



MANGAL
CREDIT & FINCORP LIMITED

INNOVATION
EXECUTION
GROWTH



**Mangal Credit
& Fincorp Limited**

ANNUAL REPORT | 2019-20



INNOVATION EXECUTION GROWTH

Change is inevitable. Likewise, to stay competitive, we at Mangal Credit and Fincorp learn to continually innovate which let us build sustainable growth and evolve as a company. Established in 2012, we are an NBFC company that provides financial assistance with loans and credit facilities, trade-in money market underwriting stocks and shares are some of our services to aid an advanced and aspiring population. We believe that innovation is the only way to stay ahead in business and that's why we ensure to embrace the latest technologies into our business. Being relevant, innovative and competitive is the core principle of our business. However, choosing the right approach to adaptation and growth is difficult. As a result we go above and beyond to provide complete customer satisfaction while also eliminating hurdles related to profitability, competition and operational challenges. Our objective is to transform the companies by providing best-in-class services and also aim to become the most preferred service provider in the financial space.



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



Corporate Identity

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

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



Key Facts



2012

established in the year



1,632

Total ₹ Revenue Lacs



1,076

Profit After Tax ₹ Lacs



9,488

Networth ₹ Lacs



6,501

Assets Under
Management ₹ Lacs



92.50%

Capital Adequacy
Ratio



18%

RoA



3.88%

Gross Non
Performing Assets



5.57

Basic Earnings
per share ₹



0.50

Dividend per
Share ₹



Our Vision



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



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



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



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

Our Mission

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

▲ 3.45%

▲ 9.12%



Our Values

Excellence

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



Innovation

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

Diversification

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



Customer focus

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

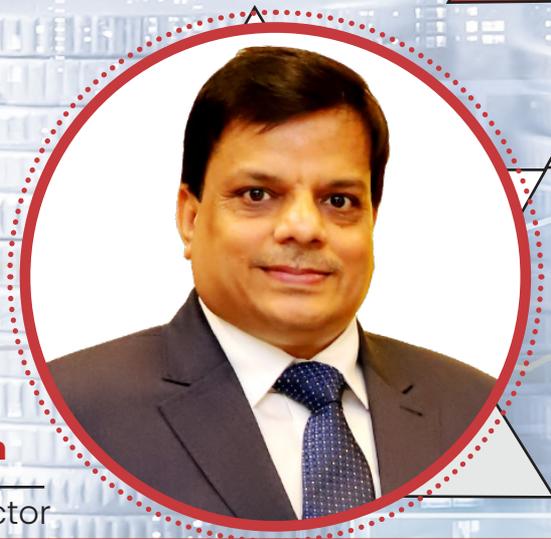
Transparency

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





Message from Managing Director



Meghraj S. Jain

Managing Director

Dear shareholders,

FY20 was an unpredictable and challenging year for everyone. The key takeaway is the fact that investors will continue to bank on solid business models and successful team without being affected by any liquidity or economic crises. As a result, the NBFCs are now adapting to the changing market dynamics and crafting new strategies to lend to different segments. The business model of the NBFCs must be re-invented for better processes, execution and underwriting.

According to the Reserve Bank of India (RBI), India had a GDP of 4.5%, which reflects the slowing economy and declining consumer confidence. The lenders are making efforts to manage their books and stay in business for the long-run.

The effective liquidity management of the Company has ensured that there are enough cash and liquid assets serviceable to the numerous demands for loans and withdrawals. Mangal Credit has made realistic future projections in order to utilise our resources and stay positive in this ever-changing market. Asset-liability management is the process of effective planning and managing asset and liability volumes, maturities, rates and yields in order to minimise interest rate threat and to achieve a good profit. This allows us to be ready for situations like economic slowdowns, recessions or any other unpredictable changes.

The liquidity in the market dictates the effect of Covid-19 in the lending segment. If the credit line of banks dries up, there will be an adverse impact on the disbursements of Easy Monthly Installments (EMI).

However, your Company will be safeguarded by its sustainable business model and strategies to counter every possible situation. Furthermore, our capital and buffer ensured we did not endure many problems during such stressful times.

The NBFCs serve two kinds of customers – salaried and non-salaried. Since the Central Government has directed companies not to cut salaries, the customers employed in major companies will not be impacted. However, salaried people working in SMEs might experience financial crunch and bear the brunt of the current situation.

Secondly, studies suggest that people with lower EMIs will not default, in comparison to those with bigger EMIs. If the economic slowdown continues, people may lose jobs, directly impact the banks more than the NBFCs.

The year 2020 could be a turning point for the NBFCs, as the government has initiated a lot of strong fiscal measures to improve demand and lighten the liquidity pressure. A lot of programs have been beneficial, besides the introduction of the partial credit guarantee scheme, end-use of restrictions on external commercial borrowings, loan co-origination with banks and financial institutions and introduction of liquidity coverage ratios among others.

The NBFCs are growing at a face pace and are continuously challenging the conventional methods of banking. However, there are a few facts to consider. The concept of NBFCs is still new in India and the industry is yet to see bigger challenges. The NBFCs



“

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

”



79.03%

Profit after tax Growth



6,501 Lakhs

AUM

must tackle all kinds of slowdown, crisis and recession in the economy. It must be noted that the NBFC's liquidity is sensitive to market sentiment, as their business models rely on short-term wholesale funding, which can dry up quickly once the market sentiment turns negative. To nullify such risks, effective planning and proper management are necessary.

With stricter compliances, the borrowings in the market have increased and the NBFCs are focussing more on niche markets. Therefore, it is important for them to enhance their business agility and conceptualisation. NBFCs all over are determined to develop improved products and also service to all kinds of sectors and all kinds of population.

Customers nowadays are tech-savvy and with their knowledge, they expect us to cater to their demands in terms of credit facilities. To help us serve them, we need to develop our strategies and invest in the new age technology and utilise things like artificial intelligence capabilities which will allow them to connect and cater to the customer in a personalised manner.

To facilitate such a situation, it is absolutely vital for us to adopt business models that will enhance the progress of our new and customer-friendly products effortlessly by combining technology. Switching to these new technologies will also be cost-effective whether it is customer data, customer management or de-risking the portfolio while trying to get over the increasing formal credit penetration.

The financial sector forms the core of an elaborate and extensive nation like India. The NBFCs are the catalysts of the economy, as they offer different kinds of services like lending, investment banking

and capital market operations. The non-banking companies, on the other hand, have the maximum reach when compared to the banking system of the economy. Although many government schemes have motivated the population to open their bank accounts, there is still a considerable percentage of Indian who do not own a bank account.

The Indian banking sector is under a lot of pressure due to the burden of non-paying accounts. This has brought new opportunities for the NBFCs. Their importance has increased now with the banking system tightening its policies due to scepticism regarding the lending activities. NBFCs contribute nearly 16% to the economy, which is twice as much as the bank credit growth in the same period. The government is focussing on promoting business and entrepreneurship, which will also help the NBFCs to maximise their potential and contribute to the economy.

Since the NBFCs also serve the rural population of India, they have ground-level knowledge about the customers and their requirements. This gives them an advantage over the banking system for strengthening the economy by reaching out to everyone and addressing their needs. Having said that, I am confident that the NBFCs have a bright future with the continuous support of the government and their progressive policies to motivate entrepreneurship.

I want to thank all our shareholders for their continued trust and support, which has been integral to our growth story.

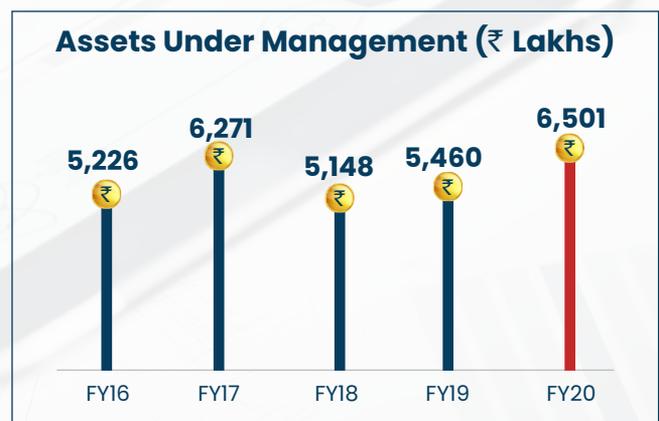
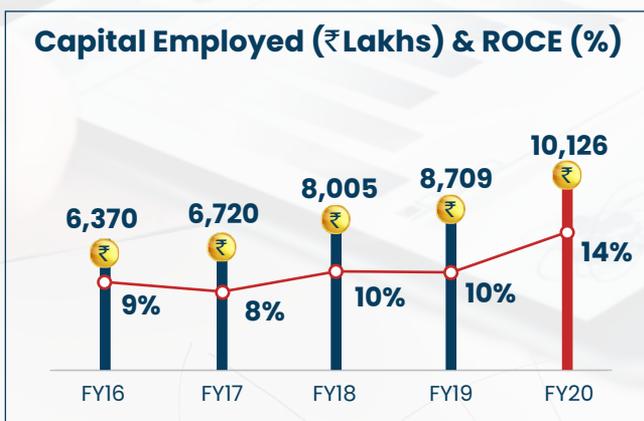
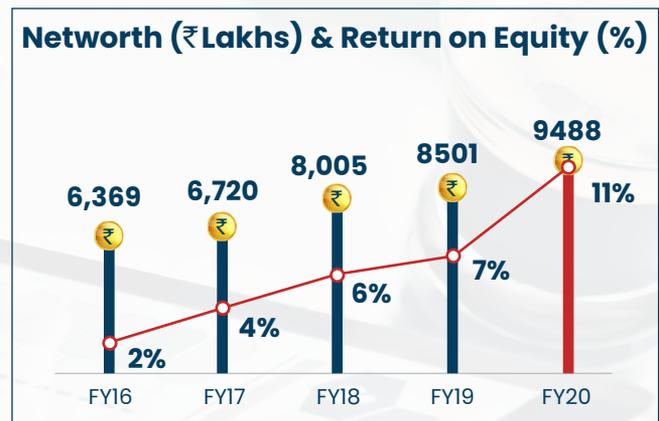
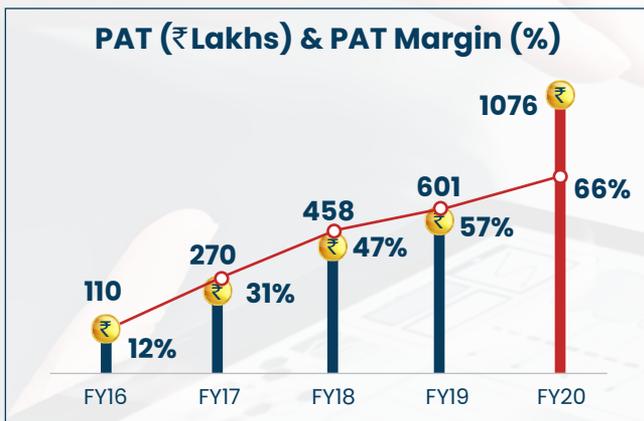
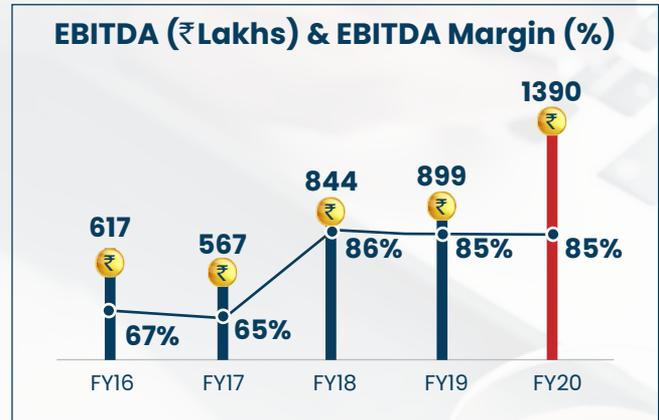
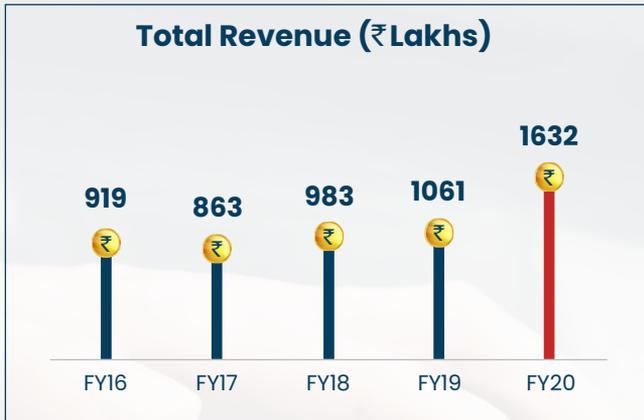
Yours sincerely,

Meghraj S. Jain

Managing Director



Financial Highlights





Corporate Information

(as on 11th November 2020)

Board of Directors

Mr. Meghraj Jain **S** **C**
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)

Sriram Sankaranaryanan
Additional director (wef. 11/11/2020)
(independent director)
(DIN: 00146563)

Sujan Sinha
Additional director (wef. 11/11/2020)
(non executive non independent)
(DIN: 020033322)

Auditors

M/s MGB & CO. LLP, Chartered Accountants

Bankers

Axis Bank
HDFC Bank
Bharat Bank

Key Managerial Personnel

Mr. Meghraj Jain
Managing Director

Mr. Naval Maniyar
Chief Financial Officer

Ms. Supriya Agarwal
Company Secretary & Compliance Officer

Listing on the Stock Exchange

Bombay Stock Exchange

Registrar and Transfer Agent

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

Registered & Corporate Office

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

Committees

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



Board of Directors



Meghraj S. Jain
Managing Director

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



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.



Nirupama Pendukar
Independent Director

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



A. Ramanathan
Independent Director

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



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 FIATs & 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.



Sriram Sankaranaryanan
Additional director
(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.



Sujan Sinha
Additional director
(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 organisations 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.

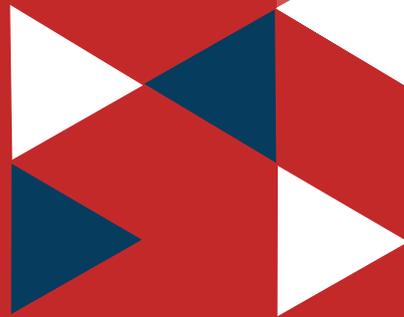


MCFL Team





Management Discussion & Analysis



Global Economy

The global economic development fell significantly in 2019 on the back of a promising performance in 2018, due to headwinds stemming from both developed economies and emerging ones. The economic growth remained positive at 3.6% in 2018 after a 4% rise in 2017, only to slip sharply to 2.9% in 2019. Global trade disputes have also been more common over the year, expanding to many more countries than China and the United States; the reasons of these tensions are assumed to be the economic turmoil related to Brexit, joint allegations of protectionism between the European Union and the United States and tense relations between the two. In particular, the trade wars have increased cyclic headwinds in the telecommunications and automobile sectors, all of which have large cross-country supply networks. High uncertainty surrounding the potential trade policies has led to a fall in company confidence,

which has dented investment growth in many nations. Additionally, these advances have lowered the demand for foreign resources and intermediate-goods, contributing to the slowdown in international trade.

