**Chairman & Managing Director**

**DIN:** 01311041

**Place:** Mumbai

**Date:** 19<sup>th</sup> May, 2021

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## PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

**Mangal Credit and Fincorp Limited**

We have examined the compliance of the conditions of Corporate Governance by **Mangal Credit and Fincorp Limited** ("the Company"), for the year ended on 31<sup>st</sup> March 2021, as stipulated under 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable for the year ended on 31<sup>st</sup> March, 2021.

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**

**UDIN: A033084C000773967**

**Place:** Mumbai

**Date:** 12<sup>th</sup> August, 2021



**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON DIRECTORS NON-DISQUALIFICATION**  
(Pursuant to Regulation 34(3) read with Schedule V Para-C Sub clause(10)(i) of Securities and  
Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns, notices and disclosures received from the Directors of Mangal Credit and Fincorp Limited ("the Company") having CIN L65990MH1961PLC012227 and having registered office at 1701/1702, 17<sup>th</sup> Flr., 'A' Wing, Lotus Corporate Park Western Express Highway, Goregaon (E), Mumbai - 400063 for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause(10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for financial year ended March 31, 2021.

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 hereby certify that none of the following Directors, who were on the Board of Directors of the Company as on March 31, 2021, have been debarred or disqualified from being appointed or continuing as Directors on the Board of the Company by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Meghraj Sohanlal Jain	01311041	14/08/2013
2.	Mr. Naval Kamalkishor Maniyar	06657440	21/05/2018
3.	Mrs. Nirupama Dattatraya Pendurkar	01605060	12/06/2018
4.	Mr. Ramanathan Annamalai	02645247	06/07/2018
5.	Mr. Subramanyam Ganesh	01718431	14/11/2018
6.	Mr. Sriram Sankaranarayanan	00146563	11/11/2020
7.	Mr. Sujan Sinha	02033322	11/11/2020

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

**Place:** Mumbai  
**Date:** 12<sup>th</sup> August, 2021

**Sd/-  
Vijay Kumar Tiwari  
ACS No: 33084  
COP No: 12220  
UDIN: A033084C000774066**

# 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 31<sup>st</sup>, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, 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;

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Statement of Changes in Equity on that date; and
- in the case of the Cash Flow Statement, of the cash flows 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 29 to the Financial Statements stating the fact of non-provision of liability of ₹59,83,730/- arising on Income Tax Assessment for the A.Y. 2017-18 consequent upon Income tax assessment under Section 143(3) of Income Tax Act, 1961.

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

## 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.

The board of directors is also responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibility

Our objective is 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 an 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 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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 29 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  
UDIN: 21078146AAAAC04921**

**Place: Jaipur  
Date: 19<sup>th</sup> May 2021**

## 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 31<sup>st</sup> March 2021 and related statement of profit and loss and the cash flow statement for the year ended on that date, issued our report dated 19<sup>th</sup> May, 2021.

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 2021 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, 2016 in 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 2021.
- 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 19<sup>th</sup> April, 2021 for non- acceptance of any public deposits.
- b. The company has not accepted any public deposits during the year ended 31.03.2021.
- 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 19/05/2021 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**

**UDIN :21078146AAAAC04921**

**Place: Jaipur**

**Date :19<sup>th</sup> May 2021**

**Independent Auditors' Report**

To  
The Board of Directors of  
**Mangal Credit & Fincorp Limited**

- We have audited the accompanying Statement of Standalone Financial Results (the "Statement") of **Mangal Credit & Fincorp Limited** ("the Company") for the year ended 31 March 2021, being submitted by the Company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement has been prepared by the Company on the basis of the related annual standalone financial statements for the year ended 31 March 2021, which is the responsibility of the Company's Management. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards specified under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder, or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.
- We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

- In our opinion and to the best of our information and according to the explanations given to us, on the basis stated in paragraph 3 above, the Statement:
  - is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
  - give a true and fair view of the net profit and other financial information of the Company for the year ended 31 March 2021.

**4. Emphasis of Matter**

We draw attention to the following matters in the Notes to the statement:

- Non provision of Liability of ₹59,83,730/- arising on Income Tax Assessment for the A.Y 2018-19 consequent upon Income tax assessment under Section 143(3) of Income Tax Act, 1961.

Our opinion is not modified in respect of this matter.

- The Statement includes the results for the quarter ended 31<sup>st</sup> March 2021, being the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.

**For MGB & Co. LLP**  
**Chartered Accountants**  
**FRN: 101169W/W-100035**

**Sd/-**  
**Sandeep Jhanwar**  
**Partner**

**M.No. 078146**

**UDIN :21078146AAAAC04921**

**Place: Jaipur**

**Date :19<sup>th</sup> May 2021**

### (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 2021, 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 13 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 2021 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 statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax & Interest	59,83,730	A.Y. 2018-19	DCIT(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**  
**UDIN :21078146AAAAC04921**

**Place: Jaipur**  
**Date :19<sup>th</sup> May 2021**

## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Mangal Credit & Fincorp Limited ("the Company") as of 31<sup>st</sup> March 2021 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 2021, 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**  
**UDIN :21078146AAAAC04921**

**Place: Jaipur**  
**Date :19<sup>th</sup> May 2021**

# Balance Sheet

as at 31<sup>st</sup> March, 2021

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>1 Financial Assets</b>			
a) Cash and cash equivalents	4	3,996,143	17,663,543
b) Bank balances other than (a) above	5	844,019	809,834
c) Receivables			
i) Trade receivables		-	-
ii) Other receivables	6	3,171,453	75,616,838
d) Loans	7	837,268,307	650,142,108
e) Investments	8	154,720,505	152,745,186
f) Other financial assets	9	3,663,459	5,050,750
	<b>TOTAL</b>	<b>1,003,663,886</b>	<b>902,028,259</b>
<b>2 Non-Financial Assets</b>			
a) Income tax assets (net)		8,398,047	8,398,047
b) Deferred tax assets (net)	27	1,562,656	3,684,439
c) Investment property	11	131,611,205	7,124,925
d) Property, plant and equipment	12(A)	3,447,511	4,030,509
e) Right of use asset		8,530,597	-
f) Intangible Assets	12(B)	434,989	726,596
g) Other non-financial assets	13	4,459,342	113,378,495
	<b>TOTAL</b>	<b>158,444,347</b>	<b>137,343,011</b>
	<b>TOTAL ASSETS</b>	<b>1,162,108,232</b>	<b>1,039,371,270</b>
<b>LIABILITIES AND EQUITY</b>			
<b>1 Financial Liabilities</b>			
a) Payables			
i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises		-	-
ii) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises	14	4,559,131	3,175,481
b) Lease liabilities		8,715,879	
c) Borrowings(Other than debt securities)	15	131,113,825	62,969,334
d) Other financial liabilities	16	3,493,199	2,284,900
	<b>TOTAL</b>	<b>147,882,034</b>	<b>68,429,716</b>
<b>2 Non-Financial Liabilities</b>			
a) Current tax liabilities (net)	17	13,974,604	21,279,950
b) Other non- financial liabilities	18	2,469,889	856,941
	<b>TOTAL</b>	<b>16,444,493</b>	<b>22,136,891</b>
<b>3 Equity</b>			
a) Equity share capital	19(A)	193,139,860	193,139,860
b) Other equity	19(B)	804,641,845	755,664,803
	<b>TOTAL</b>	<b>997,781,705</b>	<b>948,804,663</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,162,108,232</b>	<b>1,039,371,270</b>
The accompanying notes form an integral part of the financial statements		1 to 40	

In terms of our audit report of even date

FOR MGB &amp; Co. LLP

Chartered Accountants

FRN: 101169W/W-100035

Sd/-

**Sandeep Jhanwar**

Partner

M.No. 078146

Place: Mumbai

Date : 19<sup>th</sup> May 2021

UDIN :-21078146AAAAC04921

Sd/-

**Meghraj Jain**

Managing Director

DIN: 01311041

Sd/-

**Naval Maniyar**

Director &amp; CFO

DIN-06657440

Sd/-

**Supriya Agarwal**

Company Secretary

M.No. A35286

For and on behalf of the board of directors

Mangal Credit &amp; Fincorp Limited

# Statement of Profit & Loss

for the year ended on 31<sup>st</sup> March, 2021

Particulars	Note No.	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Revenue from Operations</b>			
Interest Income	20	105,976,152	81,653,407
Fees and commission income	21	7,073,531	6,998,614
<b>Total revenue from operations</b>		<b>113,049,682</b>	<b>88,652,021</b>
<b>Other Income</b>	22	<b>1,054,033</b>	<b>74,575,948</b>
<b>Total Income (I)</b>		<b>114,103,715</b>	<b>163,227,970</b>
<b>Expenses</b>			
Finance Costs	23	5,694,125	1,973,583
Impairment on financial instruments	24	2,253,542	4,713,729
Employee Benefits Expense	25	13,998,506	9,421,616
Depreciation and Amortization Expenses	12(A) & 12(B)	2,400,107	1,400,307
Other Expenses	26	7,922,654	10,084,884
<b>Total Expenses (II)</b>		<b>32,268,935</b>	<b>27,594,119</b>
<b>Profit Before Tax (I - II)</b>		<b>81,834,780</b>	<b>135,633,851</b>
<b>Tax Expense</b>			
Current Tax		23,054,281	30,884,655
Short / (Excess) provision for tax relating to prior years		-	-
Net Current Tax Expense	27	23,054,281	30,884,655
Deferred Tax	27	1,669,830	(3,512,937)
Tax in respect of Earlier Year			614,780
<b>Profit for the Year</b>		<b>57,110,669</b>	<b>107,647,353</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		1,975,319	2,740,446
Income tax relating to items that will not be reclassified to profit or loss		(451,953)	(627,014)
<b>Total Other Comprehensive Income</b>		<b>1,523,366</b>	<b>2,113,432</b>
<b>Total Comprehensive Income for the year</b>		<b>58,634,035</b>	<b>109,760,784</b>
<b>Earning Per Equity Share</b>	28		
Equity Shares of par value ₹10/- each			
(1) Basic (₹)		2.96	5.57
(2) Diluted (₹)		2.96	5.57
Nominal Value of each ordinary share is ₹10/-			
Significant Accounting Policies	3		
Other Notes on Accounts	4 to 40		

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

Sd/-

**Meghraj Jain**

Managing Director

DIN: 01311041

Sd/-

**Naval Maniyar**

Director &amp; CFO

DIN-06657440

Sd/-

**Supriya Agarwal**

Company Secretary

M.No. A35286

For and on behalf of the board of directors

**Mangal Credit & Fincorp Limited**

Place: Mumbai

Date : 19<sup>th</sup> May 2021

UDIN :-21078146AAAAC04921

## Statement of cash flows for the year ended on 31<sup>st</sup> March, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flows from operating activities</b>		
Profit before tax	<b>81,834,780</b>	<b>135,633,851</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	2,400,107	1,400,307
Loss/ gain on sale of property, plant and equipment (net)	-	-
Finance cost	5,694,125	1,973,583
Dividend income	-	(460)
Impairment on financial instruments	2,253,542	4,713,729
(Profit)/ loss on sale of investment	-	(72,384,846)
Gain on fair value of investment		
Balances written back	-	(59,651)
<b>Operating profit before working capital changes</b>	<b>92,182,555</b>	<b>71,276,513</b>
<b>Adjustment for working capital changes</b>		
(Increase)/ decrease in trade and other receivables	72,445,385	(39,521,952)
(Increase)/ decrease in loans	(189,379,741)	(108,823,859)
(Increase)/ decrease in other financial asset	1,387,291	3,683,255
(Increase)/ decrease in non- financial asset	(3,610,847)	695,187
Increase / (Decrease) in trade and other payables	1,383,650	1,324,197
Increase / (Decrease) in other financial liabilities	33,415	(137,428)
Increase / (Decrease) in non financial liabilities	1,612,948	(83,592)
<b>Cash flow from operating activities</b>	<b>(23,945,344)</b>	<b>(71,587,679)</b>
Income taxes paid	(30,359,626)	(22,139,069)
<b>Net cash generated from operating activities (A)</b>	<b>(54,304,970)</b>	<b>(93,726,748)</b>
<b>B. Cash flows from investing activities</b>		
Payments for property, plant and equipment and capital advance	(643,025)	(1,423,417)
Sale of investment property	-	6,979,320
Purchase of investment property	(11,956,280)	(112,530,000)
Investment in Shares of Subsidiary & Associates	-	-
Sale of shares of subsidiary	-	180,026,159
Sale of investment in shares of other subsidiary	-	-
Dividend received	-	460
Movement in earmarked balances with bank	(34,186)	137,411
<b>Net cash used in investing activities (B)</b>	<b>(12,633,491)</b>	<b>73,189,933</b>

# Statement of cash flows

for the year ended on 31<sup>st</sup> March, 2021

₹ In Lacs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C. Cash flows from financing activities</b>		
Proceeds of short term borrowings	123,076,570	258,858,513
Repayment of short term borrowings	(54,932,079)	(215,756,899)
Interest paid	(4,519,241)	(479,624)
Payment of lease liability	(697,195)	-
Dividend paid, including dividend distribution tax	(9,656,993)	(11,025,358)
<b>Net cash generated from financing activities (C)</b>	<b>53,271,062</b>	<b>31,596,632</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(13,667,399)</b>	<b>11,059,816</b>
<b>Cash and cash equivalents at the beginning of the year</b>	17,663,543	6,603,727
<b>Cash and cash equivalents at end of the year (refer note 4)</b>	3,996,143	17,663,543

**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 : 19<sup>th</sup> May 2021  
UDIN :-21078146AAAAC04921

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

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

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

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

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### 1. 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. Its shares are listed on Bombay Stock Exchange (BSE) and Ahmedabad Stock Exchange (ASE).