At the beginning of 2020, growth across emerging markets was slower than expected majorly because of numerous hindrances weighing on domestic demand across nations. Due to tough financial conditions and systemic problems, China's economic expansion went into a tailspin in 2019 with a growth of 6.1 per cent. Regardless of the pandemic, regional lockdowns adversely affected consumer demand and decreased investment flow at year-end. The pandemic represents the greatest economic impact the world economy has experienced in a century, causing a slump in global investment. Spillovers across borders have impacted economies in finance and services, foreign commerce, shipping and tourism sectors.



Worldwide equity markets plummeted, spreads to more risky debt groups expanded considerably, and EMDEs witnessed massive capital outflows in most of March and April. Commodity prices have fallen significantly as a result of declining global demand.

Stock markets in developing nations encountered intense volatility, as uncertainty prevailed and early attempts to curb the pandemic fell well short of investor expectations. Central banks in developing countries responded with interest rate cuts and asset purchases to boost liquidity, maintain credit flows and stabilise stock and bond prices. Growing investor risk aversion has caused significant capital outflows from many major emerging economies, resulting in large devaluations of the currency and tighter credit terms. Despite the exceptionally high degree of volatility around the future, alternate scenarios tend to illustrate the near-term scope of potential global growth outcomes. Recent estimates say that the world trade is on track to decrease further than it was before the 2008 global financial crisis, partially due to disturbances induced by the COVID-19 pandemic triggered by international travel and global supply chains. Investment is considered more cyclical and trade-centred relative to other spending areas and has declined dramatically as companies face financing difficulties that inevitably hinder progress. Export firms are more involved in the credit markets and are severely affected by credit cost increases.

The financial year 2020-21 began with a challenge, as COVID-19 significantly affected various sectors of the economy. According to the International Monetary Fund, the world economy is on the verge of rising to 5.8 per cent in 2021. Governments are grappling with measures to reduce the economic consequences of the pandemic. Fiscal stimulus efforts are unlikely to restore economic demand, although they are critical for maintaining wages and prosperity and preventing bankruptcies, as opportunities to buy certain goods and services remain low.

Indian Economy

The Indian economy experienced a marked slowdown in 2019. Throughout the third quarter of the previous year, the economy contracted at a six-year low rate

of 4.7 per cent. Underlying this fall in GDP growth over 2019-20 is a decrease in private spending, an increase in overall CapEx and a fall in trade volumes as a result of slowing global growth and production. Investment and consumer demand had languished, and a number of stimulus steps were taken to return the economy to a path of recovery.

The Government continues to work proactively and is prepared to respond to the economic conditions. Important policy announcements in the last few months have been made to boost demand and supply, which includes liberalising FDI criteria for select sectors; scaling back a much-debated tax surcharge on international equity investors; incentives to support various industries; restructuring of PSU banks and substantial cuts in corporate tax rates. Such initiatives are intended to improve credit expansion, increase capital inflows, revitalise private investment and employment and thereby fuel economic activity. In the face of extreme headwinds, these crucial measures will certainly mitigate the adverse impact on the Indian economy of a mixture of global and local economic factors.

There was a strong chance of recovery during the last quarter of FY 19-20. However, the latest outbreak of coronavirus has made recuperation exceedingly complicated in short to medium term. The epidemic has now raised fresh threats to the Indian economy, having significant disruptive impacts on both demand and supply-side factors that could undermine India's growth story. It is anticipated that the national lockout and the consequent cessation of economic activity due to the pandemic would severely impede economic development in the first half of FY 20-21. Apart from the continued stability of agriculture and related industries, about 70 per cent of the economic sectors would have little to zero added value during the lockout period. These sectors of the economy will be adversely affected according to the severity, distribution and length of COVID-19. The global recession could escalate in a sustained spread that is undermining supply chains, causing instability for India.

India will use this period of regeneration to slowly but progressively improve its core capabilities in terms



of preparing for the future. The country has emerged as the fastest-growing emerging economy in the world and is projected to become one of the largest economic forces in the world in the next 10-15 years, backed by a stable democracy and international ties.

NBFC Sector (Economic times, IBEF, ICRA NBFC)

For sustainable socio-economic development, one of the important aspects is financial inclusion. Banks and other financial institutions have played a major role in the history of mankind to ensure the growth and prosperity of societies.

Over the years, the Indian retail borrowing scenario has evolved. In the last year, particularly, a conceptual change has been witnessed in the borrowing behaviour of the consumers. As a result, the demand for personal credit has grown significantly.

India is expected to become the fourth-largest private wealth market, on a global scale, by 2028. The number of Ultra High Net Worth Individuals (UHNWI) in the country is anticipated to increase from 5,986 in 2019 to 10,354 in 2024, a rise of nearly 73% in five years.

The Non-Banking Financial Companies are emerging swiftly due to intermediaries present in the retail finance sector. The public deposit of the NBFCs grew from USD 0.29 billion in 2009 to USD 5.86 billion in 2019, with a CAGR of 35%. As of May 2020, the AUM of the NBFCs is valued at INR 24.54 trillion, which is a rise from INR 10.96 trillion in October 2014 with a CAGR of nearly 16%.

With the hopes of easing liquidity and creating demand, the Government has executed measures to allow the public sector banks to lend more to the NBFCs, introduced partial credit guarantee scheme, organised loans and much more.

In the Union Budget 2019-20, the Government pledged its support towards the financial institutions of the country and allocated INR 2,455.90 crores (USD 340.39 million) for their development. In the following Union Budget, the Department of Financial Services was allocated INR 11,125 crores (USD 1.59 billion).

The investors will concentrate on solidifying their

business prospects and ensure profitability, without much concern about the liquidity crisis or the economic slump. The NBFCs have taken the initiative to form new strategies to lend to various segments and tweak the market dynamics likewise.

Most of the NBFCs are leveraged adequately and have impressive capital adequacy ratios. However, many of them will look to raise fresh equity capital, so as to safeguard themselves from any financial woes due to Covid-19.

MSME (Elara Capital, IBEF, Forbes India, Financial Express)

The growth of Micro, Small and Medium Enterprise (MSME) sector is crucial to the development of the Indian economy. The sector contributes to nearly one-third of the nation's GDP and more than 40% of the manufacturing output. The MSMEs are also central to employment generation, as more than 110 million of the population are associated professionally with the sector.

A big challenge in the MSME industry is the massive credit gap. As per studies, only 16% of the MSMEs receive a formal credit, which means that more than 80% of the companies are either unfinanced or financed via informal sources. Since the informal credits are far expensive than the formal debts, the burden keeps on increasing for the MSMEs.

To prevent any hindrances towards the stability of the financial sector, timely and precise data which covers both structured and unstructured information must be available. This proves helpful in ensuring that the MSME companies are using the loans productively and nothing would further hamper the growth of the sector.

The MSMEs are vulnerable to economic headwinds, which is why the pandemic of COVID-19 is immensely challenging for the sector. As a measure, the Government is motivating banks and non-banking financial institutions to lend money to the MSMEs to help them persist during such uncertain times.

In the Union Budget 2019-20, the Government allocated INR 350 crores (USD 50.07 million) for 2%



interest subvention under the Interest Subvention Scheme for MSMEs. This was for all the GST-registered MSMEs on incremental or fresh loans.

To ensure funding for financial institutions, the RBI has provided refinance lines for MSMEs, rural and housing sectors. For the MSMEs, the Small Industries Development Bank of India (SIDBI) will be given INR 150 billion and the National Bank For Agriculture & Rural Development (NABARD) will receive INR 250 billion for developing rural and agricultural sectors. To improve the housing sector, the National Housing Bank (NHB) will receive INR 100 billion.

Gold Loans (The Print, Bloomberg Quint, Economic Times)

The Indian gold loan industry is valued at USD 46 billion, out of which 65% is due to informal lenders whose rate of interest range anywhere between 25% to 50%. In numerous parts of the country, especially the rural, pawning of ornaments is considered as the final alternative for financial help.

In the coming years, the Indian market for gold loans is anticipated to grow by 34% to INR 4.6 trillion (USD 61 billion), on the back of lower transaction times and collaterals which can be easily sold off in case of any default.

In FY 2018-19, gold loan companies expanded aggressively over the northern and eastern regions of the country. The loan activity increased significantly with the introduction of online modes and doorstep customer service by both non-banking organisations and fintech startups.

According to the World Gold Council, nearly 22,000 – 25,000 tonnes of gold are stored as assets in Indian household, of which 65% is in the rural area. From the total gold stock of the country, about 1.2% is collateral for the loans, signifying growth potential in the industry. It is observed most of the times that with a disruption in the working capital cycle in the unorganised sector, the demand for gold loan slumps. However, during the Coronavirus pandemic, the demand has increased, resulting in most banks and NBFCs becoming resilient to risks.

Growth Drivers (IBEF)

Increasing income is acting as the catalyst for improved financial services

The RBI's initiative to drive financial inclusion has increased the target market to semi-urban and rural regions

The Hon'ble Minister for Finance and Corporate Affairs, Ms Nirmala Sitharaman introduced instant allotment of PAN (near or real-time basis) via Aadhaar based e-KYC, in June 2020

Nearly 75% of the Indian population resides in rural areas where financial services have not cemented their businesses. However, in the last few years, rural India has experienced a promising growth in their income and have become a target audience for financial services. To ensure a faster and efficient penetration of the financial services, cross-utilisation of standalone networks, like SHG, NGOs and MFIs, will be key. As a result, there will be a better use of technology in rural areas, with internet kiosk-based channels to become the bridge between the rural population and financial services.

Challenges (ELARA Capital)

On 17 April 2020, the RBI announced TLTRO-2, a special liquidity line to the banks for lending to the NBFCs. The first auction of INR 250 billion was held on 23 April; however, it was underbid with banks only bidding for INR 128 billion. This signifies that the banks are wary of risks and will prevent investing in the debt of small and medium-sized NBFCs, due to the increasing risks in the sector after the IL&FS crisis and detrimental impact of lockdown.

Nearly 3,936 firms downgraded during the pandemic, while only 593 were upgraded. Almost 35% of the credit ratings on Indian firms either have a negative outlook or are under credit observation with serious implications. The GDP growth of the country was slow at 4.2% for FY20, even before the pandemic had struck.

Company Overview:

Mangal Credit & Fincorp Limited is an NBFC company



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

Financial and Operational Performance

MCFL has given stable results for the FY 2019. MCFLs Total Revenue grew by 53.80% to ₹1632 Lakhs in FY2020 as compared to ₹1061 Lakhs in FY2019. EBITDA grew by 54.54% to ₹1390 Lakhs in FY2020 as compared to ₹899 Lakhs in FY2019. Profit After Tax grew by 79.20% to ₹ 1076.47 Lakhs as compared to ₹600.70 Lakhs in the previous year. AUM grew by 19% to ₹6501 Lakhs in FY2020 as compared to ₹5460 Lakhs in FY2019.

Internal Control Systems and its Adequacy:

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

Fulfilment Of RBI's Norms And Standards:

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

Human Resources/Industrial Relations:

At the end of FY 2020, the company had 12 full time employees. The Company continues to lay emphasis on people, its most valuable resource. In an increasingly competitive market for human resources, it seriously focuses on attracting and retaining the right talent. It provides equal opportunity to employees to deliver results.

Cautionary Statement:

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



Social Activities





DIRECTORS' REPORT

To,
The Members
Mangal Credit and Fincorp Limited

The Directors are pleased to present the 58th Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended 31st March, 2020.

FINANCIAL PERFORMANCE AND COMPANY'S STATE OF AFFAIRS

The performance of the Company for the financial year ended 31st March, 2020 is summarized as under:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Total income	163,227,970	106,127,029
Total expenditure	27,594,119	26,470,492
Profit before taxation	135,633,851	79,656,537
Less: Provision for Taxation		
- Current tax	30,884,655	18,447,709
- Deferred tax asset	(3,512,937)	1,139,354
-Tax in respect of Earlier Year	614,780	-
Net profit after taxes	107,647,353	60,069,474
Earnings per share (Face Value ₹ 10/- each)		
Basic	5.57	3.11
Diluted	5.57	3.11

BRIEF EXPLANATION ABOUT THE FINANCIAL PERFORMANCE AND COMPANIES STATE OF AFFAIR

We wish to inform you that our YOY portfolio has grown by 20%, i.e. Rs. 6,501 Lacs as on FY20.

Our YOY growth in Revenue is 54% over last year against 23% growth in Operating expenses. Operating profit of ₹ 1403 Lacs is a 1.7x increase over last year while PAT has also increased by 1.7x.

We have improved in granularity of our portfolio and same is continues to be evident with increased number of clients in the portfolio.

We are happy to announce that we have started our gold loan segment and further planning to open additional 20 branches with cumulative portfolio of Rs 500 crores by end of FY25.

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, 2020 shall be laid before the ensuing Annual General Meeting of the Company.

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 31st March, 2020. The dividend payment is subject to approval of members at the ensuing Annual General Meeting.



DEPOSITS

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

TRANSFER TO STATUTORY RESERVES

Pursuant to the requirement of Section 45-IC of the Reserve Bank of India Act, 1934, an amount of ₹ 2,15,49,471/- (previous year: ₹ 1,14,26,221/-) 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 31st March, 2020 stood at 0.07.

NET OWNED FUNDS

The Net Owned Funds of your Company as on 31st March, 2020 stood at 94.51 crore, ₹ 29.87 crore increase over the previous year.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

1. Mangal Compusolution Private Limited;
2. Mangal Mines and Minerals Private Limited;
3. Satco Capital Markets Limited
4. Indtrans Container Lines Private Limited

Therefore, as at the end of the Financial year 31st March, 2020, your Company does not have any subsidiaries, joint venture(s)/associate company(ies) within the meaning of Section 2(6) of the Act.

CHANGE IN THE NATURE OF BUSINESS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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 31st March, 2020 was ₹ 19,31,39,860/- divided into 1,93,13,986 equity shares of face value of ₹ 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 31st March, 2020 in the prescribed Form MGT-9 is annexed as **Annexure A** to this Board's Report.

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 31st March, 2020, the Board of Directors of your Company comprises of 6 (Six) Directors out of which 1 (One) is Non-Executive Non Independent Director, 3 (Three) are Non-Executive Independent Directors and 2 (Two) are Executive Directors. The Chairman is a Non-Executive Non-Independent Director. The Board composition is in compliance with the requirements of the Act, the Listing Regulations and the circulars / directions / notifications issued by the RBI ("RBI Directions"). Detailed composition of the Board of Directors has been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

Appointment of Directors:

Mr. Srichand Teckchand Gerela (DIN: 01565534) was appointed as Non-Executive Non Independent Director by the Shareholders of the Company w.e.f 01st October, 2019.

Mr. Ganesh Subramanyam (DIN: 01718431) who was appointed as an Additional Director (Independent Category) at the Board Meeting held on 14th November, 2018 received shareholders approval at the 57th Annual General Meeting held on 30th September, 2019.

Retirement by Rotation of the Directors:

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

Resignation /Cessation of the Directors:

Pursuant to Regulation 17(1A) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age

of seventy five years unless a special resolution is passed to that effect.

As Mr. Srichand Teckchand Gerela was 81 years old and the Company had not passed special resolution in that regard therefore, he tendered his resignation as Non-executive Director from the Company w.e.f 01st April, 2019.

Note: *The Board hereby expresses its deep condolences at the sad demise of Mr. Srichand Teckchand Gerela, Non Executive Non Independent Director of the Company on May 27, 2020.*

During the year under review, Mr. Sandeep Maloo, Director of the Company vacated the office of Director under Section 167(1)(b) as he was absent in all the meetings of the Board of Directors held during a period of twelve months. The vacation was effective from 13th December, 2019.

Mr. Abhishek Jain, Non-Executive Independent Director of the Company resigned from the Board w.e.f 03rd February, 2020.

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

Director(s) Disclosures:

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

A certificate from M/s. Vijay S. Tiwari & Associates, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company as on 31st March, 2020 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 – Managing Director;
2. Mr. Naval Maniyar – Chief Financial Officer; and
3. Ms. Supriya Agarwal – Company Secretary & Compliance Officer

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 57th Annual General Meeting till the conclusion of 61st Annual General Meeting of the Company at the Annual General Meeting held on 30th 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 31st March, 2020, have not submitted any qualifications, reservations, adverse remarks or disclaimers.

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

- i. Pursuant to the Central Government notification, the constitution of Investor Education and Protection Fund Authority with effect from 7th September 2016 and in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer And Refunds) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 ("IEPF Rules"), the company has to transfer not only the unclaimed dividends but also the equity shares in respect of which dividends are not claimed for the continuous period of seven years by any shareholder, to the IEPF Demat A/c as may be identified by the IEPF Authority. *However, during the year under review it is observed that the Company has received a show cause notice from IEPF Authority wherein, the Company has failed to file Form IEPF-4.*

The Board hereby states that it has already initiated the process of transferring the shares. The Company shall avail the benefit of CFSS scheme and file the Form IEPF-4.



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, 5 (Five) meetings of the Board of Directors were held as per the details below:

Sr. No.	Date of Board Meeting
1.	29 th May, 2019
2.	14 th August, 2019
3.	12 th September, 2019
4.	13 th December, 2019
5.	14 th February, 2020

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

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

BOARD COMMITTEES

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

The Board of Directors has constituted Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee 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) have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

At the time of appointment, all Directors of your Company are familiarized with their roles, responsibilities, rights and duties along with a brief overview of your Company's operations in a nutshell.

The Board members are further provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee meetings on business and performance of the Company, global business environment, business strategy and associated risks, responsibilities of the Directors etc.

Detailed presentations on the business and updates thereon were made at the meetings of the Board and Committees, held during the year.

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 30th June, 2020 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.

RELATED PARTY TRANSACTIONS

All transactions/contracts/arrangements entered into by the Company during the year under review with related parties as defined under the Companies Act, 2013 and the Listing Regulations, were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with related parties during the financial year which could have potential conflict with the interest of the Company. Suitable disclosures as required by the IND AS-24 have been made in the notes to the Financial Statements. The details of the transactions with related parties are placed before the Audit Committee, from time to time.

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

As per Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 top 500 listed entities needs to adopt Risk Management Policy. Therefore, our Company is not required to adopt Risk Management Policy.

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

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

CEO & CFO CERTIFICATE

Compliance Certificate in terms of Regulation 17(8) of the Listing Regulations on the audited financial statements and other matters prescribed therein, submitted to the Board of Directors by the Managing Director and the Chief Financial Officer of the Company, for financial year ended 31st March, 2020 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 13th 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 12th 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.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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



- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

ACKNOWLEDGEMENTS

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

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

Sd/-
Meghraj Jain
Managing Director
DIN: 01311041

Sd/-
Naval Maniyar
Director
DIN: 06657440

Place: Mumbai
Date: 11th November, 2020



ANNEXURE A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2020

[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 th Floor., 'A' Wing, Lotus Corporate Park, Western Express Highway, Goregaon (E), Mumbai-400063, Maharashtra, India Tel.: 022-42461300; Email: compliance@mangalfincorp.com
vi	Whether listed company (yes/No)	:	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Pvt. Ltd Add.: C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Tel.: 022-4918 6000 Fax: 022-4918 6060

II. Principal Business Activities of the Company:

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

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

III. Particulars of Holding, Subsidiary and Associate Companies: 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 - 2019				Shareholding at the end of the year - 2020				% Change During the year
		Demat	Physical	Total	% of	Demat	Physical	Total	% of	
					Total Shares				Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	6585137	0	6585137	34.0952	7379242	0	7379242	38.2067	38.2067
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	3868305	0	3868305	20.0285	3868305	0	3868305	20.0285	20.0285
	Sub Total (A)(1)	10453442	0	10453442	54.1237	11247547	0	11247547	58.2352	4.1115
[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)	10453442	0	10453442	54.1237	11247547	0	11247547	58.2352	4.1115
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Financial Institutions / Banks	0	15000	15000	0.01	0	1500	1500	0.01	0.00
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00



Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change During the year
		Demat	Physical	Total	% of	Demat	Physical	Total	% of	
					Total Shares				Total Shares	
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	15000	15000	0.01	0	1500	1500	0.01	0.00
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1835465	810020	2645485	13.6972	1557416	748250	2305666	11.9378	-1.7594
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5260534	17400	5277934	27.3270	4809399	17400	4826799	24.9912	-2.3358
(b)	NBFCs registered with RBI	5740	0	5740	0.0297	240	0	240	0.0012	-0.0285
(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	224177	0	224177	1.1606	233574	0	233574	1.2094	0.0488
	Non Resident Indians (Non Repat)	23647	2400	26047	0.1349	25163	2400	27563	0.1427	0.0078
	Non Resident Indians (Repat)	94806	0	94806	0.4909	4514	0	4514	0.0234	-0.4675
	Clearing Member	246784	0	246784	1.2777	119183	0	119183	0.6171	-0.6606
	Bodies Corporate	334351	3720	338071	1.7504	544340	3060	547400	2.8342	1.0838
	Sub Total (B)(3)	8025504	833540	8859044	45.8684	7293829	771110	8064939	41.757	-4.1114
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	8025504	835040	8860544	45.8762	7293829	772610	8066439	41.7648	-4.1114
	Total (A)+(B)	18478946	835040	19313986	100	18541376	772610	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
	Total (A)+(B)+(C)	18478946	835040	19313986	100	18541376	772610	19313986	100	18478946

**ii) Shareholding of Promoters:**

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% 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	3798897	19.6692	0.0000	4114372	21.3026	0.0000	1.6334
2	Ajit S Jain (HUF)	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	0	0.0000	0.0000	442883	2.2931	0.0000	2.2931
7	Ajit Sohanlal Jain	300800	1.5574	0.0000	336547	1.7425	0.0000	0.1851
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
	Total	10453442	54.1237	0.0000	11247547	58.2352	0.0000	4.1115

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

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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	3798897	19.6692			3798897	19.6692
	Market Purchase			10 May 2019	27015	3825912	19.809
	Market Purchase			24 May 2019	32876	3858788	19.9792
	Market Purchase			31 May 2019	50109	3908897	20.2387
	Market Purchase			21 Jun 2019	45500	3954397	20.4743
	Market Purchase			29 Jun 2019	7243	3961640	20.5118
	Market Purchase			09 Aug 2019	9281	3970921	20.5598



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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			30 Sep 2019	-172024	3798897	19.6692
	Market Purchase			25 Oct 2019	166874	3965771	20.5332
	Market Purchase			17 Jan 2020	21405	3987176	20.644
	Market Purchase			20 Mar 2020	54066	4041242	20.9239
	Market Purchase			27 Mar 2020	32130	4073372	21.0903
	Market Purchase			31 Mar 2020	41000	4114372	21.3026
	At the end of the Year					4114372	21.3026
2	Ajit S Jain	2484240	12.8624			2484240	12.8624
	Market Sale			07 Jun 2019	-984240	1500000	7.7664
	Market Purchase			21 Jun 2019	984240	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	0	0			0	0
	Market Purchase			27 Sep 2019	11100	11100	0.0575
	Market Purchase			04 Oct 2019	90630	101730	0.5267
	Market Purchase			11 Oct 2019	170	101900	0.5276
	Market Purchase			20 Dec 2019	123777	225677	1.1685
	Market Purchase			27 Dec 2019	104858	330535	1.7114
	Market Purchase			31 Dec 2019	40976	371511	1.9235
	Market Purchase			10 Jan 2020	51004	422515	2.1876
	Market Purchase			28 Feb 2020	10583	433098	2.2424



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. Of Shares Held	% of Total Shares Of The Company	Date Of Transaction	No. of Shares	No. Of Shares Held	% Of Total Shares Of The Company
	Market Purchase			06 Mar 2020	9785	442883	2.2931
	At the end of the Year					442883	2.2931
7	Ajit Sohanlal Jain	300800	1.5574			300800	1.5574
	Market Purchase			17 May 2019	28000	328800	1.7024
	Market Sale			24 May 2019	-13000	315800	1.6351
	Market Sale			31 May 2019	-15000	300800	1.5574
	Market Purchase			07 Jun 2019	984240	1285040	6.6534
	Market Purchase			14 Jun 2019	15522	1300562	6.7338
	Market Sale			21 Jun 2019	-969853	330709	1.7123
	Market Sale			30 Sep 2019	-68706	262003	1.3565
	Market Purchase			01 Nov 2019	66206	328209	1.6993
	Market Purchase			17 Jan 2020	8338	336547	1.7425
	At the end of the Year					336547	1.7425
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

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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	509000	2.6354			509000	2.6354



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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			05 Apr 2019	1749	510749	2.6445
	Market Purchase			26 Apr 2019	500	511249	2.6470
	Market Purchase			24 May 2019	500	511749	2.6496
	Market Purchase			06 Sep 2019	1000	512749	2.6548
	Market Purchase			27 Mar 2020	800	513549	2.6589
	At the end of the Year					513549	2.6589
3	Mohit Kabra	0	0.0000			0	0.0000
	Market Purchase			28 Feb 2020	179500	179500	0.9294
	Market Purchase			06 Mar 2020	170000	349500	1.8096
	Market Purchase			13 Mar 2020	3500	353000	1.8277
	At the end of the Year					353000	1.8277
4	Pravin Udaylal Jain	342570	1.7737			342570	1.7737
	At the end of the Year					342570	1.7737
5	Jyotivardhan Jaipuria	158274	0.8195			158274	0.8195
	Market Purchase			12 Jul 2019	36500	194774	1.0085
	Market Purchase			09 Aug 2019	12000	206774	1.0706
	Market Purchase			29 Nov 2019	20000	226774	1.1741
	Market Sale			10 Jan 2020	-200	226574	1.1731
	Market Sale			24 Jan 2020	-1000	225574	1.1679
	Market Sale			07 Feb 2020	-1	225573	1.1679
	At the end of the Year					225573	1.1679
6	Manan Trading Company Private Limited	0	0.0000			0	0.0000
	Market Purchase			31 May 2019	223000	223000	1.1546
	At the end of the Year					223000	1.1546
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
	At the end of the Year					150000	0.7766



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
9	Galary Trading Private Limited	0	0.0000			0	0.0000
	Market Purchase			31 May 2019	90143	90143	0.4667
	Market Purchase			05 Jul 2020	5106	95249	0.4932
	Market Purchase			12 Jul 2019	4894	100143	0.5185
	Market Purchase			11 Oct 2019	14301	114444	0.5925
	Market Purchase			18 Oct 2019	12872	127316	0.6592
	Market Purchase			25 Oct 2019	21322	148638	0.7696
	Market Purchase			01 Nov 2019	2650	151288	0.7833
	Market Purchase			08 Nov 2019	35439	186727	0.9668
	Market Sale			20 Dec 2019	-54256	132471	0.6859
	Market Sale			27 Dec 2019	-22356	110115	0.5701
	Market Purchase			10 Jan 2020	18000	128115	0.6633
	Market Purchase			17 Jan 2020	24600	152715	0.7907
	Market Purchase			24 Jan 2020	17350	170065	0.8805
	Market Purchase			31 Jan 2020	13100	183165	0.9484
	Market Purchase			07 Feb 2020	9500	192665	0.9975
	Market Purchase			14 Feb 2020	6000	198665	1.0286
	Market Sale			28 Feb 2020	-49153	149512	0.7741
	At the end of the Year					149512	0.7741
10	Satco Securities & Financial Services Ltd	57612	0.2983			57612	0.2983
	Market Sale			05 Apr 2019	-908	56704	0.2936
	Market Purchase			12 Apr 2019	1696	58400	0.3024
	Market Sale			19 Apr 2019	-18200	40200	0.2081
	Market Purchase			26 Apr 2019	70300	110500	0.5721
	Market Purchase			03 May 2019	30736	141236	0.7313
	Market Sale			10 May 2019	-31598	109638	0.5677
	Market Purchase			17 May 2019	7840	117478	0.6083
	Market Sale			24 May 2019	-33106	84372	0.4368
	Market Sale			31 May 2019	-324	84048	0.4352



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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			07 Jun 2019	22000	106048	0.5491
	Market Purchase			14 Jun 2019	29816	135864	0.7034
	Market Sale			21 Jun 2019	-27481	108383	0.5612
	Market Purchase			29 Jun 2019	7039	115422	0.5976
	Market Purchase			12 Jul 2019	1	115423	0.5976
	Market Sale			19 Jul 2019	-1	115422	0.5976
	Market Purchase			02 Aug 2019	1587	117009	0.6058
	Market Sale			09 Aug 2019	-6768	110241	0.5708
	Market Purchase			16 Aug 2019	6800	117041	0.6060
	Market Sale			06 Sep 2019	-2385	114656	0.5936
	Market Sale			20 Sep 2019	-5040	109616	0.5675
	Market Sale			27 Sep 2019	-1600	108016	0.5593
	Market Purchase			30 Sep 2019	343992	452008	2.3403
	Market Purchase			04 Oct 2019	170	452178	2.3412
	Market Sale			11 Oct 2019	-170	452008	2.3403
	Market Purchase			18 Oct 2019	729	452737	2.3441
	Market Sale			25 Oct 2019	-167603	285134	1.4763
	Market Sale			01 Nov 2019	-136585	148549	0.7691
	Market Sale			15 Nov 2019	-1	148548	0.7691
	Market Purchase			22 Nov 2019	249	148797	0.7704
	Market Sale			29 Nov 2019	-249	148548	0.7691
	Market Purchase			20 Dec 2019	22328	170876	0.8847
	Market Sale			27 Dec 2019	-22747	148129	0.7670
	Market Purchase			31 Dec 2019	32888	181017	0.9372
	Market Purchase			03 Jan 2020	386846	567863	2.9402
	Market Sale			10 Jan 2020	-422515	145348	0.7526
	Market Sale			17 Jan 2020	-104369	40979	0.2122
	Market Sale			31 Jan 2020	-8203	32776	0.1697
	Market Purchase			07 Feb 2020	3001	35777	0.1852



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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			14 Feb 2020	-3001	32776	0.1697
	Market Purchase			21 Feb 2020	250	33026	0.1710
	Market Purchase			28 Feb 2020	50052	83078	0.4301
	Market Sale			06 Mar 2020	-83078	0	0.0000
	Market Purchase			31 Mar 2020	110000	110000	0.5695
	At the end of the Year					110000	0.5695
11	Rajendra Hirani	220500	1.1417			220500	1.1417
	Market Sale			10 Jan 2020	-22750	197750	1.0239
	Market Sale			07 Feb 2020	-103000	94750	0.4906
	Market Sale			28 Feb 2020	-66230	28520	0.1477
	Market Sale			06 Mar 2020	-84	28436	0.1472
	Market Sale			27 Mar 2020	-6080	22356	0.1158
	Market Sale			31 Mar 2020	-5000	17356	0.0899
	At the end of the Year					17356	0.0899
12	Jaideep Narendra Sampat	200000	1.0355			200000	1.0355
	Market Sale			30 Sep 2019	-215	199785	1.0344
	Market Sale			04 Oct 2019	-99785	100000	0.5178
	Market Sale			11 Oct 2019	-2626	97374	0.5042
	Market Sale			18 Oct 2019	-10573	86801	0.4494
	Market Sale			25 Oct 2019	-55630	31171	0.1614
	Market Sale			01 Nov 2019	-680	30491	0.1579
	Market Sale			22 Nov 2019	-20539	9952	0.0515
	Market Sale			20 Dec 2019	-9952	0	0.0000
	At the end of the Year					0	0.0000
13	Shraddha Sandeep Bagla	5000	0.0259			5000	0.0259
	At the end of the Year					5000	0.0259
14	Rakesh Jain	109739	0.5682			109739	0.5682
	Market Sale			17 May 2019	-595	109144	0.5651
	Market Sale			31 May 2019	-502	108642	0.5625