### 2. Significant Accounting Policies

#### i. Basis of preparation of accounts

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Company's financial statements up to and for the year ended March 31, 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP".

These are the Company's second standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has applied Ind AS 101, First-time Adoption of Indian

Accounting Standards for transition from Previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flow of the Company is provided in Note 38.

#### ii. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Company's functional currency.

#### iii. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

#### iv. Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

#### v. Use of estimates and judgments and Estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

### **Effective Interest Rate (EIR) Method:**

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

### **Impairment of Financial Assets:**

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

### **Provisions and other contingent liabilities:**

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## **vi. Revenue recognition**

### **a. Recognition of interest income on loans**

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

### **b. Fee and commission income:**

Fee based income are recognized when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognized as and when they are due.

### **c. Dividend and interest income on investments:**

Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

## **vii. Property Plant and Equipment (PPE)**

The Company has elected to measure property, plant and equipment, and intangible assets at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Asset	Useful life (in years)
Plant and equipment	15
Furniture and fixtures	10
Vehicles	6
Office equipment	3
Computer peripherals	3

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

### viii. Intangibles assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets comprise of computer software which is amortized over the estimated useful life. The amortization period is equal to 5 years which is based on management's estimates of useful life. Amortization is calculated using the straight-line method to write down the cost of intangible assets over their estimated useful lives.

### ix. Investments in subsidiaries and associates

Investments in subsidiaries and associate are measured at cost less accumulated impairment, if any.

### x. Financial instruments

#### a. Recognition and initial measurement:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at

FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

#### b. Classification and Subsequent measurement of financial assets:

##### On initial recognition, a financial asset is classified as measured at-

- Amortized cost;

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortized cost.

- FVOCI - equity instruments;

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

##### Subsequent measurement of financial assets:

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses



## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

### c. Financial liabilities and equity instruments:

#### Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments –

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received. Transaction costs of an equity transaction are recognized as a deduction from equity.

#### Financial liabilities –

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

### d. Derecognition:

#### Financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

#### Financial liabilities:

A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognized in Statement of profit and loss.

#### Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

Overview of the ECL principles: The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in these notes. The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognized, the Company recognizes an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Forward looking information in its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments.

Loan commitment: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provision.

- A. Contractual payments of either principal or interest are past due for more than 90 days;
- B. The loan is considered to be in default by the management.

Calculation of ECLs: The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The key elements of the ECL are summarized below:

PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.

EAD: The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of

Stage 3 loans EAD represents exposure when the default occurred.

LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. The mechanics of the ECL method are summarized below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

### e. Write offs

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in Statement of profit and loss.

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### **xi. Employee benefits**

#### **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

#### **Contribution to provident fund and ESIC**

Company's contribution paid/payable during the year to provident fund and ESIC is recognized in the Statement of profit and loss.

### **xii. Finance cost**

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Finance costs are charged to the Statement of profit and loss.

### **xiii. Taxation- Current and deferred tax:**

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

#### **Current tax:**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### **Deferred tax:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### **xiv. Impairment of assets other than financial assets:**

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or Company of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized in Statement of profit and loss.

### **xv. Provisions:**

Provisions are recognized when there is a present

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### **xvi. Leases:**

#### **Company as a lessee:**

The Company's lease asset classes primarily consist of leases for building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not

readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

However, company is having lease with term of 12 months or less (short term leases). the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

#### **Company as a lessor:**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### **xvii. Cash and cash equivalents:**

Cash and cash equivalents in the balance sheet comprise cash on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

### **xviii. Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### **3. Standards issued but not yet effective:**

There is no addition in standards issue but not effective as on date.

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### A. Equity share capital

<b>Balance as at March 31, 2019</b>	<b>193,139,860</b>
Changes in equity share capital during the year	-
Issue of equity shares	-
<b>Balance as at March 31, 2020</b>	<b>193,139,860</b>
Changes in equity share capital during the year	-
Issue of equity shares	-
<b>Balance as at March 31, 2021</b>	<b>193,139,860</b>

### B. Other equity

Particulars	Reserves and Surplus								Total Other Equity
	Capital reserve	Security Premium	General reserve	Statutory Reserve Fund	Contingency Reserve	Investment Reserve	Retained earnings	Other Comprehensive Income	
<b>Balance as at March 31, 2019</b>	<b>15,046,050</b>	<b>358,819,290</b>	<b>36,500,000</b>	<b>57,046,407</b>	<b>2,500,000</b>	<b>700,000</b>	<b>186,317,631</b>	-	<b>656,929,378</b>
Profit for the year							107,647,353		107,647,353
Other comprehensive income for the year, net of income tax								2,113,432	2,113,432
Transactions with owners in their capacity as owners									
- Dividend including dividend tax							(11,025,358)		(11,025,358)
Tranfered to Statutory Reserve Fund				21,529,471			(21,529,471)		-
<b>Balance as at March 31, 2020</b>	<b>15,046,050</b>	<b>358,819,290</b>	<b>36,500,000</b>	<b>78,575,877</b>	<b>2,500,000</b>	<b>700,000</b>	<b>261,410,155</b>	<b>2,113,432</b>	<b>755,664,804</b>
Profit for the year							57,110,669		57,110,669
Other comprehensive income for the year, net of income tax								1,523,366	1,523,366
Transactions with owners in their capacity as owners									
- Dividend including dividend tax							(9,656,993)		(9,656,993)
Tranfered to Statutory Reserve Fund				11,422,134			(11,422,134)		-
<b>Balance as at March 31, 2021</b>	<b>15,046,050</b>	<b>358,819,290</b>	<b>36,500,000</b>	<b>89,998,011</b>	<b>2,500,000</b>	<b>700,000</b>	<b>297,441,698</b>	<b>3,636,798</b>	<b>804,641,846</b>

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### Note 4 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in hand	2,702,742	200,043
Balance with banks		
- in current accounts	1,293,401	17,463,500
<b>Total</b>	<b>3,996,143</b>	<b>17,663,543</b>

### Note 5 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks-		
- in unpaid dividend account	844,019	809,834
<b>Total</b>	<b>844,019</b>	<b>809,834</b>

### Note 6 RECEIVABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	3,171,453	75,616,838
<b>Total</b>	<b>3,171,453</b>	<b>75,616,838</b>

### Note 7 LOANS

#### Loans at Amortised cost

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(A) (i) Term loans</b>	<b>841,103,525</b>	<b>656,923,784</b>
<b>Total A (Gross)</b>	<b>841,103,525</b>	<b>656,923,784</b>
Less: Impairment loss allowance	(3,835,218)	(6,781,676)
<b>Total A (Net)</b>	<b>837,268,307</b>	<b>650,142,108</b>
<b>(B) (i) Secured by tangible asset</b>	<b>355,725,913</b>	<b>237,618,119</b>
<b>(ii) Unsecured</b>	<b>485,377,612</b>	<b>419,305,665</b>
<b>Total B (Gross)</b>	<b>841,103,525</b>	<b>656,923,784</b>
Less: Impairment loss allowance	(3,835,218)	(6,781,676)
<b>Total B (Net)</b>	<b>837,268,307</b>	<b>650,142,108</b>
<b>(C) (i) Loans in India</b>		
- Public sector	-	-
- Others	841,103,525	656,923,784
<b>Total C (i) (Gross)</b>	<b>841,103,525</b>	<b>656,923,784</b>
Less: Impairment loss allowance	(3,835,218)	(6,781,676)
<b>Total C (i) (Net)</b>	<b>837,268,307</b>	<b>650,142,108</b>
<b>(ii) Loans outside India</b>		
Less: Impairment loss allowance	-	-
<b>Total C (ii) (Net)</b>	<b>-</b>	<b>-</b>
<b>Total C (i+ii) (Net)</b>	<b>837,268,307</b>	<b>650,142,108</b>

**Note:** There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### Note 8 INVESTMENTS

#### Investment in unquoted equity instruments of other entities at FVTOCI

Particulars	As at March 31, 2021	As at March 31, 2020
- Unquoted Equity Shares	154,720,505	152,745,186
<b>Total</b>	<b>154,720,505</b>	<b>152,745,186</b>

### Note 9 OTHER FINANCIAL ASSET

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	3,663,459	5,050,750
<b>Total</b>	<b>3,663,459</b>	<b>5,050,750</b>

### Note 10 INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
IT Refund Receivable	8,398,047	8,398,047
<b>Total</b>	<b>8,398,047</b>	<b>8,398,047</b>

### Note 11 Investment Property

Particulars	As at March 31, 2021	As at March 31, 2020
Carried at cost		
Investment in land	131,611,205	7,124,925
<b>Total</b>	<b>131,611,205</b>	<b>7,124,925</b>

\*Fair Market Value ₹13,16,11,205/-

### Note 12(A) Property, plant and equipment

Description of assets	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments/ Computer Peripherals	Total
<b>I. Cost</b>					
<b>Balance as at March 31, 2019</b>	2,737,820	15,952,860	60,339	5,749,393	<b>24,500,412</b>
Additions	261,400	-	-	362,017	<b>623,417</b>
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>2,999,220</b>	<b>15,952,860</b>	<b>60,339</b>	<b>6,111,409</b>	<b>25,123,829</b>
Additions	-	-	-	592,225	<b>592,225</b>
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>2,999,220</b>	<b>15,952,860</b>	<b>60,339</b>	<b>6,703,635</b>	<b>25,716,054</b>
<b>II. Accumulated depreciation/ impairment</b>					
<b>Balance as at March 31, 2019</b>	1,813,586	12,813,186	57,322	5,186,546	<b>19,870,640</b>
Depreciation for the year	180,550	829,226	-	212,902	<b>1,222,678</b>
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>1,994,136</b>	<b>13,642,412</b>	<b>57,322</b>	<b>5,399,448</b>	<b>21,093,318</b>

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### Note 12(A) Property, plant and equipment

Description of assets	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments/ Computer Peripherals	Total
Depreciation for the year	187,180	608,362	-	379,681	<b>1,175,223</b>
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>2,181,316</b>	<b>14,250,774</b>	<b>57,322</b>	<b>5,779,129</b>	<b>22,268,541</b>
<b>Net block (I-II)</b>					
<b>Balance as at March 31, 2021</b>	<b>817,904</b>	<b>1,702,086</b>	<b>3,017</b>	<b>924,505</b>	<b>3,447,513</b>
<b>Balance as at March 31, 2020</b>	<b>1,005,084</b>	<b>2,310,448</b>	<b>3,017</b>	<b>711,961</b>	<b>4,030,510</b>

### Note 12(B) Intangible assets

Description of asset	Intangible Asset
<b>I. Cost</b>	
<b>Balance as at March 31, 2019</b>	163,500
Additions	800,000
Disposals	-
<b>Balance as at March 31, 2020</b>	<b>963,500</b>
Additions	50,800
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>1,014,300</b>
<b>II. Accumulated impairment losses</b>	
<b>Balance as at March 31, 2019</b>	59,275
Amortization for the year	177,629
Disposals	-
<b>Balance as at March 31, 2020</b>	<b>236,904</b>
Amortization for the year	342,407
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>579,311</b>
<b>Net block (I-II)</b>	
<b>Balance as at March 31, 2021</b>	<b>434,989</b>
<b>Balance as at March 31, 2020</b>	<b>726,596</b>

### Note 13 OTHER NON FINANCIAL ASSET

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Revenue Authorities*	796,395	796,395
Prepaid Expenses	2,487,247	43,100
Capital advance	-	112,530,000
Other advances	1,151,900	
Advance to Staff	23,800	9,000
<b>Total</b>	<b>4,459,342</b>	<b>113,378,495</b>

\*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.



## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### Note 14 PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade Payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
<b>Other payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,559,131	3,175,481
<b>Total</b>	<b>4,559,131</b>	<b>3,175,481</b>

### Note 15 BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>At amortised cost</b>	-	-
<b>Secured Loan</b>	-	-
Digibiz loan from Federal Bank	49,044,053	-
Bank overdraft from South Indian Bank	43,418,486	-
<b>At amortised cost</b>	-	-
<b>Loan repayable on demand</b>	-	-
Inter-Corporate Loans	-	54,932,079
Loan from Directors	38,651,286	8,037,255
<b>Total</b>	<b>131,113,825</b>	<b>62,969,334</b>

#### Note:

#### Secured Loan

##### Federal Bank:

- The company has taken the digibiz gold loan having Sanction Limit of ₹5 Crores and current outstanding of ₹4,90,44,053.
- Security:
  - Primary security-  
Receivable of Borrower(s) arising out of loan extended to obligors against security of pledge of gold ornaments which are repledged in favour of the bank and Statement for the same is to be submitted
  - Collateral Security-  
Repledge of gold ornaments pledged by Obligors
- Term of loan: 9 months
- Rate of interest:  
Rate of interest is 8.40% p.a.

##### South Indian Bank:

- The company has taken the bank overdraft facility having Sanction limit of ₹5 Crores and Current Outstanding of ₹4,34,18,486.
- Collateral Security:  
Repledge of gold ornaments pledged by Obligors
- Rate of interest:  
Rate of interest is 11.10%

#### Unsecured loan:

All loans are repayable with 12 months from the reporting date having interest rate ranging from 9%- 12%.p.a.

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### Note 16 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid Dividends*	824,356	790,941
Interest Accrued on borrowings	2,668,843	1,493,959
<b>Total</b>	<b>3,493,199</b>	<b>2,284,900</b>

### Note 17 CURRENT TAX LIABILITY

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for tax [net of advance tax ₹62,25,920 (as at 31 March 2020: ₹7,210,050)]	13,974,604	21,279,950
<b>Total</b>	<b>2,469,889</b>	<b>856,941</b>

### Note 18 OTHER NON FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Loan Disbursement Reimbursement	845,350	-
Unearned interest income	321,120	-
Other Payables	14,453	-
Statutory dues	1,288,966	856,941
<b>Total</b>	<b>2,469,889</b>	<b>856,941</b>

### Note 19A - EQUITY SHARE CAPITAL

Share Capital	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>(a) Authorised</b>				
Equity Shares of ₹10/- each	25,000,000	250,000,000	25,000,000	250,000,000
<b>Total</b>	<b>25,000,000</b>	<b>250,000,000</b>	<b>25,000,000</b>	<b>250,000,000</b>
<b>(b) Issued, Subscribed and Paid up</b>				
Equity Shares of ₹10/- each	19,313,986	193,139,860	19,313,986	193,139,860
<b>Total</b>	<b>19,313,986</b>	<b>193,139,860</b>	<b>19,313,986</b>	<b>193,139,860</b>

**Note :- The Company has only one class of Share referred to as Equity Share having a Par Value of 10/- per share. Each Shareholder of Equity share is entitled to one vote per Share.**

In the event of liquidation of the Company, the shareholder of Equity Share will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholder, after distribution of all preferential amounts.

The company declares and pays dividend in Indian Rupees (₹). The dividend proposed by the Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting, except in case of Interim dividend. The distribution will be proportional to the number of Equity Shares held by the shareholders.

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### (c) Reconciliation of the number of shares outstanding at the beginning and at the end of Mar-21 year.

Share Capital	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	19,313,986	193,139,860	19,313,986	193,139,860
Issued during the year				
- on account of equity shares to the promoters/ non-promoters against share warrants	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>19,313,986</b>	<b>193,139,860</b>	<b>19,313,986</b>	<b>193,139,860</b>

### (d) Rights attached to equity Shares

- The Company has only one class of equity shares having face value of ₹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.

### (e) Details of shares held by each shareholder holding more than 5% equity shares

Name of Shareholder	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Meghraj S Jain	4,470,342	23.15	4,114,372	21.30
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	1,259,205	6.52
Rekha Jagdish Jain	1,000,000	5.18	1,000,000	5.18

(f) 1,93,13,986 Equity shares of face value of ₹10 each includes 70,44,075 fully paid Equity shares of face value of ₹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.

### (g) Split of shares:-

The 'Record Date' for the purpose of ascertaining the Members entitled to receive the said sub-divided equity shares of the Company was fixed by the Board of Directors of the Company as '06/05/2017. Subsequently, the Company has issued ten (10) sub-divided equity shares of Re.1/- each in lieu of one (1) equity share of ₹10/- 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 sub-divided equity shares of Re.1/- 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 Split, 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 Split) is as follows:

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

Particulars	Authorised Share Capital		Paid up Share Capital	
	No. of Shares	Amount	No. of Shares	Amount
Pre Stock Split	25000000	250,000,000	16112038	161,120,380
Post stock Split	250000000	250,000,000	161120380	161,120,380

### (h) Consolidation of shares:-

During the year 2017, pursuant to the shareholders approval the face value of existing equity shares of ₹1 each has been consolidated to ₹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 ₹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	No. of Shares	Amount
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 ₹1/- each to face value of ₹10/- each ("Stock Sumup") and consequent alteration in Capital clause of MOA of the company was approved by the Members on **29/09/2018**.

### Note 19B - OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Capital reserve	15,046,050	15,046,050
(b) Security premium reserve	358,819,290	358,819,290
(c) General reserve	36,500,000	36,500,000
(d) Statutory reserve fund	89,998,011	78,575,877
(e) Contingency reserve	2,500,000	2,500,000
(f) Investment reserve	700,000	700,000
(g) Retained earnings	297,441,698	261,410,155
(h) Other Comprehensive Income	3,636,798	2,113,432
<b>Total</b>	<b>804,641,846</b>	<b>755,664,804</b>

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### Nature and purpose of reserve

#### Capital reserve

This reserve is created out of amount received against equity share warrants (first tranche i.e. 25% of total value of warrants) due to non exercising of options of conversion and the said amount is forfeited.

#### Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in Securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

#### General reserve

This reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### Statutory fund reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

#### Retained earnings

Retained earnings represent the accumulated earnings net of losses, if any, made by the Company over the years.

#### Other Comprehensive Income

Other Comprehensive Income includes fair value on investment through OCI, net of taxes that will not be reclassified to profit & loss.

### Note 20 INTEREST INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On financial instruments measured at Amortised cost		
Interest on loans	105,976,152	81,653,407
<b>Total</b>	<b>105,976,152</b>	<b>81,653,407</b>

### Note 21 FEES AND COMMISSION INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fees/ interest on corporate guarantee	2,274,314	1,428,579
Service charges and other fees on loan transaction	1,555,948	549,786
Loan Foreclosure Charges - Income	193,269	20,250
Financial Consultancy Fees	3,050,000	5,000,000
<b>Total</b>	<b>7,073,531</b>	<b>6,998,614</b>

### Note 22 OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend	-	460
Reimbursement of Common Expenses	891,921	1,635,496
Profit/(Loss) on sale of shares	-	72,384,846
Interest income on security deposit discounting	162,112	495,495
Misc. Income	-	59,651
<b>Total</b>	<b>1,054,033</b>	<b>74,575,948</b>

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### Note 23 FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>On financial liabilities measured at Amortised cost</b>		
Interest on inter corporate borrowings	404,799	1,009,004
Interest on other borrowings	4,706,836	733,148
Interest on lease liabilities	427,805	-
Other finance cost	154,686	231,431
<b>Total</b>	<b>5,694,125</b>	<b>1,973,583</b>

### Note 24 IMPAIRMENT ON FINANCIAL INSTRUMENT

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>On financial instruments measured at Amortised cost</b>		
Bad debt and write offs	-	165,504
Loans	2,253,542	4,548,225
<b>Total</b>	<b>2,253,542</b>	<b>4,713,729</b>

### Note 25 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Director's Remuneration	2,100,000	1,440,000
Directors Sitting Fees	130,000	150,000
Salaries, Bonus and Allowances	11,466,989	7,598,375
Staff Welfare Expenses	301,517	233,241
<b>Total</b>	<b>13,998,506</b>	<b>9,421,616</b>

### Note 26 OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Valuation Expense	18,887	-
Credit Enquiry Expense	76,092	-
Advertisement Expenses	82,310	128,152
Payment to Auditor		
- Statutory Audit Fees	250,000	250,000
- Tax Audit Fees	25,000	25,000
- Others	20,000	172,196
Internal Audit Fees	60,000	60,000
Secretarial Audit Fees	100,000	-
Conveyance Expenses	52,033	7,760
CDSL/NSDL custody fees	113,500	70,993
Office Expenses	108,621	28,728
Business promotion expenses	53,388	8,500
Electricity Charges	1,122,660	1,548,884
Legal & Prof.Charges	1,842,648	2,916,548

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### Note 26 OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
CSR expense	1,273,148	1,111,576
Repair & Maintenance	8,850	42,512
Registration charges	33,000	119,269
Annual Maintenance Charges	32,250	18,600
Membership Fees	10,000	19,583
Listing Fees	300,000	300,000
GST Exp - Others	520,504	430,286
Software expense	168,323	64,135
Computer Exp.	24,621	23,311
Postage, Courier & Telegrams	35,103	97,091
Printing & Stationery	200,969	365,616
Insurance premium	45,363	-
Rent, Rates and Taxes	662,963	1,691,003
ROC Filling Fee	14,100	-
Professional tax	5,000	-
Travelling Expenses	137,728	162,199
Telephone & Internet Charges	383,157	377,376
Website development	-	31,636
Trademark Registration Exp	30,000	-
Stamp Duty Registration Fees	18,500	-
Commission Expense	23,692	-
Miscellaneous Expenses	70,243	13,930
<b>Total</b>	<b>7,922,654</b>	<b>10,084,884</b>

### Note 27 CURRENT TAX AND DEFERRED TAX

#### (A) Major Components of income tax expenses

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
<b>(a) Statement of profit and loss:</b>		
(i) Current tax:		
- In respect of current year	23,054,281	30,884,655
(ii) Deferred tax:		
- Relating to origination and reversal of temporary differences	1,669,830	(3,512,937)
<b>Total tax expense recognised in statement of profit and loss</b>	<b>24,724,111</b>	<b>27,371,718</b>
<b>(b) Other comprehensive income:</b>		
(i) Deferred tax impact	451,953	627,014
<b>Total tax expense recognised in total comprehensive loss</b>	<b>25,176,064</b>	<b>27,998,732</b>

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### (B) Numerical reconciliation between average effective tax rate and applicable tax rate :

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
<b>Profit before tax</b>	<b>81,834,780</b>	<b>135,633,851</b>
Applicable tax rate	<b>25.17%</b>	<b>25.17%</b>
Computed tax expense	20,597,814	34,139,040
Effect of expenses that is non-deductible in determining taxable profit / accounting profit	1,724,493	1,663,912
Exempted income	-	-
Adjustments in respect of current income tax of previous years	2,853,757	614,780
Effect of different tax rates (tax on capital gain)	-	(8,418,999)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>25,176,064</b>	<b>27,998,732</b>
<b>Effective tax rate</b>	<b>30.76%</b>	<b>20.64%</b>