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. Of Shares Held	% of Total Shares Of The Company	Date Of Transaction	No. of Shares	No. Of Shares Held	% Of Total Shares Of The Company
	At the end of the Year					108642	0.5625
15	Bharti Rakesh Jain	58279	0.3017			58279	0.3017
	Market Purchase			24 May 2019	1	58280	0.3018
	At the end of the Year					58280	0.3018
16	Jagdeep Jitendra Kapadia	16667	0.0086			16667	0.0086
	Market Sale			05 Apr 2019	-200	16467	0.0853
	Market Sale			06 Sep 2019	-100	16367	0.0847
	Market Sale			20 Sep 2019	-200	16167	0.0837
	Market Sale			27 Sep 2019	-500	15667	0.0811
	Market Sale			04 Oct 2019	-500	15167	0.0785
	At the end of the Year					15167	0.0785
17	Mahesh Shah	163182	0.8449			163182	0.8449
	Market Sale			10 May 2019	-5000	158182	0.8190
	Market Sale			02 Aug 2019	-5000	153182	0.7931
	Market Sale			09 Aug 2019	-1147	152035	0.7872
	Market Sale			23 Aug 2019	-11814	140221	0.7260
	Market Sale			13 Mar 2020	-2	140219	0.7260
	Market Sale			20 Mar 2020	-561	139658	0.7231
	Market Sale			27 Mar 2020	-72223	67435	0.3492
	Market Purchase			31 Mar 2020	42249	109684	0.5679
	At the end of the Year					109684	0.5679

v) Shareholding of Directors and Key Managerial Personnel:

Same as Point No. IV(iii)(1) and Point No. IV(iii)(8)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	19867719	0	19867719
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	19867719	0	19867719
Change in Indebtedness during the financial year				
Addition	0	263206153	0	263206153
Reduction	0	218610579	0	218610579
Net Change	0	44595574	0	44595574
Indebtedness at the end of the financial year	0		0	
i) Principal Amount	0	62969334	0	62969334
ii) Interest due but not paid	0	1493959	0	1493959
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	64463293	0	64463293

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

During the year under review no remuneration was paid to the Managing Director.

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount in ₹
	Mr. Abhishek Jain	Mr. Annamalai Ramanathan	Mrs. D. Nirupama	Mr. S. Ganesh	Mr. S. T. Gerela	
Independent Director						
Fee for attending board / committee meetings	30,000	30,000	30,000	50,000	-	1,40,000
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
Total (1)	30,000	30,000	30,000	50,000	-	1,40,000
Other Non-Executive Directors						
Fee for attending board / committee meetings	-	-	-	-	10,000	10,000
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
Total (2)	-	-	-	-	-	-
Total (1+2)	30,000	30,000	30,000	50,000	10,000	1,50,000

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



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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
		Mr. Naval Maniyar	Ms. Supriya Agarwal	
1.	Gross Salary	14,40,000	6,78,130	21,18,130
	(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	-	-	-
	Total	14,40,000	6,78,130	21,18,130

VII. Penalties / Punishment/ Compounding of offences:

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

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

Sd/-
Meghraj Jain
Managing Director
DIN: 01311041

Sd/-
Naval Maniyar
Director
DIN: 06657440

Date: 11th November, 2020
Place: Mumbai



Annexure B

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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, 17th Floor, A Wing,
Lotus Corporate Park, Graham Firth Steel Compound,
Western Express Highway, Goregaon (East),
Mumbai-400063

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **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 **31st March, 2020**, complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 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 Bombay Stock Exchange Limited (BSE).

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

Pursuant to the Central Government notification, the constitution of Investor Education and Protection Fund Authority with effect from 7th September 2016 and in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer And Refunds) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 ("IEPF Rules"), the company has to transfer not only the unclaimed dividends but also the equity shares in respect of which dividends are not claimed for the continuous period of seven years by any shareholder, to the IEPF Demat A/c as may be identified by the IEPF Authority. *However, during the year under review it is observed that the Company has received a show cause notice from IEPF Authority wherein, the Company has failed to file Form IEPF-4. However, the Company has expressed its willingness to avail the benefit of CFSS scheme and to file the pending Form IEPF-4.*

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 and for meaningful participation at the meeting.

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

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

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

(a) During the period under review, the Company has disposed off the shares held in its following subsidiaries:

(i) Mangal Compusolution Private Limited;

(ii) Indtrans Container Lines Private Limited;

(iii) Satco Capital Markets Private Limited;

(iv) Mangal Mines and Mineral Private Limited

(b) Members at their Annual General Meeting held on 30th September, 2019 ("AGM") inter alia approved the following:

(i) Appointment of Mr. Srichand Teckchand Gerela (Din:01565534) as Non-Executive Director of the Company;

(ii) Appointment of Mr. Subramanyam Ganesh (DIN: 01718431) as an Independent Director of the Company;

(iii) Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary Indtrans Container Lines Private Limited;

(iv) Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary Satco Capital Markets Private Limited;

(v) Authority to 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;

(vi) Ratification of the resolution passed for Sale, Transfer or Disposal of the shares held by the Company in its Subsidiary Mangal Buildhome Private Limited.

**For Vijaykumar Tiwari & Associates
Company Secretaries**

Sd/-

Vijay Kumar Tiwari

ACS No: 33084

COP No: 12220

UDIN:

Place: Mumbai

Date: 11/11/2020

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, 17th Floor, A Wing,
Lotus Corporate Park, Graham Firth Steel Compound,
Western Express Highway, Goregaon (East),
Mumbai-400063

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Vijaykumar Tiwari & Associates
Company Secretaries**

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

Place: Mumbai
Date: 11/11/2020



Annexure C

Secretarial compliance report of Mangal Credit and Fincorp Limited for the year ended March 31, 2020

I, Vijaykumar S. Tiwari, Practicing Company Secretary, have examined:

- (a) all the documents and records made available to us and explanation provided 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, 2020 ("Review Period") in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-
- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **not applicable to the Company during the review period**
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **not applicable to the Company during the review period**
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **not applicable to the Company during the review period**
 - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **not applicable to the Company during the review period**
 - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **not applicable to the Company during the review period**
 - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and circulars/ guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period:



- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:- **NIL**
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) As informed and information provided to us, the following are the details of actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder: **NIL**
- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
N.A. for the review period				

For Vijaykumar S. Tiwari & Associates

Sd/-

Vijaykumar S. Tiwari

Practicing Company Secretary

Mem. No. 33084

COP No. 12220

UDIN: A033084B000363491

Date: 22.06.2020

Place: Mumbai



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 31st March, 2020:

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

- Mr. Meghraj Jain – Nil
- Mr. Naval Maniyar – 3.38x

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) – Nil
- Mr. Naval Maniyar (Director & CFO) – 20%
- Ms. Supriya Agarwal (CS) – 11.43%

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 20.34% in the financial year.

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

There were 16 permanent employees on the rolls of the Company as on 31st March, 2020.

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

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

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

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

There is no exceptional increase in the Managerial Remuneration.

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

Yes, it is confirmed.

*Remuneration paid for financial year 2018-19 has been annualised for the purpose of comparison.



Annexure E

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

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 12th 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
Ms. Nirupama Dattatray	Chairman	Independent Director
Late Shri Srichand Teckchand Gerela*	Member	Non-Executive Non-Independent Director
Shri Meghraj Jain	Member	Managing Director

*Sad demise on May 27, 2020

Due to the sad demise of Shri Srichand Teckchand Gerela, the Board had reconstitute the Committee on 30th June 2020. Therefore, the re-constituted CSR committee is as under:

Name of the Member	Designation in Committee	Designation in the Company
Ms. Nirupama Dattatray	Chairman	Independent Director
Shri Ganesh Subramanyam	Member	Independent Director
Shri Meghraj Jain	Member	Managing Director

3. Average net profit of the Company for last three financial years: ₹ 5,55,78,807/-
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 11,11,576/-
5. Details of CSR spent during the financial year.
 - a. Total amount to be spent for the financial year: ₹ 11,11,576
 - b. Amount unspent, if any; ₹ 10,49,576/-



c. Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs Local area or other Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: Direct Expenditure on projects or programs. Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency.
1	Medical Camp for free health checkup	Promoting health care including preventive health care	Programme conducted at Sisoda, Rajasmand, Rajasthan	₹ 62000/-	Direct Expenditure on Project	₹ 62000/-	Amount was spent Directly

The Company has conducted a programme at Sisoda, Rajasmand, Rajasthan. Wherein, the Company has conducted free medical camp for deprived person for various health check-ups that included Eye check-up, Dental check-up, ECG, Laboratory check-up, Physician consultation etc.

- 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 2019-20 stands to ₹ 11,11,576/-
- During the year under CSR Activity, the Company has spent an amount of ₹ 62000/-.
- The CSR Committee has proposed to convene various programmes under CSR activity. But, due to nationwide strict lockdown the Company could not conduct esteemed programmes at larger scale which results in to unspent amount of ₹ 10.49,576/- under CSR activities. The Committee is highly admired to spend the amount at the earliest.

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

Meghraj Jain

(Member - CSR Committee)

Place: Mumbai

Date: 11th November, 2020



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 Swach 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 12th February, 2020, and shall come into force with immediate effect.



Annexure F

CEO and CFO Compliance Certificate

To
Board of Directors
Mangal Credit and Fincorp Limited

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

- A. we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting, and
- D. we have indicated to the Auditors and the Audit Committee:
- i. significant changes, if any, in the internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year under review, and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- there have been no deficiencies in the design or operation of such internal controls, of which we are aware.

Meghraj Jain
Managing Director
DIN: 01311041

Naval Maniyar
Chief Financial Officer

Place: Mumbai
Date: 30th June, 2020



Annexure G

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2019-20

(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 2019-2020

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 31st March, 2020 comprises 6 (Six) Directors of which 2 (Two) are Executive Directors, 3 (Three) are Non-Executive Independent Directors and 1 (One) is Non-Executive 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 31st March, 2020 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
Late Shri Srichand Teckchand Gerela	Chairman & Non-Executive Director	1	1	-	-
Mr. Meghraj Jain	Managing Director	1	5	-	-
Mr. Naval Maniyar	Executive Director & CFO	0	1 [^]	-	-
Mrs. Nirupama Dattatray	Independent Director	1	1	-	-
Mr. Ramanathan Annamalai	Independent Director	3	6	3	-
Mr. Ganesh Subramanyam	Independent Director	0	2	-	-

* 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.

[^] Mr. Naval Maniyar resigned from Mangal Finserv Private Limited w.e.f. 10/07/2020

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

A certificate from M/s. Vijay S. Tiwari & Associates, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company as on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Director on the Board of the Company by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such statutory authority, is annexed to this Corporate Governance Report.

Number and dates of Meetings along with the attendance of the Directors in the Board Meetings and the Annual General Meeting

The Board has complete access to any information within the Company. At Meetings of the Board, it

welcomes the presence of Senior Management who can provide additional insights into the items being discussed.

The schedule of the Board / Committee meetings to be held in a financial year is circulated in advance to enable the Directors / Committee Members to plan their schedule and ensure their highest participation at Board / Committee meetings. The agenda 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, 5 (Five) meetings of the Board of Directors were convened and held. These meetings were held in a manner that not more than 120 days intervene between two consecutive meetings. The required quorum was present at all the above mentioned meetings. Due to business exigencies,



certain decisions were taken by the Board by way of resolutions passed through circulation, from time to time.

Name of the Director	Attendance at the Board Meeting Held on					Attendance at the Annual General Meeting Held on
	29.05.2019	14.08.2019	12.09.2019	13.12.2019	14.02.2020	30.09.2019
Late Shri Srichand Teckchand Gerela	NA	NA	NA	Yes	No	NA
Mr. Meghraj Jain	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sandeep Maloo	No	No	No	No	NA	No
Mr. Naval Maniyar	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Nirupama Dattatray	Yes	Yes	No	Yes	No	Yes
Mr. Ramanathan Annamalai	No	Yes	Yes	Yes	Yes	No
Mr. Abhishek Jain	Yes	Yes	No	Yes	NA	No
Mr. Ganesh Subramanyam	Yes	Yes	Yes	No	Yes	Yes

Note:

- Cessation of Late Shri Srichand Teckchand Gerela, Non- Executive Director w.e.f. 27th May, 2020;
- Mr. Abhishek Jain, Non-Executive Independent Director resigned from the Board of Directors w.e.f. 03rd February, 2020;
- Vacation of office of Mr. Sandeep Maloo, Director u/s 167(1)(b) of the Companies Act, 2013 w.e.f. 13th December, 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.

Relationship between the Directors inter-se

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

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

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

Matrix Setting out the skills/expertise/competence of the Board of Directors:

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

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



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

Committees of the Board:

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

- i. Audit Committee;
- ii. Nomination and Remuneration Committee;
- iii. Stakeholders Relationship Committee;
- iv. Corporate Social Responsibility Committee.

The Board reviews the functioning of these committees from time to time. The Chairman of these Committees conducts the Meetings and also informs the Board about the summary of discussions held in the Committee Meetings. Minutes of the meetings

of all the Committees constituted by the Board of Directors are placed before the Board of Directors for discussion and noting.

Audit Committee ("AC")

The Audit Committee as on 31st March, 2020 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 Chairperson possess financial management expertise. The Company Secretary of the Company acts as Secretary to the Committee. The Statutory Auditors of the Company submit their report(s) directly to the Audit Committee. The Board of Director have accepted and implemented the recommendations of the Audit Committee, whenever provided by it.

During the year under review, the Audit Committee met 5 (Five) times. The required quorum was present at all the meetings. As prescribed under the Act, the Chairman of the Audit Committee who is an Independent Director was present at the last Annual General Meeting of the Company held on 30th September, 2019.

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				
		29.05.2019	14.08.2019	12.09.2019	13.12.2019	14.02.2020
Mr. Ganesh Subramanyam	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Ramanathan Annamalai	Member	No	Yes	Yes	No	Yes
Mrs. Nirupama Dattatray	Member	Yes	Yes	No	Yes	No

Terms of Reference

The terms of reference of the Audit Committee interalia includes: dealing with all material questions concerning the auditing and accounting policies of the Company / its subsidiary(s) and their financial controls and systems, review and ensure correctness, sufficiency and credibility of annual financial statements of the Company and subsidiary companies, review with the management financial condition and results of operation, review quarterly and annual financial results, scrutiny of inter-corporate loans and investments,



recommend appointment / re-appointment / removal of Statutory and Internal Auditors, reviewing statement of utilisation of funds raised through public / rights/ preferential issue, overseeing the Whistle Blower Policy / Vigil Mechanism, review, approve and monitor transactions with related parties, reviewing, monitoring and evaluating the internal control system including internal financial controls and risk management system, reviewing utilisation of loans/ advances/investments made to subsidiary(s).