### (C) Deferred Tax

Particulars	For the year ended March 31, 2021			As at March 31, 2021
	As at March 31, 2020	Recognised in		
		Profit and Loss	OCI	
Tax effect of items constituting deferred tax liability on:				
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(89,639)	2,345		(87,293)
On Right to use assets	-	2,147,151		2,147,151
(A)	<b>(89,639)</b>	<b>2,149,496</b>	-	<b>2,059,858</b>
Tax effect of items constituting deferred tax assets:				
Provision for impairment loss	1,706,812	(1,706,812)		-
Property, plant and equipment and intangible assets	1,260,974	(7,309)		1,253,666
Provision for CSR		-		-
Fair value of investment through OCI	627,014	-	(451,953)	175,061
Deferred tax asset on lease liability		2,193,787		2,193,787
(B)	<b>3,594,801</b>	<b>479,666</b>	<b>(451,953)</b>	<b>3,622,513</b>
Deferred tax assets have been restricted to the extent of deferred tax liabilities	-	-	-	-
<b>Deferred tax liabilities/(assets) (net) (A-B)</b>	<b>(3,684,439)</b>	<b>1,669,831</b>	<b>451,953</b>	<b>(1,562,656)</b>

Particulars	For the year ended March 31, 2020			As at March 31, 2020
	As at March 31, 2019	Recognised in		
		Profit and Loss	OCI	
Tax effect of items constituting deferred tax liability on:				
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	<b>1,168,794</b>	<b>(1,258,433)</b>		<b>(89,639)</b>
(A)	<b>1,168,794</b>	<b>(1,258,433)</b>	-	<b>(89,639)</b>



## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

Particulars	For the year ended March 31, 2020			
	As at March 31, 2019	Recognised in		As at March 31, 2020
		Profit and Loss	OCI	
Tax effect of items constituting deferred tax assets:				
Provision for impairment loss	524,317	1,182,495		1,706,812
Property, plant and equipment and intangible assets	1,442,994	(182,020)		1,260,974
Provision for CSR		-		-
Fair value of investment through OCI			627,014	627,014
(B)	<b>1,967,311</b>	<b>1,000,476</b>	<b>627,014</b>	<b>3,594,801</b>
Deferred tax assets have been restricted to the extent of deferred tax liabilities	-	-	-	-
<b>Deferred tax liabilities/(assets) (net) (A-B)</b>	<b>(798,517)</b>	<b>2,258,909)</b>	<b>(627,014)</b>	<b>(3,684,439)</b>

### Note 28 - EARNING PER SHARE

Particulars	As at March 31, 2021	As at March 31, 2020
Profit after tax for the year attributable to the equity shareholders	57,110,669	107,647,353
No of Equity Shares Outstanding at the end of the year	19,313,986	19,313,986
Weighted average number of equity shares (Nos.)	19,313,986	19,313,986
Face value per share (In ₹)	10	10
Basic and diluted earnings per share (in ₹)	2.96	5.57

### Note 29 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(i) Contingent Liabilities</b>		
(a) Claims against company not acknowledged as debt*	0.59 crore	0.49 crore
(b) Guarantees- - Counter Guarantees Provided to Bank	27.32 crore	59.58 crore
	<b>27.91 crore</b>	<b>60.07 crore</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Other commitments (loan sanctioned but not disbursed)	-	0.31 crore
	<b>-</b>	<b>0.31 crore</b>

\*Claims against the company not acknowledged as debts for the year ended 31<sup>st</sup> March, 2021 include demand from the Income Tax Authorities for payment of tax of ₹59,83,730/- upon completion of their tax assessment for Assessment Years 2017-18. The company has to 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 will not have a material adverse effect on the company's financial position and result of operation.

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### Note 30 - DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2021 together with interest paid /payable are required to be furnished.

### Note 31- Leases

The Company has entered into lease contracts for office premises used in its operation. The Company has adopted Indian Accounting Standard (Ind AS) 116 on 'Leases'. The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has used a single discount rate to a portfolio of leases with similar characteristics. The Company recognised a lease liability and asset measured at the present value of the lease payments. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the balance sheet. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

#### The details of the right of use held by the Company is as follows:

Particulars	Office premises	Total
As at 1 <sup>st</sup> April 2020	-	-
Additions	9,413,074	9,413,074
Depreciation for the year	(882,477)	(882,477)
<b>As at 31<sup>st</sup> March 2021</b>	<b>8,530,597</b>	<b>8,530,596</b>

#### Depreciation of right of use asset is as follows:

Particulars	Year ended March 31 2021
Office premises	882,477
	<b>882,477</b>

The total cash outflow for leases is ₹15,25,000 for the year ended March 31, 2021.

Ind AS 116 Impact taken for cash outflow of ₹11,25,000/- as lease agreement short renewed hence earlier impact reversed.

#### Below are the carrying amounts of lease liabilities and movement during the period :

Particulars	Office premises	As at March 31 2021
As at 1 <sup>st</sup> April 2020	-	-
Additions	9,413,074	9,413,074
Accretion of interest	427,805	427,805
Payments	(1,125,000)	(1,125,000)
<b>As at 31<sup>st</sup> March 2021</b>	<b>8,715,879</b>	<b>8,715,879</b>
<b>Non- current liability</b>		7,115,431
<b>Current liability</b>		1,600,447

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

The following are the amounts recognised in profit and loss account :

Particulars	Year ended March 31, 2021
Depreciation expense of right-of-use assets	882,477
Interest expense on lease liabilities	427,805
<b>Total amount recognised in profit or loss</b>	<b>1,310,281</b>

The table below provides details regarding the contractual maturities of lease liabilities under Ind AS 116 as at March 31, 2021, on an undiscounted basis:

Tenure	Year ended March 31 2021
Less than 1 year	1,600,447
1-5 years	7,115,432
More than 5 years	-

### Note 32 - CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013. The gross amount required to be spent by the company as per Section 135 of the Companies Act, 2013 is ₹12,73,148 (March 31, 2020: 11,11,576) and the company has spent ₹23,22,724 (March 31, 2020: 62,000).

### Note 33 - OPERATING SEGMENT

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

### Note 34 - CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

The Company has complied in full with the capital requirements prescribed by RBI over the reported period. below given disclosure of capital adequacy as per applicable RBI regulations.

### Note 35 - FINANCIAL RISK MANAGEMENT FRAMEWORK

The company is committed to create value for its stakeholders through sustainable business growth and with that intent has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business the company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining such value as well as in identifying opportunities. Risk management is therefore made an integral part of the company's effective management practice.

#### (i) Credit risk management

Credit risk arises when a borrower is unable to meet his financial obligations to the lender. This could be either because of wrong assessment of the borrower's payment capabilities or due to uncertainties in his future earning potential. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The company has comprehensive and well-defined credit policies across various businesses, products

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises. Also, being in asset financing business, most of the company's lending is covered by adequate collaterals from the borrowers.

### (ii) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self-assessment at branches to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The company also undertakes risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of selfcertification and internal financial controls adherence, thereby, reducing enterprise exposure.

### (iii) Market risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The company is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The company continuously monitors these risks and manages them through appropriate risk limits. The Board of the company reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework.

### (iv) Foreign currency risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. However the company is not exposed to the risk of fluctuations on change in exchange rates as company does not have any foreign transaction.

### (v) Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required.

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

	Maturity within 12 months	Maturity after 12 months	Total contracted cash flows	Carrying value
<b>As at March 31, 2021</b>				
Other payables and other financial liabilities	8,052,330	-	8,052,330	8,052,330
Borrowings (Other than debt securities)	131,113,825	-	131,113,825	131,113,825
Lease liability	1,600,447	7,115,431	8,715,879	8,715,879
<b>Total</b>	<b>140,766,603</b>	<b>7,115,431</b>	<b>147,882,034</b>	<b>147,882,034</b>
<b>As at March 31, 2020</b>				
Other payables and other financial liabilities	5,460,381	-	5,460,381	5,460,381
Borrowings (Other than debt securities)	62,969,334	-	62,969,334	62,969,334
<b>Total</b>	<b>68,429,716</b>	<b>-</b>	<b>68,429,716</b>	<b>68,429,716</b>

The amount of financial guarantees included in contingent liabilities are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee.

### Note 35 - FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments and fair value thereof

	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>A Financial assets</b>				
<b>i) Measured at cost</b>				
Investment in subsidiary	-	-	-	-
<b>ii) Measured at fair value through OCI</b>				
Investment	154,720,505	154,720,505	152,745,186	152,745,186
<b>iii) Measured at amortised cost</b>				
Cash and cash equivalents	3,996,143	3,996,143	17,663,543	17,663,543
Bank balances other than above	844,019	844,019	809,834	809,834
Loan	837,268,307	837,268,307	650,142,108	650,142,108
Other Receivables	3,171,453	3,171,453	75,616,838	75,616,838
Other financial assets	3,663,459	3,663,459	5,050,750	5,050,750
<b>Total</b>	<b>1,003,663,886</b>	<b>1,003,663,886</b>	<b>902,028,259</b>	<b>902,028,259</b>
<b>B Financial liabilities</b>				
<b>i) Measured at amortised cost</b>				
Borrowings	131,113,825	131,113,825	62,969,334	62,969,334
Other payables	4,559,131	4,559,131	3,175,481	3,175,481
Lease liabilities	8,715,879	8,715,879	-	-
Other financial liabilities	3,493,199	3,493,199	2,284,900	2,284,900
<b>Total</b>	<b>147,882,035</b>	<b>147,882,035</b>	<b>68,429,715</b>	<b>68,429,715</b>

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### (b) Fair value measurement

All the financial assets and liabilities of the Company are measured at amortised cost except for investment.

#### Assets measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values, except for investment since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

#### Fair value hierarchy:

##### Quantitative disclosure fair value measurement hierarchy:

Particulars	As at March 31, 2021	As at March 31, 2020	Fair value hierarchy
	Fair Value	Fair Value	
Assets for which fair value is disclosed			
Investment in equity instruments - unquoted	154,720,505	152,745,186	Level 3

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The company has no level 1 fair value measurement.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

#### Note 36 - Disclosure under Prudential Norms & RBI guidelines

**Note 36(i)**- 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 36(ii)**- 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 36(iii)**- Additional disclosures:

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

Particulars	March 31, 2021	March 31, 2020
CRAR (percent)	86.43%	93.27%
CRAR - Tier I Capital (percent)	86.43%	93.27%
CRAR - Tier II Capital (percent)	-	-

#### Note 36(iv) - Loan portfolio classification and provision (As per RBI Prudential Norms)

₹ in Lacs

Particulars	As at March 31, 2021			As at March 31, 2020		
	Gross Loan Outstanding	Provision For Assets	Net Loan Outstanding	Gross Loan Outstanding	Provision For Assets	Net Loan Outstanding
Standard Asset	8,300.95	20.34	8,280.60	6,322.74	15.57	6,307.17
Sub Standard Asset	40.09	4.01	36.08	186.50	18.65	167.85
Doubtful Asset	70.00	14.00	56.00	33.00	6.60	26.40
Loss Asset	-	-	-	27.00	27.00	-
<b>Total</b>	<b>8,411.04</b>	<b>38.35</b>	<b>8,372.68</b>	<b>6,569.24</b>	<b>67.82</b>	<b>6,501.42</b>

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### Note 36(v)- 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

₹ in Lacs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount O/s	Amount Overdue	Amount O/s	Amount Overdue
<b>Liability side:</b>				
<b>1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>				
(a) Debenture : Secured	-	-	-	-
Unsecured (Other than falling within the meaning of public deposits*)	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	490.44	-	-	-
(d) Inter-Corporate Loans and Borrowings	-	-	549.32	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits*	-	-	-	-
(g) Other Loans;				
- Bank Overdraft	434.18	-	-	-
- Loan from Directors	386.51	-	80.37	-
*Please see Note (a) Below				
<b>2. Break up of (1)(f) above (Outstanding Public Deposits inclusive of interest accrued thereon but not paid):</b>				
(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				

### Capital to Risk Assets Ratio (CRAR)

₹ in Lacs

Particulars	March 31, 2021	March 31, 2020
	Amount O/s	Amount O/s
<b>Assets Side :</b>		
<b>3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below ] :</b>		
(a) Secured	3,557.26	2,376.18
(b) Unsecured	4,853.78	4,193.05
<b>4. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :</b>		
(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	-	-

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### Capital to Risk Assets Ratio (CRAR)

₹ in Lacs

Particulars	March 31, 2021	March 31, 2020
	Amount O/s	Amount O/s
<b>5. Break-up of Investments :</b>		
<b>Current Investments :</b>		
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	-	-
<b>Long Term Investments :</b>		
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	1,547.21	1,527.45
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	1,316.11	71.25

### (6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Please see **Note (b)** below

₹ in Lacs

Category	As at March 31, 2021			As at March 31, 2020		
	Amount Net Of Provision as per Prudential Norms			Amount Net Of Provision as per Prudential Norms		
	Secured	Unsecured	TOTAL	Secured	Unsecured	TOTAL
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	1,014.96	182.51	1,197.47	1,201.59	915.18	2,116.77
2. Other than related parties	2,533.56	4,641.65	7,175.21	1,168.71	3,215.94	4,384.65
<b>TOTAL</b>	<b>3,548.52</b>	<b>4,824.16</b>	<b>8,372.68</b>	<b>2,370.30</b>	<b>4,131.12</b>	<b>6,501.42</b>



## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### (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

₹ in Lacs

Category	As at March 31, 2021		As at March 31, 2020	
	Market Value Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	1,547.21	1,547.21	1,527.45	1,527.45
<b>TOTAL</b>	<b>1,547.21</b>	<b>1,547.21</b>	<b>1,527.45</b>	<b>1,527.45</b>

### (8) Other Information:

₹ in Lacs

Category	March 31, 2021	March 31, 2020
	Amount	Amount
(i) Gross Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	110.09	246.50
(ii) Net Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	92.08	194.24
Assets acquired in satisfaction of debt	-	-

### Sub Notes:

- 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.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016
- 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 37 - MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled

Particulars	As on March 31, 2021			As on March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>1 Financial Assets</b>						
(a) Cash and cash equivalents	3,996,143	-	3,996,143	17,663,543	-	17,663,543
(b) Bank balances other than (a) above	844,019	-	844,019	809,834	-	809,834
(c) Receivables						
i) Trade receivables	-	-	-	-	-	-
ii) Other receivables	3,171,453	-	3,171,453	75,616,838	-	75,616,838

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### Note 37 - MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled

Particulars	As on March 31, 2021			As on March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(d) Loans	298,497,360	538,770,946	837,268,307	186,577,061	463,565,047	650,142,108
(e) Investments	-	154,720,505	154,720,505	-	152,745,186	152,745,186
(f) Other financial assets	-	3,663,459	3,663,459	9,000	5,050,750	5,059,750
<b>2 Non- Financial Assets</b>						
(a) Income tax assets (net)	-	8,398,047	8,398,047	-	8,398,047	8,398,047
(b) Deferred tax assets (net)	-	1,562,656	1,562,656	-	3,684,439	3,684,439
(c) Investment property	-	131,611,205	131,611,205	-	7,124,925	7,124,925
(d) Property, plant and equipment	-	3,447,511	3,447,511	-	4,030,509	4,030,509
(e) Right of use asset	-	8,530,597	8,530,597	-	-	-
(f) Intangible Assets	-	434,989	434,989	-	726,596	726,596
(g) Other non-financial assets	2,215,634	2,243,708	4,459,342	43,100	113,326,395	113,369,495
<b>TOTAL ASSETS</b>	<b>308,724,610</b>	<b>853,383,622</b>	<b>1,162,108,232</b>	<b>280,719,376</b>	<b>758,651,894</b>	<b>1,039,371,270</b>
<b>LIABILITIES</b>						
<b>1 Financial Liabilities</b>						
(a) Payables						
i) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises	4,559,131	-	4,559,131	3,175,481	-	3,175,481
(b) Lease liability	1,600,447	7,115,431	8,715,879			
(c) Borrowings(Other than debt securities)	131,113,825	-	131,113,825	62,969,334	-	62,969,334
(d) Other financial liabilities	3,493,199	-	3,493,199	2,284,900	-	2,284,900
<b>Non-Financial Liabilities</b>						
(a) Current tax liabilities (net)	13,974,604	-	13,974,604	21,279,950	-	21,279,950
(b) Other non- financial liabilities	2,469,889	-	2,469,889	856,941	-	856,941
<b>TOTAL LIABILITIES</b>	<b>157,211,096</b>	<b>7,115,431</b>	<b>164,326,527</b>	<b>90,566,606</b>	<b>-</b>	<b>90,566,606</b>
<b>NET</b>	<b>151,513,514</b>	<b>846,268,191</b>	<b>997,781,705</b>	<b>190,152,770</b>	<b>758,651,894</b>	<b>948,804,664</b>
<b>Other undrawn commitments</b>	-	-	-	-	-	-

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### Note 38 - RELATED PARTY DISCLOSURE

Details of related parties and their relationship:		
<b>(a)</b>	<b>Enterprises where control exists</b>	
1	Indtrans Container Lines Pvt Ltd (upto September 30, 2019)	Subsidiary
2	Mangal Compusolution Pvt Ltd (upto March 30, 2020)	Wholly owned subsidiary
3	Satco Capital Markets Ltd (upto March 30, 2020)	Subsidiary
4	Indtrans Container Lines (Singapore) PTE Ltd (upto September 30, 2019)	Subsidiary
5	Indtrans Container Lines (Malaysia) PTE Ltd (upto September 30, 2019)	Subsidiary
6	Satco Wealth Manager Private Ltd (upto March 30, 2020)	Subsidiary
7	Mangal Mines & minerals Pvt Ltd (upto September 30, 2019)	Subsidiary
<b>(b)</b>	<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	
1	Mangal Finserv Private Limited	
2	Mangal Compusolution Private Limited	
3	Indtrans Container Lines Private Limited	
4	Chakshu Realtors Private Limited	
5	Mangal Buildhome Private Limited	
6	Woodland Constructions Private Limited	
7	Mangal Royal Jewels Private Limited	
8	Shree Mangal Jewels Private Limited	
9	Shree Ratna Mangal Jewels Private Limited	
10	Shree Mangal Aabhushan Private Limited	
11	Shree Radhey Mangal Gold Chain Private Limited	
12	Swarna Bhavya Mangal Jewels private Limited	
13	Dhakad Properties Private Limited	
14	Digital Edge Technology	
15	Sohanlal V Jain HUF	
16	Mangal Entertainment Private Limited	
<b>(c)</b>	<b>Key Managerial Personnel</b>	
1	Meghraj Sohanlal Jain	Managing Director
2	Naval KamalKishor Maniyar	Executive Director and CFO
3	Sandeep Maloo (upto January 27, 2020)	Executive Director
4	Srichand Tekchand Gerela (Reappointed on 01-10-2019)	Non Executive Director
5	Nirupama Dattatraya Pendurkar	Independent Director
6	Subramanyam Ganesh	Independent Director
7	Ramanathan Annamalai	Independent Director
8	Abhishek Jain (Upto 18-02-2020)	Independent Director
9	Supriya Rajkumar Agarwal	Company Secretary
10	Sujan Sinha (appointed on November 11,2020)	Non Executive Director
11	Sriram Sankaranarayanan (appointed on November 11,2020)	Non Executive (Independent) Director
<b>(d)</b>	<b>Relative of Key managerial personnel</b>	
1	Sohanlal V Jain	Father of Meghraj Jain

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### Note 38.1- RELATED PARTY DISCLOSURE (CONTINUED)

#### List of transactions with related parties

S.No.	Particular	Year ended March 31, 2021	Year ended March 31, 2020
<b>1</b>	<b>Purchase of Fixed Asset</b>		
	Mangal Compusolution Pvt Ltd	228,988	127,500
		<b>228,988</b>	<b>127,500</b>
<b>2</b>	<b>Dividend Received</b>		
	Mangal Compusolution Pvt Ltd	-	-
	Mangal Buildhome Pvt Ltd	-	-
		<b>-</b>	<b>-</b>
<b>3</b>	<b>Guarantee Commission income</b>		
	Mangal Compusolution Pvt Ltd	1,059,750	1,815,829
	Mangal Buildhome Pvt Ltd	148,314	197,750
	Mangal Globle Marble Pvt Ltd	66,250	265,000
	Satco Capital Market Limited	1,000,000	2,650,000
	Satco Capital Market Limited- Credit note	-	-3,500,000
		<b>2,274,314</b>	<b>1,428,579</b>
<b>4</b>	<b>Loan Given</b>		
	Satco Capital Markets Ltd	-	11,520,000
	Mangal Globle Marble Pvt Ltd	-	31,930,000
	Mangal Buildhome Pvt Ltd	-	5,000,000
	Shree Mangal Abhushan Pvt Ltd	-	5,000,000
	Shree Mangal Jewels Pvt Ltd	-	5,000,000
	Shree Radhey Mangal Gold Chain Pvt Ltd	-	15,000,000
	Shree Ratna Mangal Jewels Pvt Ltd	-	5,000,000
	Swarna Bhavya Mangal Jewels Pvt Ltd	-	5,000,000
	Mangal Royal Jewels Pvt Ltd	-	5,000,000
	Mangal Compusolution Pvt Ltd	39,500,000	-
	Woodland Construction Private Limited	325,000	49,675,000
		<b>39,825,000</b>	<b>138,125,000</b>
<b>5</b>	<b>Loan Repayment Received</b>		
	Satco Capital Markets Limited	-	19,754,500
	Mangal Globle Marble Pvt Ltd	70,156,890	-
	Mangal Buildhome Pvt Ltd	1,875,000	-
	Shree Mangal Abhushan Pvt Ltd	1,750,000	-
	Shree Mangal Jewels Pvt Ltd	1,750,000	-
	Shree Radhey Mangal Gold Chain Pvt Ltd	1,750,000	-
	Shree Ratna Mangal Jewels Pvt Ltd	1,500,000	-
	Swarna Bhavya Mangal Jewels Pvt Ltd	1,500,000	-
	Mangal Royal Jewels Pvt Ltd	5,750,000	-
	Mangal Compusolution Pvt Ltd	39,500,000	-
	Woodland Construction Private Limited	4,679,470	-
		<b>130,211,360</b>	<b>19,754,500</b>

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### Note 38.1- RELATED PARTY DISCLOSURE (CONTINUED)

#### List of transactions with related parties

S.No.	Particular	Year ended March 31, 2021	Year ended March 31, 2020
<b>6</b>	<b>Reimbursement of common expenses</b>		
	Indtrans Container Lines Pvt Ltd	202,944	454,956
	Mangal Buildhome Pvt Ltd	302,180	518,979
	Chakshu Realtors Private Limited	279,392	409,080
	Digital Edge Technology	62,257	125,536
	Dhakad Properties Private Limited	2,919	33,981
	Mangal Entertainment Pvt Ltd	40,164	33,981
		<b>889,856</b>	<b>1,576,513</b>
<b>7</b>	<b>Sale of investment in equity instruments</b>		
	Sohanlal V Jain	-	18,000,000
	Sohanlal V Jain- HUF	-	17,999,955
		-	<b>35,999,955</b>
<b>8</b>	<b>Interest Income</b>		
	Satco Capital Markets Ltd	2,196,827	2,857,095
	Mangal Globle Marble Pvt Ltd	5,276,182	8,345,327
	Mangal Buildhome Pvt Ltd	632,825	673,582
	Mangal Royal Jewels Pvt Ltd	1,210,037	1,292,882
	Shree Mangal Abhushan Pvt Ltd	1,418,750	1,215,142
	Shree Mangal Jewels Pvt Ltd	1,418,750	1,292,882
	Shree Radhey Mangal Gold Chain Pvt Ltd	2,867,725	1,222,963
	Shree Ratna Mangal Jewels Pvt Ltd	1,437,500	1,163,772
	Swarna Bhavya Mangal Jewels Pvt Ltd	1,437,500	1,135,176
	Mangal Compusolution Pvt Ltd	409,230	-
	Woodland Construction Private Limited	7,313,689	1,542,980
		<b>25,619,015</b>	<b>20,741,801</b>
<b>9</b>	<b>Service charge and other fees on loan transaction</b>		
	Mangal Buildhome Pvt Ltd	25,000	25,000
	Mangal Royal Jewels Pvt Ltd	50,000	50,000
	Shree Mangal Abhushan Pvt Ltd	50,000	50,000
	Shree Mangal Jewels Pvt Ltd	50,000	50,000
	Shree Radhey Mangal Gold Chain Pvt Ltd	50,000	50,000
	Shree Ratna Mangal Jewels Pvt Ltd	50,000	50,000
	Swarna Bhavya Mangal Jewels Pvt Ltd	25,000	25,000
	Woodland Construction Pvt Ltd	500,000	500,000
		<b>800,000</b>	<b>800,000</b>
<b>10</b>	<b>Rent expense</b>		
	Chakshu Realtors Private Limited	775,000	1,200,000
		<b>775,000</b>	<b>1,200,000</b>
<b>11</b>	<b>Borrowings</b>		
	Mangal Entertainment Pvt. Ltd.	5,000,000	-
	Sandeep Maloo	-	7,900,000
	Meghraj Jain	274,382,427	163,610,254
	Naval Maniyar	2,175,000	466,180
		<b>276,557,427</b>	<b>171,976,434</b>