Nomination and Remuneration Committee ("NRC")

The Nomination and Remuneration Committee as on 31st March, 2020 comprises of Mrs. Nirupama

Dattatraya, Mr. Subramanyam Ganesh and Mr.Ramanathan Annamalai.

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

During the year under review, the Nomination and Remuneration Committee met 4 (Four) 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			
		29.05.2019	14.08.2019	13.12.2019	14.02.2020
Mr. Ramanathan Annamalai	Chairman	No	Yes	No	Yes
Mrs. Nirupama Dattatray	Member	Yes	Yes	Yes	No
Mr. Subramanyam Ganesh	Member	Yes	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 31st March, 2020 comprises of Mr. Meghraj Jain, Mr. Subramanyam Ganesh and Mrs. Nirupama Dattatraya. During the year under review, the Stakeholders Relationship Committee met 4 (Four) times. The required quorum was present at all the meetings. Ms. Supriya Agarwal, Company Secretary is also the Compliance officer of the Company.

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

Name of the Members	Category	Attendance at the Stakeholders Relationship Committee Meeting Held on			
		29.05.2019	14.08.2019	13.12.2019	14.02.2020
Mrs. NirupamaDattatray	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 31st March, 2020.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee as on 31st March, 2020 comprises of Mr. Meghraj Jain, Mr. Srichand Teckchand Gerela and Mrs. Nirupama Dattatraya. 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 12/02/2020
Mrs. Nirupama Dattatray	Chairperson	Yes
Mr. Srichand Teckchand Gerela	Member	No
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.

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

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.

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 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



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 30th June, 2020 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.

Whistle Blower Policy / Vigil Mechanism

In terms of requirements of the Listing Regulations and provisions of the Act, the Board of Directors adopted a codified 'Whistle Blower Policy / Vigil Mechanism' *inter-alia* to provide a mechanism for Directors and employees of the Company to approach the Audit Committee and to report genuine concerns related to the Company and to provide for adequate safeguards against victimization of Director(s) or employee(s) who report genuine concerns under the mechanism. The Vigil Mechanism provides a channel to report to the management concerns about unethical behavior, actual or suspected fraud or violation of various codes or policies of the Company and provides adequate safeguards against victimization of persons who use such mechanism. The mechanism provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No personnel has been denied access to the Audit Committee. The Whistle Blower Policy / Vigil Mechanism is available on the website of the Company.

Related Party Transactions

During FY 2019-20, all transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations, were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the IND AS-24 have been made in the notes to the Financial Statements. The details of the transactions with related parties are placed before the Audit Committee, from time to time.



Performance Evaluation Policy

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

- A structured questionnaire prepared in accordance with the Performance Evaluation Policy and Performance Evaluation Process, inter-alia setting out criteria for evaluation of performance of the Board collectively, individual directors and the Chairperson, is circulated to the Directors. Performance ratings are given by the Directors on the questionnaire circulated for each category to be evaluated.
- Based on Independent Director's feedback on the questionnaires, the Independent Directors, at their separate meeting, evaluate the performance of Non-Independent Directors, the Board as a whole and the Chairman;
- Further, based on evaluation by Independent Directors, feedback on questionnaire by other Directors and in light of the criteria prescribed in the Performance Evaluation Process, the Board analyses its own performance, that of its Committees and each Director including the Chairman.

Certification on Corporate Governance Compliances

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

General Body Meeting

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

Financial Year	Day and Date of the AGM	Venue of the AGM	Time of the AGM	Special Resolutions Passed
2016-2017	Friday, 29.09.2017	Plot No. 44/47, Shivam Hall, RSC-13, Gorai-2, Next to MangalMurti Hospital, Above Hanuman Mandir, Gorai Bridge Stop, Borivali (W), Mumbai-400091	03:00 P.M.	No Special Resolution
2017-2018	Saturday, 29.09.2018	Plot No. 44/47, Shivam Hall, RSC-13, Gorai-2, Next to MangalMurti Hospital, Above Hanuman Mandir, Gorai Bridge Stop, Borivali (W), Mumbai-400091	03:30 P.M.	1. Re-appointment of Mr. Meghraj Jain as the Managing Director 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 ₹ 1/- each to ₹ 10/- each



Financial Year	Day and Date of the AGM	Venue of the AGM	Time of the AGM	Special Resolutions Passed
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"> 1. To appoint Mr. Srichand Teckchand Gerela (Din: 01565534) as Non-Executive Director of the Company 2. To Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary (Indtrans Container Lines Pvt. Ltd. 3. To Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary (Satco Capital Markets Pvt. Ltd. 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 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

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;
- 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 2019-2020	58 th Annual General Meeting Date: 30 th December, 2020 Day: Wednesday Time: 11:00 A.M. Mode of conducting the meeting: Video conferencing / other audio visual means
Financial year	1 st April to 31 st March
Date of book closure	Thursday, 24 th December, 2020 to Wednesday, 30 th December, 2020
Dividend payment date	Final Dividend for financial year 2019-20, if approved by the shareholders of the Company will be paid on or before 30 th January, 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 2020-2021 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: rnt.helpdesk@linkintime.co.in
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. 1,85,41,376 equity shares of the Company (96%) of the equity share capital of the Company) were held in dematerialized form as on 31 st March, 2020



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 th Floor., 'A' Wing, Lotus Corporate Park, Western Express Highway, Goregaon (E), Mumbai-400063, Maharashtra, India Tel.: 022-42461300; Email: info@mangalfincorp.com

Distribution of shareholding (Shares)

Range of shares	No. of Shareholders	(%) of Total Shareholders	Total Shares for the Range	(%) of Total Share Capital
1-500	3595	76.8327	761288	3.9416
501-1000	531	11.3486	398427	2.0629
1001-2000	229	4.8942	338535	1.7528
2001-3000	91	1.9449	231337	1.1978
3001-4000	37	0.7908	131722	0.682
4001-5000	37	0.7908	173806	0.8999
5001-10000	61	1.3037	436087	2.2579
Above 10001	98	2.0945	16842784	87.2051
Total	4679	100	19313986	100



Shareholding Pattern as on 31st March, 2020

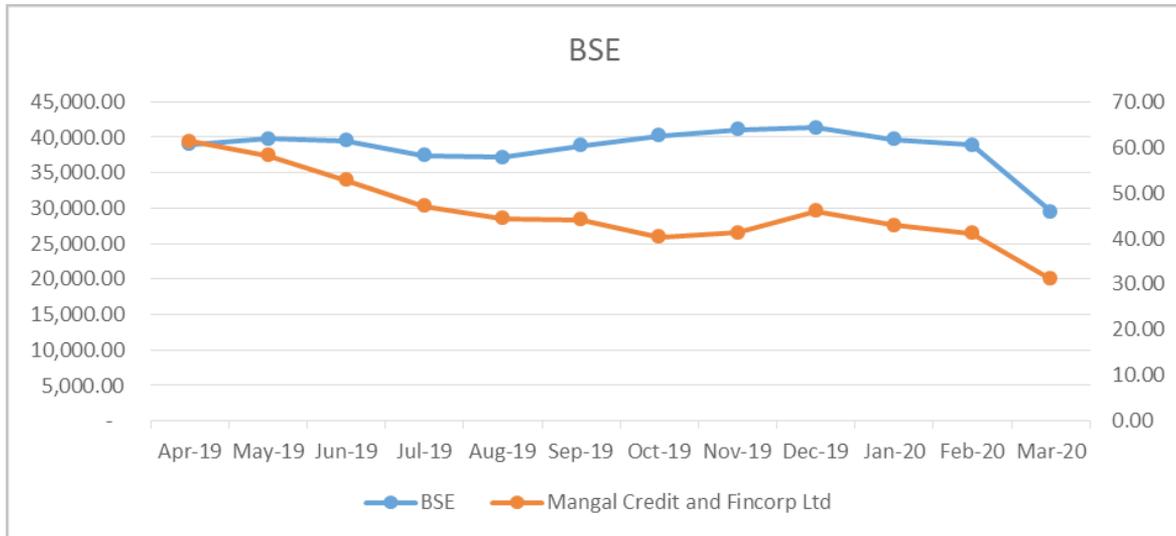
Sr. No.	Category of shareholder	Number of shareholders	Total number of shares	Percentage of the Total
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	9	11247547	58.24
(2)	Foreign	0	0	0
	Total Shareholding of Promoter and Promoter Group	9	11247547	58.24
(B)	Public Shareholding			
(1)	Institutions	2	1500	0.0078
(2)	Non Institutions	4590	8064939	41.75
	Total Public Shareholding	4592	8066439	41.76
(C)				
(1)	Non Promoter-Non Public	0	0	0
(2)	Shares underlying DRs	0	0	0
(3)	Shares held by Employee Trust	0	0	0
	Total of (C)	0	0	0
	Total (A) + (B) + (C)	4601	19313986	100

Monthly high and low prices of equity shares of the Company during the financial year ended 31st March, 2020

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-19	53.00	65.00	51.10	61.35	8,12,427	2,803	4,84,07,781	5,24,864	64.60	13.90	8.35
May 19	62.80	62.80	50.00	58.25	8,10,780	2,741	4,64,00,764	4,65,649	57.43	12.80	-4.55
Jun 19	60.00	60.00	50.60	52.85	3,80,699	1,519	2,06,79,456	2,26,666	59.54	9.40	-7.15
Jul 19	50.55	56.90	41.00	47.15	2,84,429	1,254	1,46,16,685	1,80,475	63.45	15.90	-3.40
Aug 19	46.90	54.50	40.00	44.40	4,28,160	1,087	1,97,53,163	1,67,020	39.01	14.50	-2.50
Sep 19	44.10	51.50	41.60	44.20	7,59,884	2,656	3,38,01,879	2,46,993	32.50	9.90	0.10
Oct 19	43.50	44.00	32.00	40.30	8,53,501	2,141	3,35,62,988	3,75,484	43.99	12.00	-3.20
Nov 19	41.60	48.00	39.00	41.25	3,01,905	944	1,26,07,917	1,10,780	36.69	9.00	-0.35
Dec 19	41.25	47.00	38.45	46.00	4,06,516	862	1,68,02,748	3,88,326	95.53	8.55	4.75
Jan 20	51.00	53.00	40.55	42.90	7,66,432	1,967	3,33,73,504	2,12,805	27.77	12.45	-8.10
Feb 20	43.00	45.95	36.05	41.20	11,19,591	9,974	4,68,99,276	5,55,172	49.59	9.90	-1.80
Mar 20	41.75	42.35	25.70	33.15	6,24,980	1,254	2,16,98,592	3,20,488	51.28	16.65	-8.60



Mangal Credit and Fincorp Limited Vs. Sensex



Other Disclosure

- There are no 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.
- 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, 2020 is unqualified;
- All the mandatory requirements are complied with.



**DECLARATION ON COMPLIANCE OF CODE OF CONDUCT OF
BOARD OF DIRECTOR & SENIOR MANAGEMENT**

As provided under Regulation 26(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with Mangal Credit and Fincorp Limited Code of Conduct for the year ended 31st March, 2020.

For Mangal Credit and Fincorp Limited

Sd/-

Meghraj Jain

Managing Director

DIN: 01311041

Place: Mumbai

Date: 30th June, 2020

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

Mangal Credit and Fincorp Limited

We have examined the compliance of conditions of Corporate Governance by **Mangal Credit and Fincorp Limited** (the Company), for the year ended on 31st March 2020, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

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

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

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

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

Sd/-

Vijay Kumar Tiwari

ACS No: 33084

COP No: 12220

Place: Mumbai

Date: 11th November, 2020

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

To
The Members,
Mangal Credit and Fincorp Limited

We have examined all the relevant records maintained by Mangal Credit and Fincorp Limited (“the Company”) and disclosures, notices and confirmations submitted by Directors of the Company, for the purpose of issuing a certificate under Regulation 34 (3) read with point 10(i) of paragraph C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) for financial year ended March 31, 2020.

In our opinion and to the best of our knowledge, based on the information furnished to us by the Company and the Directors of the Company and based on necessary verification by us, we certify that that none of the following Directors, who were on the Board of Directors of the Company as on March 31, 2020, have been debarred or disqualified from being appointed or continuing as Director on the Board of the Company by the Securities and Exchange Board of India / the Ministry of Corporate Affairs or any such statutory authority:

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

* Sad demise of Mr. Srichand Teckchand Gerela on 27/05/2020

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

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

Place: Mumbai
Date: 11th November, 2020



INDEPENDENT AUDITOR'S REPORT

To

The Members of

Mangal Credit & Fincorp Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **M/S Mangal Credit & Fincorp Limited** (the "Company") which comprises the Balance Sheet as at March 31st, 2020, 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Statement of Changes in Equity on that date; and
- d) 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 Rs. 40,75,600/- arising on Income Tax Assessment for the A.Y. 2012-13 and A.Y. 2013-14 consequent upon search & seizure operations in the case of company on 01/10/2013.

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

Key Audit Matters

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

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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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

Place: Mumbai
Date: 30th June 2020



Auditor's Additional Report

The Board of Directors

Mangal Credit & Fincorp Limited

1701-1702, A Wing, Lotus Corporate Park
Ram Mandir Road, Western Express Highway
Goregaon East
Mumbai - 400063

Dear Sir

We have audited the balance sheet of Mangal Credit & Fincorp Limited (The Company) as at 31st March 2020 and related statement of profit and loss and the cash flow statement for the year ended on that date, issued our report dated 30th June, 2020.

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 2020 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 2020.
- c. The NBFC has complied with norms relating to net owned fund requirement as prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND.

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

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

- a. The Board of Directors has passed a resolution dated 23rd April, 2020 for non- acceptance of any public deposits.
- b. The company has not accepted any public deposits during the year ended 31.03.2020.
- 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 30/06/2020 on additional matters as stated in directions to the RBI and may not be suitable for any other purpose. Accordingly, our report should not be quoted or referred to in any other document made available to any other person or persons without our prior written consent.

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

**Sd/-
Sandeep Jhanwar
Partner
M.No.078146**

**Place: Mumbai
Date : 30th June 2020**

Independent Auditors' Report

To
The Board of Directors of
Mangal Credit & Fincorp Limited

1. 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 2020, 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 2020, 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.
2. 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.
3. 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:
 - (a) 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

- (b) give a true and fair view of the net profit and other financial information of the Company for the year ended 31 March 2020.

4. Emphasis of Matter

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

- a. Non provision of Liability of Rs. 40,75,600/- arising on Income Tax Assessment for the A.Y 2012-13 and A.Y. 2013-14 consequent upon search & seizure operations in the case of company on 01/10/2013.

Our opinion is not modified in respect of this matter.

5. The Statement includes the results for the quarter ended 31st March 2020, 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

Place: Mumbai

Date : 30th June 2020

(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 2020, 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(i) 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 2020 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 Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax & Interest	30,78,810	A.Y. 2014-15	CIT(A)
Income Tax Act, 1961	Income Tax & Interest	9,96,790	A.Y. 2013-14	CIT(A)

8. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions, bank, and Government or Debenture holder as at the balance sheet date.
9. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loans during the year. Hence the clause 3 (ix) of the order is not applicable and hence not commented upon.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.