## Notes forming part of financial statement for the year ended on 31<sup>st</sup> March, 2021

### Note 38.1- RELATED PARTY DISCLOSURE (CONTINUED)

#### List of transactions with related parties

S.No.	Particular	Year ended March 31, 2021	Year ended March 31, 2020
<b>12</b>	<b>Repayment of borrowings</b>		
	Mangal Entertainment Pvt. Ltd.	5,000,000	-
	Sandeep Maloo	-	7,900,000
	Meghraj Jain	245,943,396	171,090,719
	Naval Maniyar	-	466,180
		<b>250,943,396</b>	<b>179,456,899</b>
<b>13</b>	<b>Advertisement expense</b>		
	Digital Edge Technology	15,000	-
		<b>15,000</b>	<b>-</b>
<b>14</b>	<b>Social Media Integrity Charges</b>		
	Digital Edge Technology	25,424	-
		<b>25,424</b>	<b>-</b>
<b>15</b>	<b>Directors Remuneration</b>		
	Meghraj Jain	750,000	-
	Naval Maniyar	1,350,000	1,343,000
		<b>2,100,000</b>	<b>1,343,000</b>
<b>16</b>	<b>Interest on borrowings</b>		
	Mangal Entertainment Pvt. Ltd.	35,353	-
	Sandeep Maloo	-	39,952
	Meghraj Jain	2,814,456	691,605
	Naval Maniyar	70,780	1,591
		<b>2,920,589</b>	<b>733,148</b>
<b>17</b>	<b>Reimbursement of expense- paid</b>		
	Naval Maniyar	868,708	173,534
		<b>868,708</b>	<b>173,534</b>
<b>18</b>	<b>Redemption of Preference Share</b>		
	Satco Capital Markets Ltd	-	40,000,000
		<b>-</b>	<b>40,000,000</b>
<b>19</b>	<b>Disinvestment in subsidiary</b>		
	Mangal Compusolution Pvt Ltd	-	20,749,940
	Indtrans Container Lines Pvt Ltd	-	6,000,000
	Satco Capital Markets Ltd	-	40,840,373
	Mangal Mines & Minerals Pvt Ltd	-	51,000
		<b>-</b>	<b>67,641,313</b>
	<b>Balance payable at the end of the year</b>		
	<b>Other payables</b>		
	Mangal Compusolution Pvt Ltd	68,750	139,481
	Digital Edge Technology	-	-
	Naval Maniyar	823,708	7,800
		<b>892,458</b>	<b>147,281</b>
	<b>Borrowings</b>		
	Meghraj Jain	36,476,286	8,037,255
	Naval Maniyar	2,175,000	-
		<b>36,476,286</b>	<b>8,037,255</b>

## Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2021

### Note 38.1- RELATED PARTY DISCLOSURE (CONTINUED)

#### List of transactions with related parties

S.No.	Particular	Year ended March 31, 2021	Year ended March 31, 2020
	<b>Other financial liability- Interest Payable</b>		
	Meghraj Jain	2,603,372	622,444
	Naval Maniyar	65,471	1,432
	Sandeep Maloo	-	35,957
		<b>2,668,843</b>	<b>659,833</b>
	<b>Balance receivable at the end of the year</b>		
	<b>Loans</b>		
	Satco Capital Markets Ltd	14,645,500	14,645,500
	Mangal Globle Marble Pvt Ltd	-	70,156,890
	Mangal Buildhome Pvt Ltd	3,125,000	5,000,000
	Mangal Royal Jewels Pvt Ltd	4,250,000	10,000,000
	Shree Mangal Abhushan Pvt Ltd	8,250,000	10,000,000
	Shree Mangal Jewels Pvt Ltd	8,250,000	10,000,000
	Shree Radhey Mangal Gold Chain Pvt Ltd	18,250,000	20,000,000
	Shree Ratna Mangal Jewels Pvt Ltd	8,500,000	10,000,000
	Swarna Bhavya Mangal Jewels Pvt Ltd	8,500,000	10,000,000
	Woodland Construction Private Limited	45,320,530	49,675,000
		<b>119,091,030</b>	<b>209,477,390</b>
	<b>Loan- Interest and fees receivable</b>		
	Satco Capital Markets Ltd	501,059	202,359
	Mangal Globle Marble Pvt Ltd	-	1,716,773
	Shree Mangal Abhushan Pvt Ltd	63,205	76,612
	Mangal Royal Jewels Pvt Ltd	32,560	76,612
	Shree Mangal Jewels Pvt Ltd	63,205	189,112
	Shree Radhey Mangal Gold Chain Pvt Ltd	139,818	88,543
	Shree Ratna Mangal Jewels Pvt Ltd	65,121	76,612
	Swarna Bhavya Mangal Jewels Pvt Ltd	65,121	76,612
	Mangal Buildhome Pvt Ltd	23,943	38,306
	Woodland Construction Private Limited	-	879,997
		<b>954,032</b>	<b>3,421,538</b>
	<b>Other receivable</b>		
	Indtrans Container Lines Pvt Ltd	-	95,040
	Mangal Buildhome Pvt Ltd	112,423	101,828
	Chakshu Realtors Private Limited	99,198	95,040
	Digital Edge Technology	20,095	27,155
	Dhakad Properties Pvt Ltd	-	27,844
	Mangal Entertainment Pvt Ltd	20,095	27,844
	Mangal Globle Marble Pvt Ltd	-	598,899
	Satco Capital Markets Ltd	2,749,250	1,606,750
	Mangal Compusolution Pvt. Ltd	104,538	-
	Woodland Construction Private Limited	-	300,000
		<b>3,105,599</b>	<b>2,880,400</b>

**Notes forming part of financial statement** for the year ended on 31<sup>st</sup> March, 2021**Note 38.1- RELATED PARTY DISCLOSURE (CONTINUED)****List of transactions with related parties**

S.No.	Particular	Year ended March 31, 2021	Year ended March 31, 2020
	<b>Investment at the end of the year</b>		
	<b>Investment in equity shares</b>		
	Satco Capital Markets Ltd	22,192,740	22,192,740
		<b>22,192,740</b>	<b>22,192,740</b>
	<b>Off balance sheet item- Contingent liability at the end of the year</b>		
	Mangal Buildhome Pvt Ltd	-	79,081,018
	Mangal Compusolution Pvt Ltd	67,210,420	202,257,000
	Mangal Globle Marble Pvt Ltd	-	34,065,000
	Satco Capital Markets Ltd (BG AGAINST FD)	200,000,000	261,463,567
		<b>267,210,420</b>	<b>576,866,585</b>

**Note 38.2 - 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 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Companies Under Common Control				
Mangal Compusolution Pvt Ltd	-	39,500,000	-	-
Satco Capital Markets Ltd	14,645,500	15,146,559	14,645,500	32,015,000
Mangal Buildhome Pvt Ltd	3,125,000	5,000,000	5,000,000	5,000,000
Mangal Globle Marble Pvt Ltd	-	70,156,890	70,156,890	70,156,890
Mangal Royal Jewels Pvt Ltd	4,250,000	10,000,000	10,000,000	10,000,000
Shree Mangal Abhushan Pvt Ltd	8,250,000	10,000,000	10,000,000	10,000,000
Shree Mangal Jewels Pvt Ltd	8,250,000	10,000,000	10,000,000	10,000,000
Shree Radhey Mangal Gold Chain Pvt Ltd	18,250,000	20,000,000	20,000,000	20,000,000
Shree Ratna Mangal Jewels Pvt Ltd	8,500,000	10,000,000	10,000,000	10,000,000
Swarna Bhavya Mangal Jewels Pvt Ltd	8,500,000	10,000,000	10,000,000	10,000,000
Woodland Construction Private Limited	45,320,530	49,675,000	49,675,000	49,675,000
	<b>119,091,030</b>	<b>249,478,449</b>	<b>209,477,390</b>	<b>226,846,890</b>

**Note 39**

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with Financial Statements prepared under Ind AS.

**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 : 19<sup>th</sup> May 2021

UDIN :-21078146AAAAC04921

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

Sd/-

**Naval Maniyar**

Director & CFO  
DIN-06657440

Sd/-

**Supriya Agarwal**

Company Secretary  
M.No. A35286



# Notice

**NOTICE** is hereby given that the 59<sup>th</sup> Annual General Meeting of the Members of **Mangal Credit and Fincorp Limited** is scheduled to be held on Wednesday, 29<sup>th</sup> September, 2021 at 11:00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the below mentioned business:

## Ordinary Business:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the financial year ended 31st March, 2021 along with 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 31<sup>st</sup> March, 2021;
3. To appoint a Director in place of Mr. Meghraj S. Jain (DIN:01311041), who retires by rotation 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 and being eligible, offers himself for re-appointment;

## Special business:

5. **To re-appoint Mr. Sujan Sinha (DIN: 02033322) as a Non-Executive Non-Independent Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the applicable Rules framed thereunder including the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") on the recommendation of the Nomination & Remuneration Committee ("NRC") and approval of the Board of Directors of the Company, Mr. Sujan Sinha (DIN: 02033322), who was appointed as a Non-Executive Non-Independent Director of

the Company at the Annual General Meeting of the Company held on 30<sup>th</sup> December, 2020 and who holds office upto 10<sup>th</sup> November, 2021 and who is eligible for being re-appointed as a Non-Executive Non-Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Non-Executive Non-Independent Director, be and is hereby re-appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company ("Board") be and is hereby authorized 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 including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions, queries, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company and that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

6. **To approve the remuneration of Mr. Meghraj Jain (DIN:01311041), Chairman and Managing Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded for the payment of remuneration of INR 30,00,000/- p.a. (Rupees Thirty Lakhs Only) to Mr. Meghraj Jain (DIN: 01311041), Chairman and Managing Director of the Company on such terms and conditions as approved by the Board of Directors and as recommended by the Nomination and Remuneration Committee;

**RESOLVED FURTHER THAT** in the event in any financial year during the currency of tenure of the Chairman & Managing Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V of the Companies Act, 2013, the Company may pay to the Chairman & Managing Director, the maximum remuneration in accordance with the provisions of the Act;

**RESOLVED FURTHER THAT** the terms of remuneration may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Nomination and Remuneration Committee thereof) as it may in its discretion deem fit within the limits payable to the Chairman & Managing Director in accordance with Section 197 read with Schedule V to the Companies Act 2013, other relevant provision of the Companies Act, 2013 and in accordance to statutory modification/ amendments made under the relevant provisions of the Companies Act, 2013 and Schedule(s) thereof and as agreed between the Board of Directors and Mr. Meghraj Jain;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors after taking into consideration the recommendations of the members of the Nomination and Remuneration Committee be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time."

## 7. Reclassification of Promoters of the Company as Public Shareholders

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), and subject to approval from the BSE Limited (herein after referred to as stock exchanges), the Securities and Exchange Board of India and such other Statutory Authorities as may be required and

pursuant to other laws and regulations, as may be applicable from time to time (including any statutory modifications or re-enactments thereof for the time being in force), the consent of the members be and is hereby accorded to reclassify the following applicants from "Promoter" category to "Public" category:

Sr. No	Name of the Person/Company	No. of Equity Shares Held	% of the total Equity Capital
1.	e-Ally Consulting India Private Limited	16,79,700	8.70%
2.	Sandeep Maloo	600	0.00%
3.	Neeta Maloo	600	0.00%

**RESOLVED FURTHER THAT** in supersession of any provision, the applicant's special rights, if any, with respect to the Company through formal or informal arrangements including through any shareholders agreements, if any, stand withdrawn/terminated and be null and void, with immediate effect;

**RESOLVED FURTHER THAT** the above applicants confirmed that all the conditions specified in sub-clause (i) to (vii) of clause (b) of sub-regulation (3) of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") have been complied with and also confirmed that at all times from the date of such reclassification, shall continue to comply with conditions mentioned in Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") post reclassification from "Promoter" to "Public";

**RESOLVED FURTHER THAT** on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned applicant, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and in compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions;

**RESOLVED FURTHER THAT** Mr. Meghraj Jain, Chairman and Managing Director and/or Mr. Naval Maniyar, Director of the Company, be and are hereby severally authorized to perform and execute all such acts, deeds, matters and things including but not limited to making intimation/filings to stock exchange(s), seeking approvals from the Securities and Exchange Board of India, BSE Limited (as applicable), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and amend such details and to represent before such authorities as may be required and to take all such steps and decisions in this regard to give full effect to the aforesaid resolutions."

**By the Order of the Board**

**Meghraj Jain**  
**Chairman & Managing Director**

**DIN: 01311041**

**Address:** 401/402, Sheela Niwas, Ramabai  
Chemburkar Mg. Pranjapea Scheme,  
Vile-Parle (East), Mumbai 400057

**Place:** Mumbai

**Date:** 12<sup>th</sup> August, 2021

**Registered Office:**

1701/02, A Wing, 17<sup>th</sup> Floor, Lotus Corporate Park,  
Western Express Highway, Goregaon (E), Mumbai-400063

**Tel.:** +91 22-42461300 **E-mail:** compliance@mangalfincorp.com

**NOTES:**

1. In view of the pandemic caused by COVID-19 prevailing in the country requiring social distancing, Ministry of Corporate Affairs vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/21 dated January 13, 2021 (collectively referred as "MCA Circulars") and the Securities and Exchange Board of India ("SEBI") vide its Circular dated May 12, 2020, have permitted holding of annual general meeting of a company through video conferencing ("VC") or other audio visual means ("OAVM"), without the physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.

Therefore, in compliance with the provisions of the Companies Act, 2013 ("the Act"), circulars issued by SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the MCA Circulars, the 59<sup>th</sup> Annual General Meeting of the Company ("AGM") is being conducted through VC / OAVM, which does not require physical presence of the Members at a common venue. The Registered Office of the Company shall deemed to be the venue for the AGM.

The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for providing the facility for remote e-voting, for participation in the AGM through VC / OAVM and for e-voting during the AGM. The procedure for participating in the AGM through VC / OAVM is explained in the Notes;

2. The Explanatory Statement pursuant to Section 102 of the Act, the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ("Secretarial Standards") and the Listing Regulations, for business at Item No(s). 5, 6 & 7 as set out in the Notice convening the AGM ("AGM Notice") is annexed hereto;
3. 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 an Annexure I to the Notice;
4. The members are requested to note that since the Meeting is being held through VC / OAVM, the facility for appointment of proxies shall not be available for the 59<sup>th</sup> Annual General Meeting of the Company,

therefore the Proxy Form and Attendance Slip are not annexed to this Notice;

5. In pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for participating in the AGM through VC / OAVM and for voting through remote e-voting or e-voting during the AGM. Non-individual Members are requested to send the relevant Board Resolution / Authority letter along with Demat Account details to the Company at [compliance@mangalfincorp.com](mailto:compliance@mangalfincorp.com);
6. The Register of Members and Transfer Books of the Company will be closed from Thursday, 23<sup>rd</sup> September, 2021 to Wednesday, 29<sup>th</sup> September, 2021, both days inclusive;
7. Members can join the AGM through VC / OAVM, 15 minutes before and after the scheduled time of commencement of AGM and during the AGM, by following the procedure mentioned in the AGM Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Members on a first- come-first-served basis. Large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson(s) of the Audit Committee, the Nomination & Remuneration Committee and the Stakeholders Relationship Committee, Auditors etc. are allowed to attend the AGM without restriction on account of first-come-first-served principle;
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013;
9. In compliance with the MCA Circulars and SEBI circular dated January 13, 2021 read with Circular dated May 12, 2020, the AGM Notice along with the Annual Report for the financial year 2020-21 ("Annual Report") are being sent through electronic mode to those Members whose email addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent - Link Intime India Private Limited ("Link Intime"). Members are requested to note that the AGM Notice and Annual Report are also available on the website of the Company at <https://www.mangalfincorp.com/>, the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com);
10. 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;
11. Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 read with its rule made thereunder along with all the documents referred to in the Notice will be available for online inspection by the members of the Company up to the date of the AGM. Members who wish to inspect such documents may write to the Company Secretary & Compliance Officer at [compliance@mangalfincorp.com](mailto:compliance@mangalfincorp.com);
12. Members are requested to:
  - a. register / notify any change in their registered address / Permanent Account Number/ bank mandates to Link Intime, in case of shares held in physical form;
  - b. register / notify any change in their registered address / Permanent Account Number / bank mandates to the respective Depository Participants, in case of shares held in electronic / dematerialised form;
  - c. quote their folio number(s)/Client ID and DP ID / Beneficiary ID in all their correspondence;
13. As per the provisions of Section 72 of the Companies Act, 2013 read with the rules made thereunder, facility for making nominations is available for Members, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, Link Intime India Private Limited, in case the shares are held in physical form;
14. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid on and before Friday, October 29, 2021, to those Members whose names stand registered on the Company's Register of Members.
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 dividend 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 Office;

16. The Members / claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.
17. 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](mailto:rnt.helpdesk@linkintime.co.in)
18. Members holding shares in physical form are requested to convert their holding to dematerialized form. Members can contact the Company or M/s. Link Intime India Pvt. Ltd for assistance in this regard;
19. Since the AGM will be held through Video Conferencing, the Route Map is not annexed to this Notice;
20. **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) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members with respect to the business to be transacted at the 59th AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL)

for facilitating voting through electronic means, as the authorized e-Voting's agency. Thus, the facility for casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL;

In continuation of Ministry's **General Circular No. 20/2020**, dated 05<sup>th</sup> May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13,2021.

A. **THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

**The procedure and instructions for e-voting are as follows:**

- i. The voting period begins from 09:00 A.M. on Sunday, 26<sup>th</sup> September, 2021 and ends on Tuesday, 28<sup>th</sup> September, 2021 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 Wednesday, 22<sup>nd</sup> September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important Note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.**

Login Type	Helpdesk Details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- v. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) 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.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

6) If you are a first time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company / Depository Participants / Link Intime are requested to use the sequence number sent by Company. In case a member has not received sequence number, he / she can obtain the same by writing to the Company at <a href="mailto:compliance@mangalfincorp.com">compliance@mangalfincorp.com</a> ;
Dividend Bank Details <b>OR</b> 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.  <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders 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.
- viii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN no. "210825037" of the Company on which you choose to vote.
- x. 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.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. 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.
- xvi. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/



Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [compliance@mangalfincorp.com](mailto:compliance@mangalfincorp.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- i. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- iii. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- iv. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- v. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- vi. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vii. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending specific request in advance at least 7 days prior to AGM from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at [compliance@mangalfincorp.com](mailto:compliance@mangalfincorp.com).
- viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

- ix. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions proposed in the AGM Notice through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- x. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**C. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- i. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [compliance@mangalfincorp.com](mailto:compliance@mangalfincorp.com);
  - ii. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
  - iii. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
21. In case you have any issues / queries / grievances relating to remote e-voting, e-voting during the AGM and attending the AGM through VC / OAVM, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com) or call 022-23058542/43;

22. Mr. Vijay Tiwari, (Membership No. 33084), M/s. Vijaykumar Tiwari & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM in a fair and transparent manner.
23. The Scrutinizer shall submit his report to the Chairman of the Company or any person authorized by him after completion of the scrutiny and the result of the voting shall be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the AGM.
24. The results declared alongwith the Scrutinizer's report shall be available on the Company's website [www.mangalfincorp.com](http://www.mangalfincorp.com) and on the e-voting service provider's website i.e. CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him. The result shall also be communicated to BSE Limited where the equity shares of the Company are listed.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

### Item No. 5

Members are requested to note that Mr. Sujan Sinha (DIN: 02033322) was appointed as a Non-Executive Non-Independent Director on the Board of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with the applicable Rules framed thereunder including the Companies (Appointment and Qualifications of Directors) Rules, 2014 at the 58<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> December, 2020 for a term of 1(One) year from 11<sup>th</sup> November, 2020 and holds office upto 10<sup>th</sup> November, 2021.

Members are requested to note that considering the contribution made by Mr. Sinha during his association with the Company; his commitment towards his responsibility as a member of the Board of Directors which is also evident from the fact that he has attended all the meetings of the Board; and deep knowledge and expertise of various nuances of the Company's business and the regulatory framework in which the Company operates and his extensive experience in the financial services industry, the Nomination & Remuneration Committee ("NRC") at its meeting held on 12<sup>th</sup> August, 2021 recommended to the Board re-appointment of Mr. Sinha as Non-Executive Non-Independent Director of the Company with effect from 11<sup>th</sup> November, 2021. Based on the above and the performance evaluation the Board of Directors was of the opinion that the continued association of Mr. Sinha as Non-Executive Non-Independent Director of the Company would be beneficial to and in the interest of the Company, and the Board of Directors at its meeting held on 12<sup>th</sup> August, 2021, considered and approved the re-appointment of Mr. Sinha as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

Brief profile of Mr. Sinha and disclosure(s) / information under the Listing Regulations and the Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India are set out in Annexure to

the AGM Notice.

Members are requested to note that the Company has received consent in writing from Mr. Sinha to act as Non-Executive Non-Independent Director of the Company and declaration(s) and confirmation(s) stating that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 and other provisions of the Act.

Members are requested to note that in the opinion of the Board Mr. Sinha possesses requisite skills, experience and knowledge relevant to the Company's business and that his continued association would be beneficial to and in the interest of the Company.

Members are further requested to note that the Company has received a notice in writing in terms of the provisions of Section 160 of the Act from a Member proposing the candidature of Mr. Sinha for re-appointment as Non-Executive Non-Independent Director of the Company.

Except Mr. Sujan Sinha and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the resolution set out at Item No. 5 of the Notice to the Members for their consideration and approval, by way of an Ordinary Resolution(s).

### Item No. 6

The Nomination and Remuneration Committee of the Company's Board of Directors at its meeting held on 12<sup>th</sup> August, 2021 reviewed the remuneration of the Chairman & Managing Director of the Company with a view to align such remuneration with the best practices prevailing in the corporate world and in the NBFC Sector globally. The Nomination and Remuneration Committee decided to revise the remuneration of Chairman & Managing Director.

The Nomination and Remuneration Committee has approved and recommended the remuneration as set out

in the body of the resolution which the Board has agreed to offer by its resolution dated 12<sup>th</sup> August, 2021.

The remuneration proposed is in accordance with Section 196, Section 197 and Section 203 of the Companies Act, 2013 read with its relevant rules made thereunder and Schedule V and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved by the Members of the Nomination and Remuneration Committee and Board of Directors and subject to the approval of Shareholders of the Company by way of the ordinary Resolution.

The aforesaid revisions in the remuneration of Mr. Meghraj Jain, Chairman & Managing Director, presently requires the approval of the Shareholders pursuant to Section 197 of the Companies Act, 2013 read with Schedule V to the Act. The Board accordingly recommends the resolutions to be passed as ordinary resolutions, set out at item no. 6 of the accompanying notice. Your approval is sought for the same.

Except Mr. Meghraj Jain and his relatives, 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 Ordinary Resolution set out at Item No. 6 of the AGM Notice.

Information required on the matter pursuant to Section II, Part II of Schedule V to the Companies Act, 2013 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Annexure II & Annexure I respectively.

#### Item No. 7

The Company has received request vide letter dated August 10, 2021 from the following Promoters of the Company to reclassify them as public shareholders since the persons and Company are neither involved in the management of the Company nor holding any controlling stake in the Company. None of the following promoters have special rights as to voting power or control of the Company:

Sr. No	Name of the Person/Company	No. of Equity Shares Held	% of the total Equity Capital
1.	e-Ally Consulting India Private Limited	16,79,700	8.70%
2.	Sandeep Maloo	600	0.00%
3.	Neeta Maloo	600	0.00%

Pursuant to Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") along with amendments thereto, the Board of Directors of the Company has analyzed the request and shall place the same before the shareholders in a general meeting for their approval.

On the basis of the request received by the Company and pursuant to the provisions of Regulation 31A(3)(b) of Listing Regulations, the aforesaid seeking reclassification confirmed that:

- i) They, together do not hold more than ten per cent of the total Voting Rights in the Company;
- ii) They do not exercise control over the affairs of the Company directly or indirectly;
- iii) They do not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- iv) They do not represent on the Board of Directors (including not having a Nominee Director) of the Company;
- v) They do not act as a Key Managerial Person in the Company;
- vi) They are not 'wilful defaulter' as per the Reserve Bank of India Guidelines;
- vii) They are not fugitive economic offender.