13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. Based on the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the company and hence not commented upon.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-

Sandeep Jhanwar
Partner
M. NO. 078146

Place: Mumbai
Date : 30th June 2020

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 31st March 2020 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 2020, 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/-

SandeepJhanwar
Partner
M.No. 078146

Place: Mumbai
Date : 30th June 2020

**BALANCE SHEET**

AS AT MARCH 31, 2020

Particulars		Note no.	As at March 31, 2020	As at March 31, 2019	Amount in ₹ As at April 1st, 2018
ASSETS					
1 Financial Assets					
a)	Cash and cash equivalents	4	17,663,543	6,603,727	1,859,923
b)	Bank balances other than (a) above	5	809,834	947,244	657,172
c)	Receivables				
	i) Trade receivables		-	-	-
	ii) Other receivables	6	75,616,838	36,094,886	6,480,287
d)	Loans	7	650,142,108	546,031,978	517,456,128
e)	Investments	8	152,745,186	257,646,053	306,327,043
f)	Other financial assets	9	5,050,750	8,734,005	27,800,750
	TOTAL		902,028,259	856,057,892	860,581,303
2 Non-Financial Assets					
a)	Income tax assets (net)	10	8,398,047	8,987,384	8,987,384
b)	Deferred tax assets (net)	27	3,684,439	798,517	1,937,870
c)	Investment property	11	7,124,925	14,104,245	14,104,245
d)	Property, plant and equipment	12(A)	4,030,509	4,629,771	6,264,011
e)	Intangible Assets	12(B)	726,596	104,225	-
f)	Other non-financial assets	13	113,378,495	1,543,682	1,669,973
	TOTAL		137,343,011	30,167,824	32,963,482
	TOTAL ASSETS		1,039,371,270	886,225,714	893,544,785
LIABILITIES AND EQUITY					
1 Financial Liabilities					
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	3,175,481	1,910,935	1,085,143
b)	Borrowings (Other than debt securities)	15	62,969,334	19,867,719	79,032,341
c)	Other financial liabilities	16	2,284,900	928,369	727,176
	TOTAL		68,429,716	22,707,023	80,844,660
2 Non-Financial Liabilities					
a)	Current tax liabilities (net)	17	21,279,950	12,508,921	10,122,018
b)	Other non-financial liabilities	18	856,941	940,533	1,984,646
	TOTAL		22,136,891	13,449,454	12,106,664
3 Equity					
a)	Equity share capital	19(A)	193,139,860	193,139,860	193,139,860
b)	Other equity	19(B)	755,664,803	656,929,377	607,453,601
	TOTAL		948,804,663	850,069,237	800,593,461
	TOTAL LIABILITIES AND EQUITY		1,039,371,270	886,225,714	893,544,785

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 & Co. LLP**Chartered Accountants
FRN: 101169W/W-100035**Sd/-
Sandeep Jhanwar**
Partner
M.No. 078146

Place: Mumbai

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

Date : 30th June, 2020

**For and on behalf of the board of directors
For Mangal Credit & Fincorp Limited****Sd/-
Naval Maniyar**
Director & CFO
DIN-06657440

UDIN : 20078146AAAABQ5607

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



STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note No.	Amount in ₹	
		Year Ended 31st March, 2020	Year Ended 31st March, 2019
Revenue from Operations			
Interest Income	20	81,653,407	83,427,288
Fees and commission income	21	6,998,614	5,436,639
Total revenue from operations		88,652,021	88,863,927
Other Income	22	74,575,948	17,263,103
Total Income (I)		163,227,970	106,127,029
Expenses			
Finance Costs	23	1,973,583	8,623,989
Impairment on financial instruments	24	4,713,729	352,327
Employee Benefits Expense	25	9,421,616	8,284,832
Depreciation and Amortization Expenses	12(A) & 12(B)	1,400,307	1,666,436
Other Expenses	26	10,084,884	7,542,908
Total Expenses (II)		27,594,119	26,470,492
Profit Before Tax (I - II)		135,633,851	79,656,537
Tax Expense			
Current Tax		30,884,655	18,447,709
Short / (Excess) provision for tax relating to prior years			-
Net Current Tax Expense	27	30,884,655	18,447,709
Deferred Tax	27	(3,512,937)	1,139,354
Tax in respect of Earlier Year		614,780	
Profit for the Year		107,647,353	60,069,474
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		2,740,446	-
Income tax relating to items that will not be reclassified to profit or loss		(627,014)	-
Total Other Comprehensive Income		2,113,432	-
Total Comprehensive Income for the year		109,760,784	60,069,474
Earning Per Equity Share	28		
Equity Shares of par value ₹10/- each			
(1) Basic (₹)		5.57	3.11
(2) Diluted (₹)		5.57	3.11
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

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

Sd/-
Sandeep Jhanwar
Partner
M.No. 078146
Place: Mumbai

Sd/-
Meghraj Jain
Managing Director
DIN: 01311041

Date : 30th June, 2020

Sd/-
Naval Maniyar
Director & CFO
DIN-06657440

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

UDIN : 20078146AAAABQ5607



STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

Particulars	Amount in ₹	
	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flows from operating activities		
Profit before tax	135,633,851	79,656,537
Adjustments for:		
Depreciation and amortisation	1,400,307	1,666,436
Loss/ gain on sale of property, plant and equipment (net)	-	(67,509)
Finance cost	1,973,583	8,623,989
Dividend income	(460)	(7,999,996)
Impairment on financial instruments	4,713,729	352,327
(Profit)/ loss on sale of investment	(72,384,846)	(6,771,997)
Balances written back	(59,651)	-
Operating profit before working capital changes	71,276,513	75,459,788
Adjustment for working capital changes		
(Increase)/ decrease in trade and other receivables	(39,521,952)	(29,614,599)
(Increase)/ decrease in loans	(108,823,859)	(28,928,177)
(Increase)/ decrease in other financial asset	3,683,255	19,066,745
(Increase)/ decrease in non- financial asset	695,187	126,291
Increase / (Decrease) in trade and other payables	1,324,197	825,792
Increase / (Decrease) in other financial liabilities	(137,428)	201,193
Increase / (Decrease) in non financial liabilities	(83,592)	(955,346)
Cash flow from operating activities	(71,587,679)	36,181,687
Income taxes paid	(22,139,069)	(16,060,807)
Net cash generated from operating activities (A)	(93,726,748)	20,120,880
B. Cash flows from investing activities		
Payments for property, plant and equipment and capital advance	(113,953,417)	(356,761)
Sale of investment property	6,979,320	-
Sale of property, plant and equipment	-	287,848



STATEMENT OF CASH FLOWS (CONT...)

for the year ended March 31, 2020

Particulars	Amount in ₹	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Investment in Shares of Subsidiary & Associates		(51,000)
Sale of shares of subsidiary	180,026,159	54,439,987
Sale of investment in shares of other subsidiary	-	1,064,000
Dividend received	460	7,999,996
Movement in earmarked balances with bank	137,411	(290,072)
Net cash used in investing activities (B)	73,189,933	63,093,998
C. Cash flows from financing activities		
Proceeds of short term borrowings	258,858,513	290,258,737
Repayment of short term borrowings	(215,756,899)	(349,423,357)
Interest paid	(479,624)	(8,712,756)
Dividend paid, including dividend distribution tax	(11,025,358)	(10,593,697)
Net cash generated from financing activities (C)	31,596,632	(78,471,073)
Net decrease in cash and cash equivalents (A+B+C)	11,059,816	4,743,804
Cash and cash equivalents at the beginning of the year	6,603,727	1,859,923
Cash and cash equivalents at end of the year (refer note 4)	17,663,543	6,603,727

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 & CFO

DIN-06657440

Sd/-

Supriya Agarwal

Company Secretary

M.No. A35286

For and on behalf of the board of directors

For Mangal Credit & Fincorp Limited

Place: Mumbai

Date: 30th June, 2020

UDIN: 20078146AAAABQ5607



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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 first 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.



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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 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



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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.

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



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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 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.



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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.



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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%.

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



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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.

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.



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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 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



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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 MARCH 31, 2020

4 CASH AND CASH EQUIVALENTS

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Cash in hand	200,043	46,655	80,939
Balance with banks			
- in current accounts	17,463,500	6,557,071	1,778,984
Total	17,663,543	6,603,727	1,859,923

5 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Earmarked balances with banks-			
- in unpaid dividend account	809,834	947,244	657,172
Total	809,834	947,244	657,172

6 RECEIVABLES

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Unsecured, considered good	75,616,838	36,094,886	6,480,287
Total	75,616,838	36,094,886	6,480,287

7 LOANS

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Loans at Amortised cost			
(A) (i) Term loans	656,923,784	548,265,429	519,340,802
Total A (Gross)	656,923,784	548,265,429	519,340,802
Less: Impairment loss allowance	(6,781,676)	(2,233,451)	(1,884,674)
Total A (Net)	650,142,108	546,031,978	517,456,128
(B) (i) Secured by tangible asset	237,618,119	160,615,859	80,120,114
(ii) Unsecured	419,305,665	387,649,570	439,220,688
Total B (Gross)	656,923,784	548,265,429	519,340,802
Less: Impairment loss allowance	(6,781,676)	(2,233,451)	(1,884,674)
Total B (Net)	650,142,108	546,031,978	517,456,128
(C) (i) Loans in India			
- Public sector	-	-	-
- Others	656,923,784	548,265,429	519,340,802
Total C (i) (Gross)	656,923,784	548,265,429	519,340,802
Less: Impairment loss allowance	(6,781,676)	(2,233,451)	(1,884,674)
Total C (i) (Net)	650,142,108	546,031,978	517,456,128
(ii) Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total C (ii) (Net)	-	-	-
Total C (i+ii) (Net)	650,142,108	546,031,978	517,456,128

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 MARCH 31, 2020

8 INVESTMENTS

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Investment in subsidiaries (carried at cost)			
Investment in Equity Instruments (Unquoted)			
- Mangal Compusolution Pvt Ltd	-	20,749,940	20,749,940
Nil (As at March 31, 2019: 1,999,999 Equity shares & As at April 01, 2018: 1,999,999 Equity Shares) of ₹ 10 each fully paid			
- Indtrans Container Lines Pvt Ltd	-	6,000,000	6,000,000
Nil (As at March 31, 2019: 600,000 Equity shares & As at April 01, 2018: 600,000 Equity Shares) of ₹ 10 each fully paid			
- Satco Capital Markets Ltd	-	63,033,113	63,033,113
Nil (As at March 31, 2019: 4,511,755 Equity shares & As at April 01, 2018: 4,511,755 Equity Shares) of ₹ 10 each fully paid			
- Mangal Mines & Minerals Pvt Ltd	-	51,000	-
Nil (As at March 31, 2019: 5100 Equity shares & As at April 01, 2018: Nil Equity Shares) of ₹ 10 each fully paid			
- Mangal Global Marble Pvt Ltd	-		32,750,000
Nil (As at March 31, 2019: Nil Equity shares & As at April 01, 2018: 215,000 Equity Shares) of ₹ 10 each fully paid			
- Mangal Buildhome Pvt Limited	-		14,917,990
Nil (As at March 31, 2019: Nil Equity shares & As at April 01, 2018: 1,499,999 Equity Shares) of ₹ 10 each fully paid			
Other investments			
Investment in preference shares of subsidiaries, carried at cost			
- Satco Capital Markets Ltd	-	40,000,000	40,000,000
Nil (As at March 31, 2019: 4,000,000 Preference shares & As at April 01, 2018: 4,000,000 Preference Shares) of ₹ 10 each		-	-
Investment in unquoted equity instruments of other entities at FVTOCI			
- Unquoted Equity Shares	152,745,186	127,812,000	128,876,000
Total	152,745,186	257,646,053	306,327,043



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

9 OTHER FINANCIAL ASSET

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Advance for Shares acquisition	-	-	7,750,000
Security Deposits	5,050,750	4,555,255	20,050,750
Accrued interest on guarantee	-	4,178,750	-
Total	5,050,750	8,734,005	27,800,750

10 INCOME TAX ASSETS (NET)

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Advance income tax	8,398,047	8,987,384	8,987,384
Total	8,398,047	8,987,384	8,987,384

11 Investment Property

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Carried at cost			
Investment in land- 1, Kishangarh	7,124,925	7,124,925	7,124,925
Investment in land- 2, Kishangarh	-	6,979,320	6,979,320
Total	7,124,925	14,104,245	14,104,245

*Fair Market Value ₹ 70,00,000/-

12(A) Property, plant and equipment

Amount in ₹

Description of assets	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments/ Computer Peripherals	Total
I. Cost					
Balance as at April 1, 2018	2,737,820	15,930,360	4,467,125	5,578,632	28,713,937
Additions	-	22,500	-	170,761	193,261
Disposals	-	-	(4,406,786)	-	(4,406,786)
Balance as at March 31, 2019	2,737,820	15,952,860	60,339	5,749,393	24,500,412
Additions	261,400	-	-	362,017	623,417
Disposals	-	-	-	-	-
Balance as at March 31, 2020	2,999,220	15,952,860	60,339	6,111,409	25,123,829

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

Description of assets	Amount in ₹				
	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments/ Computer Peripherals	Total
II. Accumulated depreciation/impairment					
Balance as at April 1, 2018	1,580,258	11,693,563	4,177,931	4,998,174	22,449,926
Depreciation for the year	233,328	1,119,623	65,838	188,372	1,607,161
Disposals	-	-	(4,186,447)	-	(4,186,447)
Balance as at March 31, 2019	1,813,586	12,813,186	57,322	5,186,546	19,870,640
Depreciation for the year	180,550	829,226	-	212,902	1,222,678
Disposals	-	-	-	-	-
Balance as at March 31, 2020	1,994,136	13,642,412	57,322	5,399,448	21,093,318
Net block (I-II)					
Balance as at March 31, 2020	1,005,084	2,310,448	3,017	711,961	4,030,510
Balance as at March 31, 2019	924,234	3,139,674	3,017	562,846	4,629,771
Balance as at March 31, 2018	1,157,562	4,236,797	289,194	580,458	6,264,011

12(B) Intangible assets

Description of asset	Intangible Asset
I. Cost	
Balance as at April 1, 2018	
Additions	163,500
Disposals	-
Balance as at March 31, 2019	163,500
Additions	800,000
Disposals	-
Balance as at March 31, 2020	963,500
II. Accumulated impairment losses	
Balance as at April 1, 2018	
Amortization for the year	59,275
Disposals	-
Balance as at March 31, 2019	59,275
Amortization for the year	177,629
Disposals	-
Balance as at March 31, 2019	236,904
Net block (I-II)	
Balance as at June 30, 2019	726,596
Balance as at March 31, 2019	104,225
Balance as at March 31, 2018	-



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

13 OTHER NON FINANCIAL ASSET

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Balances with Revenue Authorities*	796,395	796,395	1,137,226
Prepaid Expenses	43,100	612,287	26,247
Capital advance	112,530,000		
Advance to Staff	9,000	135,000	506,500
Total	113,378,495	1,543,682	1,669,973

*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.

14 PAYABLES

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,175,481	1,910,935	1,085,143
	3,175,481	1,910,935	1,085,143

15 BORROWINGS (OTHER THAN DEBT SECURITIES)

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
At amortised cost			
Loan repayable on demand			
Inter-Corporate Loans	54,932,079	4,350,000	59,350,000
Loan from Directors	8,037,255	15,517,719	19,682,341
Total	62,969,334	19,867,719	79,032,341

Note: 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 MARCH 31, 2020

16 OTHER FINANCIAL LIABILITIES

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Unpaid Dividends*	790,941	928,369	638,409
Interest Accrued on borrowings	1,493,959	-	88,767
Total	2,284,900	928,369	727,176

17 CURRENT TAX LIABILITY

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Provision for tax [net of advance tax ₹ 7,210,050` (as at 31 March 2019:5,234,247 & as at 01 April, 2018 : ₹ 7,455,482)]	21,279,950	12,508,921	10,122,018
Total	21,279,950	12,508,921	10,122,018

18 OTHER NON FINANCIAL LIABILITIES

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Statutory dues	856,941	940,533	1,984,646
Total	856,941	940,533	1,984,646

19A EQUITY SHARE CAPITAL

Amount in ₹

Share Capital	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
(a) Authorised						
Equity Shares of ₹10/- each	25,000,000	250,000,000	25,000,000	250,000,000	25,000,000	250,000,000
Total	25,000,000	250,000,000	25,000,000	250,000,000	25,000,000	250,000,000
(b) Issued, Subscribed and Paid up						
Equity Shares of ₹10/- each	19,313,986	193,139,860	19,313,986	193,139,860	19,313,986	193,139,860
Total	19,313,986	193,139,860	19,313,986	193,139,860	19,313,986	193,139,860

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 incase of Interim dividend. The distribution will be propotional to the number of Equity Shares held by the shareholders.



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of June-19 Quarter

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Number of Shares	Amount	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	16,112,038	161,120,380
Issued during the year						
- on account of equity shares to the promoters/non-promoters against share warrants	-	-	-	-	3,201,948	32,019,480
Outstanding at the end of the year	19,313,986	193,139,860	19,313,986	193,139,860	19,313,986	193,139,860

(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 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
Meghraj S Jain	4,114,372	21.30	3,798,897	19.67	3,563,418	18.45
Ajit S Jain	2,484,240	12.86	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	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	-	-	-	-

- (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.

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

(g) 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 ₹ 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**.

19B OTHER EQUITY

Particulars	Amount in ₹		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Capital reserve	15,046,050	15,046,050	15,046,050
(b) Security premium reserve	358,819,290	358,819,290	358,819,290
(c) General reserve	36,500,000	36,500,000	36,500,000
(d) Statutory reserve fund	78,575,877	57,046,407	45,620,186
(e) Contingency reserve	2,500,000	2,500,000	2,500,000
(f) Investment reserve	700,000	700,000	700,000
(g) Retained earnings	261,410,155	186,317,631	148,268,075
(h) Other Comprehensive Income	2,113,432	-	-
Total	755,664,804	656,929,378	607,453,601



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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.

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

A. Equity share capital

	Amount in ₹
Balance as at April 1, 2019	193,139,860
Changes in equity share capital during the year	
Issue of equity shares	-
Balance as at March 31, 2019	193,139,860
Changes in equity share capital during the year	
Issue of equity shares	-
Balance as at March 31, 2020	193,139,860

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
Balance as at April 1, 2018	15,046,050	358,819,290	36,500,000	45,620,186	2,500,000	700,000	148,288,075	-	607,453,601
Profit for the year	-	-	-	-	-	-	60,069,474	-	60,069,474
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-
- Dividend including dividend tax	-	-	-	-	-	-	(10,593,697)	-	(10,593,697)
Transferred to Statutory Reserve Fund	-	-	-	11,426,221	-	-	(11,426,221)	-	-
Balance as at March 31, 2019	15,046,050	358,819,290	36,500,000	57,046,407	2,500,000	700,000	186,317,631	-	656,929,378
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)
Transferred to Statutory Reserve Fund	-	-	-	21,529,471	-	-	(21,529,471)	-	-
Balance as at March 31, 2020	15,046,050	358,819,290	36,500,000	78,575,877	2,500,000	700,000	261,410,155	2,113,432	755,664,804



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

20 INTEREST INCOME

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial instruments measured at Amortised cost		
Interest on loans	81,653,407	83,427,288
Total	81,653,407	83,427,288

21 FEES AND COMMISSION INCOME

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fees/ interest on corporate guarantee	1,428,579	4,178,750
Service charges and other fees on loan transaction	549,786	257,889
Loan Foreclosure Charges - Income	20,250	-
Financial Consultancy Fees	5,000,000	1,000,000
Total	6,998,614	5,436,639

22 OTHER INCOME

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend	460	7,999,996
Reimbursement of Common Expenses	1,635,496	1,975,142
Profit/(Loss) on sale of shares	72,384,846	6,771,997
Profit/(Loss) on sale of Motor Vehicles	-	67,509
Interest income on security deposit discounting	495,495	446,392
Misc. Income	59,651	2,067
Total	74,575,948	17,263,103

23 FINANCE COSTS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial liabilities measured at Amortised cost		
Interest on inter corporate borrowings	1,009,004	3,404,238
Interest on other borrowings	733,148	4,941,035
Other finance cost	231,431	278,716
Total	1,973,583	8,623,989

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

24 IMPAIRMENT ON FINANCIAL INSTRUMENT

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial instruments measured at Amortised cost		
Bad debt and write offs	165,504	3,550
Loans	4,548,225	348,777
Total	4,713,729	352,327

25 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Director's Remuneration	1,440,000	860,000
Directors Sitting Fees	150,000	170,000
Salaries, Bonus and Allowances	7,598,375	6,891,626
Staff Welfare Expenses	233,241	363,206
Total	9,421,616	8,284,832

26 OTHER EXPENSES

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement Expenses	128,152	104,828
Payment to Auditor		-
- Statutory Audit Fees	250,000	250,000
- Tax Audit Fees	25,000	25,000
- Others	172,196	67,736
Internal Audit Fees	60,000	180,000
Conveyance Expenses	7,760	123,255
CDSL/NSDL custody fees	70,993	253,041
Office Expenses	28,728	145,310
Business promotion expenses	8,500	-
Electricity Charges	1,548,884	1,692,039
Legal & Prof.Charges	2,916,548	1,946,467
CSR expense	1,111,576	-
Repair & Maintenance	42,512	13,790



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Registration charges	119,269	132,699
Annual Maintenance Charges	18,600	60,000
Membership Fees	19,583	20,417
Listing Fees	300,000	250,000
GST Exp - Others	430,286	-
Software expense	64,135	-
Computer Exp.	23,311	-
Postage, Courier & Telegrams	97,091	137,492
Printing & Stationery	365,616	523,372
Rent, Rates and Taxes	1,691,003	894,542
Seminar Exp	-	15,000
Sundry Debit Balances W/Off.	-	108,259
Travelling Expenses	162,199	86,075
Telephone & Internet Charges	377,376	482,329
Website development	31,636	30,000
Miscellaneous Expenses	13,930	1,256
Total	10,084,884	7,542,908

27 CURRENT TAX AND DEFERRED TAX

(A) Major Components of income tax expenses

Particulars	Amount in ₹	
	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
(a) Statement of profit and loss:		
(i) Current tax:		
- In respect of current year	30,884,655	18,447,709
(ii) Deferred tax:		
- Relating to origination and reversal of temporary differences	(3,512,937)	1,139,354
Total tax expense recognised in statement of profit and loss	27,371,718	19,587,063
(b) Other comprehensive income:		
(i) Deferred tax impact	627,014	-
Total tax expense recognised in total comprehensive loss	27,998,732	19,587,063

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

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

Amount in ₹

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Profit before tax	135,633,851	79,656,537
Applicable tax rate	25.17%	28.61%
Computed tax expense	34,139,040	22,789,735
Effect of expenses that is non-deductible in determining taxable profit / accounting profit	1,663,811	611,086
Exmpted income	-	(2,288,799)
Adjustments in respect of current income tax of previous years	614,780	-
Effect of different tax rates (tax on capital gain)	(8,418,999)	(1,524,959)
Income tax expense recognised in statement of profit and loss	27,998,631	19,587,063
Effective tax rate	20.64%	24.59%

(C) Deferred Tax

Particulars	For the year ended March 31, 2020			As at March 31, 2020
	As at March 31, 2019	Recognised in Profit and Loss	OCI	
<u>Tax effect of items constituting deferred tax liability on:</u>				
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	1,168,794	(1,258,433)	-	(89,639)
(A)	1,168,794	(1,258,433)	-	(89,639)
<u>Tax effect of items constituting deferred tax assets:</u>				
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)	1,967,311	1,000,476	627,014	3,594,801
Deferred tax assets have been restricted to the extent of deferred tax liabilities	-	-	-	-
Deferred tax liabilities/(assets) (net) (A-B)	(798,517)	(2,258,909)	(627,014)	(3,684,439)



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For the year end March 31, 2019			
	As at April 1, 2018	Recognised in		As at March 31, 2019
		Profit and Loss	OCI	
<u>Tax effect of items constituting deferred tax liability on:</u>				
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	26,810	1,141,985	-	1,168,794
(A)	26,810	1,141,985	-	1,168,794
<u>Tax effect of items constituting deferred tax assets:</u>				
Provision for impairment loss	519,228	5,089		524,317
Property, plant and equipment and intangible assets	1,445,451	(2,457)		1,442,994
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	-	-	-	-
(B)	1,964,679	2,632	-	1,967,311
Deferred tax assets have been restricted to the extent of deferred tax liabilities	-	-	-	-
Deferred tax liabilities/(assets) (net) (A-B)	(1,937,870)	1,139,353	-	(798,517)

28 EARNING PER SHARE

Particulars	Amount in ₹	
	As at March 31, 2020	As at March 31, 2019
Profit after tax for the year attributable to the equity shareholders	107,647,353	60,069,474
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 ₹)	10.00	10.00
Basic and diluted earnings per share (in ₹)	5.57	3.11

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

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

Amount in ₹

Particulars		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(i) Contingent Liabilities				
(a)	Claims against company not acknowledged as debt*	0.49 crore	0.49 crore	0.49 crore
(b)	Guarantees- - Counter Guarantees Provided to Bank	59.58 crore	35.09 crore	109.86 crore
		60.07 crore	35.58 crore	110.35 crore
(ii) Commitments				
(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	-	-
		0.31 crore		-

*Claims against the company not acknowledged as debts for the year ended 31st March, 2020 include demand from the Income Tax Authorities for payment of tax of ₹ 49,41,570/- upon completion of their tax assessment for Assessment Years 2013-14 & 2014-15. The company has filed an appeal with the income tax appellate authorities. The company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and result of operation.

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, 2020 together with interest paid /payable are required to be furnished.

31 LEASES

The Company has leasing arrangements in respect of operating leases for premise.

Operating lease payments recognised in the statement of profit and loss

Particulars	As at March 31, 2020	As at March 31, 2019
Lease rental charges for the year	1,200,000	-



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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 ₹ 1,111,576 (March 31, 2019: Nil) and the company has spent ₹ 62,000 (March 31, 2019: Nil).

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.

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.

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 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



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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.

	Maturity within 12 months	Maturity after 12 months	Total contracted cash flows	Carrying value
As at March 31, 2020				
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
Other non financial liabilities	21,279,950	-	21,279,950	21,279,950
Total	89,709,666	-	89,709,666	89,709,666
As at March 31, 2019				
Trade payables and other financial liabilities	2,839,304	-	2,839,304	2,839,304



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

	Maturity within 12 months	Maturity after 12 months	Total contracted cash flows	Carrying value
Borrowings (Other than debt securities)	19,867,719	-	19,867,719	19,867,719
Other non financial liabilities	12,508,921	-	12,508,921	12,508,921
Total	22,707,022	-	22,707,022	22,707,022
As at April 1, 2018				
Trade payables and other financial liabilities	1,812,319	-	1,812,319	1,812,319
Borrowings (Other than debt securities)	79,032,341	-	79,032,341	79,032,341
Other non financial liabilities	10,122,018	-	10,122,018	10,122,018
Total	80,844,660	-	80,844,661	80,844,661

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.

35 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments and fair value thereof

Amount in ₹

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
A Financial assets						
i) Measured at cost						
Investment in subsidiary	-	-	129,834,053	-	177,451,043	-
ii) Measured at fair value through OCI						
Investment	152,745,186	152,745,186	127,812,000	127,812,000	128,876,000	128,876,000
iii) Measured at amortised cost						
Cash and cash equivalents	17,663,543	17,663,543	6,603,727	6,603,727	1,859,923	1,859,923
Bank balances other than above	809,834	809,834	947,244	947,244	657,172	657,172
Loan	650,142,108	650,142,108	546,031,978	546,031,978	517,456,128	517,456,128
Other Receivables	650,142,108	650,142,108	36,094,886	36,094,886	6,480,287	6,480,287
Other financial assets	5,050,750	5,050,750	8,734,005	8,734,005	27,800,750	27,800,750
Total	1,476,553,529	1,476,553,529	856,057,892	726,223,839	860,581,303	683,130,260

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

	Amount in ₹					
	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
B) Financial liabilities						
i) Measured at amortised cost						
Borrowings	62,969,334	62,969,334	19,867,719	19,867,719	79,032,341	79,032,341
Other payables	3,175,481	3,175,481	1,910,935	1,910,935	1,085,143	1,085,143
Other financial liabilities	2,284,900	2,284,900	928,369	928,369	727,176	727,176
Total	68,429,715	68,429,715	22,707,023	22,707,023	80,844,659	80,844,659

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.

(b) Fair value measurement

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

Financial instruments 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	Amount in ₹			
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	Fair value hierarchy
	Fair Value	Fair Value	Fair Value	
Assets for which fair value is disclosed				
Investment in equity instruments - unquoted	152,745,186	127,812,000	128,876,000	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.



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

36 Disclosure under Prudential Norms & RBI guidelines

- (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.
- (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.

(iii) Additional disclosures:

Capital to Risk Assets Ratio (CRAR)

Particulars	March 31, 2020	March 31, 2019
CRAR (percent)	93.27%	94.98%
CRAR - Tier I Capital (percent)	93.27%	94.98%
CRAR - Tier II Capital (percent)	-	-

(iv) Loan portfolio classification and provision (As per RBI Prudential Norms)

(₹ in Lacs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Gross Loan Outstanding	Provision For Assets	Net Loan Outstanding	Gross Loan Outstanding	Provision For Assets	Net Loan Outstanding
Standard Asset	6,322.74	15.57	6,307.17	5,421.40	13.38	5,408.02
Sub Standard Asset	186.50	18.65	167.85	33.00	3.30	29.70
Doubtful Asset	33.00	6.60	26.40	28.25	5.65	22.60
Loss Asset	27.00	27.00	-	-	-	-
Total	6,569.24	67.82	6,501.42	5,482.65	22.33	5,460.32

(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)

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount O/s	Amount Overdue	Amount O/s	Amount Overdue
Liability side:				
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debenture : Secured	-	-	-	-
Unsecured	-	-	-	-
(Other than falling within the meaning of public deposits*)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-Corporate Loans and Borrowings	549.32	-	43.50	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits*	-	-	-	-
(g) Other Loans;				
- Bank Overdraft	-	-	-	-
- Loan from Directors	80.37	-	155.17	-
*Please see Note (a) Below				
2. Break up of (1)(f) above (Outstanding Public Deposits inclusive of Interest accrued thereon but not paid):				
(a) In the form of Unsecured Debenture	-	-	-	-
(b) In the form of Partly Secured Debenture i.e. debenture where there is a shortfall in the value of securities.	-	-	-	-
(c) Other Public Deposits*	-	-	-	-

*Please see **Note (a)** Below



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	(₹ in Lacs)	
	March 31, 2020	March 31, 2019
	Amount O/s	Amount O/s
Assets Side :		
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured	2,376.18	1,606.15
(b) Unsecured	4,193.05	3,876.49
4. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financing Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Asset on hire	-	-
(b) Repossessed Asset	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where asset have been repossessed	-	-
(b) Loans other than (a) above	-	-
5. Break-up of Investments :		
Current Investments :		
1. Quoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
	Amount O/s	Amount O/s
Long Term Investments :		
1. Quoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares : (a) Equity	1,527.45	2,176.46
(b) Preference	-	400.00
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	71.25	141.04

(₹ in Lacs)

Category	As at March 31, 2020			As at March 31, 2019		
	Amount Net Of Provision as per Prudential Norms			Amount Net Of Provision as per Prudential Norms		
	Secured	Unsecured	TOTAL	Secured	Unsecured	TOTAL
(6) Borrower group-wise classification of assets financed as in (3) and (4) above:						
Please see Note (b) below						
1. Related Parties						
(a) Subsidiaries	-	-	-	-	229.84	229.84
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	1,201.59	915.18	2,116.77	299.93	402.12	702.05
2. Other than related parties	1,168.71	3,215.94	4,384.65	1,302.28	3,226.15	4,528.43
TOTAL	2,370.30	4,131.12	6,501.42	1,602.21	3,858.11	5460.32



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lacs)

Category	As at March 31, 2020		As at March 31, 2019	
	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)
(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				
1. Related Parties				
(a) Subsidiaries	-	-	2,152.23	1,298.34
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	1,527.45	1,527.45	1,278.12	1,278.12
TOTAL	1,527.45	1,527.45	3,430.35	2,576.46

(₹ in Lacs)

Category	March 31, 2020	March 31, 2019
	Amount	Amount
(8) Other Information:		
(i) Gross Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	246.50	61.25
(ii) Net Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	194.24	52.30
Assets acquired in satisfaction of debt	-	-

Sub Notes:

- As defined in point six 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.