Further, they have confirmed that subsequent to reclassification, they would continue to comply with the requirements as mentioned in Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The said requests for reclassification were considered, analyzed and approved by the Board of Directors at its meeting held on August 12, 2021, subject to members' approval and stock exchanges' approval subsequently.

None of the Directors/KMP of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item no. 7 of this Notice.

The Board recommends the resolution set forth in Item no. 6 for the approval of the Members.

**ANNEXURE I**

**Details of Directors seeking fixation of appointment/re-appointment at the forthcoming annual general meeting 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) are as follows:**

<b>Name of the Director</b>	Mr. Meghraj Jain	Mr. Naval Maniyar
<b>DIN</b>	01311041	06657440
<b>Date of Birth</b>	25/06/1970	18/12/1988
<b>Age</b>	51	33
<b>Date of appointment on the Board</b>	14/08/2013	21/05/ 2018
<b>Designation</b>	Chairman and Managing Director	Director and CFO
<b>Qualifications</b>	Graduate	Chartered Accountant
<b>Brief resume, Experience and Nature of his expertise in functional areas</b>	<p>Mr. Meghraj Jain is an entrepreneur and businessman. He is the founder &amp; the promoter of MCFL. He has a vast experience in leasing &amp; finance related business and has over 26 years of experience in Jewellery business.</p> <p>With an entrepreneurial vision, he paved way for the diversification of the group into various sectors. His propensity for innovation and proficient managerial abilities guarantees that the Group remains on the forefront of development. Under his leadership, the Group has endeavored substantial efforts to reinforce and enhance client relationship and set up its solid presence in finance.</p> <p>He was also the director of Mangal Buildhome, which has worked on several construction projects across Maharashtra. With his ultimate marketing skills and strategic thinking he has established a renowned name in the industry. He is also the trustee of Mangal Charitable trust. MCT actively conducts charitable activities like providing food, clothing, medicine organizing medical camps. MCT also run a 24x7 mobile hospital called 'Acharya Tulsi Mahapragya Mobile Hospital' which is equipped with all the latest medical facility.</p> <p>He continues to steer the Group in attaining the pinnacle of success. He has rich hands-on experience and exposure in all facets of non-banking financial services. He has been the guiding spirit of the Company in its transformation as a professionally run leading conglomerate.</p>	<p>Mr. Naval Maniyar holds a Bachelors degree in Commerce and is a Qualified Chartered Accountant (CA) and with 9 years of professional experience in finance and accounting functions. He assists the group to provide a professional platform of wealth management and financial planning services. He is responsible for accounting, tax, regulatory compliance, board related matters and investor relations.</p> <p>He has spent credible years in the areas of Financial Statement Analysis, Audit and Asset Management. Over the years, he has built long-term relationships based on trust, integrity, and conviction with the CA fraternity. His dynamic vision, strategic focus, and entrepreneurial skills continue to guide the growth of the Company's businesses across demanding markets and competitive scenarios.</p>
<b>No. of Board Meetings attended during the year 2020-21</b>	4	4
<b>Directorships held in other Companies</b>	Woodland Constructions Private Limited	NIL
<b>Membership/ Chairmanship of Committees of other Board</b>	Nil	NIL
<b>No. of Equity shares held in the Company as on 31/03/2021</b>	44,70,342 equity shares	NIL
<b>Disclosure of relationships between directors inter-se</b>	NIL	NIL

<b>Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person</b>	<p>As per resolution passed by the Members at the 56<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> 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.</p> <p>The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice.</p> <p>For details of remuneration drawn please refer to the Directors Report and Form No. MGT-9 - Extract of Annual Return which is a part of this Annual Report.</p>	<p>As per resolution passed by the Members at the 56<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> 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.</p> <p>For details of remuneration drawn please refer to the Directors Report and Form No. MGT-9 - Extract of Annual Return which is a part of this Annual Report.</p>
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<b>Name of the Director</b>	Mr. Sujan Sinha
<b>DIN</b>	02033322
<b>Date of Birth</b>	12/11/1958
<b>Age</b>	61
<b>Date of appointment on the Board</b>	11 <sup>th</sup> November, 2020
<b>Designation</b>	Non-Executive Non-Independent Director
<b>Qualifications</b>	B. Sc. (Hons - Geology)
<b>Brief resume, Experience and Nature of his expertise in functional areas</b>	<p>Mr. Sujan Sinha, is a senior finance professional, with more than 3½ decades in the industry, having worked for banks and NBFCs, primarily in the retail field.</p> <p>Graduating from Calcutta (Kolkata) University in Geology, Mr. Sinha qualified for selection as a Probationary Officer in the State Bank of India and joined them in December '81. He spent more than 14 years with SBI, gaining considerable experience in branch banking, personnel administration as well foreign exchange dealings. Switching over to the private sector in 1996, he joined the east-India headquartered Usha Martin group, in their 50:50 JV with Sumitomo Corporation, Japan. From there he moved to UTI Bank (later renamed as Axis Bank) in November 1998. It was in Axis Bank that Mr. Sinha took over charge of the retail lending business of the Bank and was a very crucial member of the core team that was at the centre of Axis Bank gaining a reputation as one of the fastest growing banks in the country. Mr. Sinha had been involved with significant responsibilities during his career with Axis Bank, starting from co-ordinating with renowned global corporate entities like Mitsui and Yamaha Motors for setting up a joint venture NBFC to overseeing the bank's equity investments in other NBFCs as well as credit bureaus setting up in India, like Experian.</p> <p>After 12 years with this private sector lender, he joined the Chennai-based Shriram Group, selected to head the newly promoted housing finance arm of the group in November 2010. Building it from scratch, Shriram Housing Finance Limited (SHFL) grew, slowly but steadily, making a name for itself in the housing finance space, especially in extending home ownership finance to the under-served segment of the population in the Tier II &amp; III centres of the country. Within a span of less than 8 years, SHFL had emerged as a very serious contender in the affordable housing finance space in the country. He, personally, has also been involved with a few business schools in the country, as a part of their advisory setup and is also a member of the Institution of Directors (IOD). He has now retired from his position as the MD &amp; CEO of SHFL as at the end of August 2018, after more than 37 years of active participation in the BFSI industry.</p> <p>After superannuating, he is now a promoter-director of Stragility Consulting Pvt. Ltd. &amp; SMS Vans Consulting Pvt. Ltd.; an independent director on the board of Transcorp International, in addition to being on the boards of Mindex Fincap, a Delhi based recently licensed NBFC (yet to commence operations on account of the pandemic) and Purecred Finance, a Madurai based company which has applied for a NBFC license to RBI. In addition to the above, he is an advisor to TKWs Institute of Banking and Finance as also an AI focused, Kolkata based company: Sky-Bits Technology. He is also a tele-consultant empanelled with GLG, Third Bridge and Insight Alpha, in addition to being a mentor to WhatsLoan, a fintech start-up based out of Bengaluru.</p>

<b>No. of Board Meetings attended during the year 2020-21</b>	1
<b>Directorships held in other Companies</b>	1. Transcorp International Ltd. 2. Mindex Fincap Private Limited 3. Stragility Consulting Private Limited 4. Sms Vans Skilling And Advisory Private Limited
<b>Membership/ Chairmanship of Committees of other Board</b>	None
<b>No. of Equity shares held in the Company as on 31/03/2021</b>	Nil
<b>Disclosure of relationships between directors inter-se</b>	Not related
<b>Terms and Condition of appointment and re-appointment</b>	As per resolution at Item No. 5 of the AGM Notice read with explanatory statement thereto, Mr. Sujan Sinha is proposed to be re-appointed as Non- Executive Non Independent Director of the Company.

## ANNEXURE II

### THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013:

#### I. General Information:

- Nature of Industry:**  
NBFC Company that provides financial assistance with loans and credit facilities
- Date or expected date of commencement of commercial production:**  
Not Applicable as the Company is an existing Company.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**  
Not Applicable as the Company is an existing Company.
- Standalone Financial performance based on given indicators:**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from Operations and other Income	11,41,03,715	16,32,27,970
Operating Profit (before interest, depreciation and tax)	8,99,29,012	13,90,07,741
Profit/(Loss)before Tax	8,18,34,780	13,56,33,851
Profit/(Loss) after Tax	5,71,10,669	10,76,47,353

- Foreign investments or collaborators, if any:** NIL

## II. Information about the Appointee:

### 1. Background details:

#### **Mr. Meghraj Jain Chairman & Managing Director**

- i. Mr. Meghraj Jain is an entrepreneur and businessman. He is the founder & the promoter of MCFL. He has a vast experience in leasing & finance related business and has over 25 years of experience in Jewellery business.
- ii. With an entrepreneurial vision, he paved way for the diversification of the group into various sectors. His propensity for innovation and proficient managerial abilities guarantees that the Group remains on the forefront of development. Under his leadership, the Group has endeavored substantial efforts to reinforce and enhance client relationship and set up its solid presence in finance.
- iii. He was also the director of Mangal Buildhome, which has worked on several construction projects across Maharashtra. With his ultimate marketing skills and strategic thinking he has established a renowned name in the industry. He is also the trustee of Mangal Charitable trust. MCT actively conducts charitable activities like providing food, clothing, medicine organizing medical camps. MCT also run a 24x7 mobile hospital called 'Acharya Tulsi Mahapragya Mobile Hospital' which is equipped with all the latest medical facility.
- iv. He continues to steer the Group in attaining the pinnacle of success. He has rich hands-on experience and exposure in all facets of non-banking financial services. He has been the guiding spirit of the Company in its transformation as a professionally run leading conglomerate.

### 2. Past remuneration:

The remuneration paid to for the financial years 2020-21 is as follows:

Sr. No.	Particulars	During the year ended 31 <sup>st</sup> March, 2021
1	Mr. Meghraj Jain	7,50,000

### 3. Recognition or Awards: N.A

### 4. Job Profile and his suitability:

Mr. Meghraj Jain, Chairman and Managing Director of the Company, is highly experienced and controls the affairs of the Company as a whole under the direction of the Board of Directors of the Company. He has successfully and in a sustained way contributed significantly towards growth in performance of the Company. He has extensive experience in the leasing & finance related business and has over 25 years of experience in Jewellery business.

### 5. Remuneration proposed:

Same as mentioned in body of Resolution at Item No. 6

### 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company, the profile of Mr. Meghraj Jain, Chairman and Managing Director, the responsibilities shouldered by him and industry benchmarks, the remuneration proposed to be paid is equal or less than the remuneration packages paid to similar senior level counterparts in the companies.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Directors does not have any pecuniary relationship with the Company except remuneration paid to them as Managing Director and as a shareholder to the extent of their respective shareholding directly and indirectly in the Company.

Mr. Meghraj Jain being promoter of the Company and Chairman & Managing Director of the Company is interested in the resolution as it pertains to remuneration payable to him. None of the other Directors of the Company is in any way concerned or interested in this resolution.

### III. OTHER INFORMATION

1. **Reasons of loss or inadequate profits:**

The Company had adequate profits during the previous financial year to pay the remuneration to the Managing Director of the Company. As a prudence measure, the approval of members is being sought, for payment of remuneration to Mr. Meghraj Jain, Chairman & Managing Director in the event of inadequacy of profit in any financial year.

2. **Steps taken or proposed to be taken for improvement:**

The Company constantly endeavors to enhance the ambit of its business and maintained stability and meets the challenges with perseverance and determination.

3. **Expected increase in productivity and profits in measurable terms:**

The Company expects increase in profits in line with increase in its activity.

### IV. DISCLOSURES

1. **Remuneration package of the managerial person:** As stated in resolution no. 6.

2. **Disclosures in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual report:**

The requisite details of remuneration etc. of all the Directors are included in the Corporate Governance Report forming part of the Annual Report of the Company.

**By the Order of the Board**

**Meghraj Jain**

**Chairman & Managing Director**

**DIN: 01311041**

**Address:** 401/402, SheelaNiwas, Ramabai  
Chemburkar Mg. Pranjapea Scheme,  
Vile-Parle (East), Mumbai 400057

**Place:** Mumbai

**Date:** 12<sup>th</sup> August, 2021

**Registered Office:**

1701/02, A Wing, 17<sup>th</sup> Floor, Lotus Corporate Park,  
Western Express Highway, Goregaon (E), Mumbai-400063

**Tel.:** +91 22-42461300 **E-mail:** compliance@mangalfincorp.com









**Mangal Credit & Fincorp Limited**

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