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

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, 2020			As on March 31, 2019			As on April 01, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
1 Financial Assets									
a) Cash and cash equivalents	17,663,543	-	17,663,543	6,603,727	-	6,603,727	1,859,923	-	1,859,923
b) Bank balances other than (a) above	809,834	-	809,834	947,244	-	947,244	657,172	-	657,172
c) Receivables									
i) Trade receivables	-	-	-	-	-	-	-	-	-
ii) Other receivables	75,616,838	-	75,616,838	36,094,886	-	36,094,886	6,480,287	-	6,480,287
d) Loans	186,577,061	463,565,047	650,142,108	163,745,430	382,286,547	546,031,978	275,078,021	242,378,107	517,456,128
e) Investments	-	152,745,186	152,745,186	-	257,646,053	257,646,053	-	306,327,043	306,327,043
f) Other financial assets	9,000	5,050,750	5,059,750	4,313,750	4,555,255	8,869,005	23,256,500	5,050,750	28,307,250
2 Non- Financial Assets									
a) Income tax assets (net)	-	8,398,047	8,398,047	-	8,987,384	8,987,384	-	8,987,384	8,987,384
b) Deferred tax assets (net)	-	3,684,439	3,684,439	-	798,517	798,517	-	1,937,870	1,937,870
c) Investment property	-	7,124,925	7,124,925	-	14,104,245	14,104,245	-	14,104,245	14,104,245
d) Property, plant and equipment	-	4,030,509	4,030,509	-	4,629,771	4,629,771	-	6,264,011	6,264,011
e) Intangible Assets	-	726,596	726,596	-	104,225	104,225	-	-	-
f) Other non-financial assets	43,100	113,326,395	113,369,495	612,287	796,395	1,408,682	1,137,226	26,247	1,163,473
TOTAL ASSETS	280,719,376	758,651,894	1,039,371,270	212,317,324	673,908,392	886,225,716	308,469,129	585,075,656	893,544,785
LIABILITIES									
1 Financial Liabilities									
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	3,175,481	-	3,175,481	1,910,935	-	1,910,935	1,085,143	-	1,085,143
b) Borrowings (Other than debt securities)	62,969,334	-	62,969,334	19,867,719	-	19,867,719	79,032,341	-	79,032,341
c) Other financial liabilities	2,284,900	-	2,284,900	928,369	-	928,369	727,176	-	727,176
2 Non-Financial Liabilities									
a) Current tax liabilities (net)	21,279,950	-	21,279,950	12,508,921	-	12,508,921	10,122,018	-	10,122,018
b) Other non- financial liabilities	856,941	-	856,941	940,533	-	940,533	1,984,646	-	1,984,646
TOTAL LIABILITIES	90,566,606	-	90,566,606	36,156,477	-	36,156,477	92,951,324	-	92,951,324
NET	190,152,770	758,651,894	948,804,664	176,160,847	673,908,392	850,069,239	215,517,805	585,075,656	800,593,461
Other undrawn commitments	-	-	-	-	-	-	-	-	-



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

38 RELATED PARTY DISCLOSURE

38.1 Details of related parties and their relationship:

(a) Enterprises where control exists	
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) Enterprises owned or significantly influenced by key management personnel or their relatives	
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	
(c) Key Managerial Personnel	
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

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

7	Ramanathan Annamalai	Independent Director
8	Abhishek Jain (Upto 18-02-2020)	Independent Director
9	Supriya Rajkumar Agarwal	Company Secretary
(d) Relative of Key managerial personnel		
1	Sohanlal V Jain	Father of Meghraj Jain
2	Labh Chand Maloo	Father of Sandeep Maloo
3	Ajit Jain	Brother of Meghraj Jain
4	Neeta Maloo	Wife of Sandeep Maloo

38.2 List of transactions with related parties

S. No.	Particular	Year ended March 31, 2020	Year ended March 31, 2019	As at April 1, 2018
1	Purchase of Fixed Asset			
	Mangal Compusolution Pvt Ltd	127,500	94,710	-
2	Dividend Received			
	Mangal Compusolution Pvt Ltd	-	4,999,997	-
	Mangal Buildhome Pvt Ltd	-	2,999,998	-
3	Guarantee Commission income			
	Mangal Compusolution Pvt Ltd	1,815,829	566,000	-
	Mangal Buildhome Pvt Ltd	197,750	197,750	-
	Mangal Globle Marble Pvt Ltd	265,000	265,000	-
	Satco Capital Market Limited	2,650,000	3,150,000	-
	Satco Capital Market Limited- Credit note	-3,500,000	-	-
4	Loan Given			
	Satco Capital Markets Ltd	11,520,000	179,015,000	-
	Mangal Globle Marble Pvt Ltd	31,930,000	75,827,000	-
	Mangal Buildhome Pvt Ltd	5,000,000	-	-
	Shree Mangal Abhushan Pvt Ltd	5,000,000	5,000,000	-
	Shree Mangal Jewels Pvt Ltd	5,000,000	5,000,000	-
	Shree Radhey Mangal Gold Chain Pvt Ltd	15,000,000	5,000,000	-
	Shree Ratna Mangal Jewels Pvt Ltd	5,000,000	5,000,000	-
	Swarna Bhavya Mangal Jewels Pvt Ltd	5,000,000	5,000,000	-
	Mangal Royal Jewels Pvt Ltd	5,000,000	5,000,000	-
	Woodland Construction Private Limited	49,675,000	-	-



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

S. No.	Particular	Year ended March 31, 2020	Year ended March 31, 2019	As at April 1, 2018
5	Loan Repayment Received			
	Satco Capital Markets Limited	19,754,500	215,295,000	-
	Mangal Globle Marble Pvt Ltd	-	65,225,100	-
6	Reimbursement of common expenses			
	Indtrans Container Lines Pvt Ltd	454,956	551,202	-
	Mangal Buildhome Pvt Ltd	518,979	505,270	-
	Chakshu Realtors Private Limited	409,080	551,202	-
	Digital Edge Technology	125,536	183,734	-
	Dhakad Properties Private Limited	33,981	45,933	-
	Mangal Entertainment Pvt Ltd	33,981	45,933	-
7	Sale of investment in equity instruments			
	Sohanlal V Jain	18,000,000	-	-
	Sohanlal V Jain- HUF	17,999,955	-	-
	Neeta Maloo	-	6,806,000	-
	Ajit jain	-	18,749,987	-
8	Interest Income			
	Satco Capital Markets Ltd	2,857,095	5,749,162	-
	Mangal Globle Marble Pvt Ltd	8,345,327	4,867,602	-
	Mangal Buildhome Pvt Ltd	673,582	-	-
	Mangal Royal Jewels Pvt Ltd	1,292,882	4,110	-
	Shree Mangal Abhushan Pvt Ltd	1,215,142	14,384	-
	Shree Mangal Jewels Pvt Ltd	1,292,882	19,520	-
	Shree Radhey Mangal Gold Chain Pvt Ltd	1,222,963	12,330	-
	Shree Ratna Mangal Jewels Pvt Ltd	1,163,772	12,330	-
	Swarna Bhavya Mangal Jewels Pvt Ltd	1,135,176	12,330	-
	Woodland Construction Private Limited	1,542,980	-	-
9	Service charge and other fees on loan transaction			
	Mangal Buildhome Pvt Ltd	25,000	-	-
	Mangal Royal Jewels Pvt Ltd	50,000	-	-
	Shree Mangal Abhushan Pvt Ltd	50,000	-	-
	Shree Mangal Jewels Pvt Ltd	50,000	-	-
	Shree Radhey Mangal Gold Chain Pvt Ltd	50,000	-	-

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

S. No.	Particular	Year ended March 31, 2020	Year ended March 31, 2019	As at April 1, 2018
	Shree Ratna Mangal Jewels Pvt Ltd	50,000	-	-
	Swarna Bhavya Mangal Jewels Pvt Ltd	25,000	-	-
	Woodland Construction Pvt Ltd	500,000		
10	Rent expense			
	Chakshu Realtors Private Limited	1,200,000	-	-
11	Borrowings			
	Sandeep Maloo	7,900,000	-	-
	Meghraj Jain	163,610,254	246,758,737	-
	Naval Maniyar	466,180	500,000	-
12	Repayment of borrowings			
	Sandeep Maloo	7,900,000	-	-
	Meghraj Jain	171,090,719	255,369,845	-
	Naval Maniyar	466,180	500,000	-
13	Website development expense			
	Digital Edge Technology	-	30,000	-
14	Directors Remuneration			
	Meghraj Jain	-	360,000	-
	Naval Maniyar	1,343,000	500,000	-
15	Interest on borrowings			
	Sandeep Maloo	39,952	-	-
	Meghraj Jain	691,605	4,940,450	-
	Naval Maniyar	1,591	495	-
16	Purchase of equity shares			
	Meghraj Jain	-	50,010	-
17	Reimbursement of expense- paid			
	Naval Maniyar	173,534	-	-
18	Redemption of Preference Share			
	Satco Capital Markets Ltd	40,000,000	-	-
19	Disinvestment in subsidiary			
	Mangal Global Marble Pvt Ltd	-	32,750,000	
	Mangal Buildhome Pvt Limited	-	14,917,990	
	Mangal Compusolution Pvt Ltd	20,749,940	-	
	Indtrans Container Lines Pvt Ltd	6,000,000	-	
	Satco Capital Markets Ltd	40,840,373	-	



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

S. No.	Particular	Year ended March 31, 2020	Year ended March 31, 2019	As at April 1, 2018
	Mangal Mines & Minerals Pvt Ltd	51,000	-	
	Balance payable at the end of the year			
	Other payables			
	Mangal Compusolution Pvt Ltd	139,481	2,360	-
	Digital Edge Technology	-	34,800	-
	Naval Maniyar	7,800	-	-
	Borrowings			
	Meghraj Jain	8,037,255	11,071,233	19,682,341
	Other financial liability- Interest Payable			
	Meghraj Jain	622,444	-	-
	Naval Maniyar	1,432	-	-
	Sandeep Maloo	35,957	-	-
	Balance receivable at the end of the year			
	Loans			
	Satco Capital Markets Ltd	14,645,500	22,880,000	59,160,000
	Mangal Globle Marble Pvt Ltd	70,156,890	38,226,890	27,624,990
	Mangal Buildhome Pvt Ltd	5,000,000	-	-
	Mangal Royal Jewels Pvt Ltd	10,000,000	5,000,000	-
	Shree Mangal Abhushan Pvt Ltd	10,000,000	5,000,000	-
	Shree Mangal Jewels Pvt Ltd	10,000,000	5,000,000	-
	Shree Radhey Mangal Gold Chain Pvt Ltd	20,000,000	5,000,000	-
	Shree Ratna Mangal Jewels Pvt Ltd	10,000,000	5,000,000	-
	Swarna Bhavya Mangal Jewels Pvt Ltd	10,000,000	5,000,000	-
	Woodland Construction Private Limited	49,675,000	-	-
	Loan- Interest and fees receivable			
	Satco Capital Markets Ltd	202,359	160,974	286,728
	Mangal Globle Marble Pvt Ltd	1,716,773	2,080,842	-
	Shree Mangal Abhushan Pvt Ltd	76,612	12,946	-
	Mangal Royal Jewels Pvt Ltd	76,612	4,110	-
	Shree Mangal Jewels Pvt Ltd	189,112	17,568	-
	Shree Radhey Mangal Gold Chain Pvt Ltd	88,543	11,097	-
	Shree Ratna Mangal Jewels Pvt Ltd	76,612	11,097	-
	Swarna Bhavya Mangal Jewels Pvt Ltd	76,612	11,097	-
	Mangal Buildhome Pvt Ltd	38,306	-	-

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

S. No.	Particular	Year ended March 31, 2020	Year ended March 31, 2019	As at April 1, 2018
	Woodland Construction Private Limited	879,997	-	-
	Other receivable			
	Indtrans Container Lines Pvt Ltd	95,040	114,009	-
	Mangal Buildhome Pvt Ltd	101,828	104,510	-
	Chakshu Realtors Private Limited	95,040	114,009	-
	Digital Edge Technology	27,155	38,005	-
	Dhakad Properties Pvt Ltd	27,844	9,676	-
	Mangal Entertainment Pvt Ltd	27,844	9,676	-
	Mangal Globle Marble Pvt Ltd	598,899	-	-
	Satco Capital Markets Ltd	1,606,750	-	-
	Woodland Construction Private Limited	300,000	-	-
	Meghraj Jain	-	-	50,000
	Bhagwati M Jain	-	-	1,220,000
	Harshvardhan Birani	-	-	1,950,000
	Labhchand Maloo	-	-	99,000
	Sohanlal V Jain	-	-	3,104,610
	Neeta Maloo	-	6,806,000	-
	Investment at the end of the year			
	Investment in equity shares			
	Satco Capital Markets Ltd	22,192,740	63,033,113	63,033,113
	Mangal Compusolution Pvt Ltd	-	20,749,940	20,749,940
	Indtrans Container Lines Pvt Ltd	-	6,000,000	6,000,000
	Mangal Mines & Minerals Pvt Ltd	-	51,000	-
	Mangal Global Marble Pvt Ltd	-	-	32,750,000
	Mangal Buildhome Pvt Limited	-	-	14,917,990
	Investment in preference shares			
	Satco Capital Markets Ltd	-	40,000,000	40,000,000
	Off balance sheet item- Contingent liability at the end of the year			
	Mangal Buildhome Pvt Ltd	79,081,018	79,081,018	59,254,356
	Mangal Compusolution Pvt Ltd	202,257,000	104,100,000	84,321,866
	Mangal Globle Marble Pvt Ltd	34,065,000	39,000,000	-
	Satco Capital Markets Ltd	261,463,567	128,700,000	930,000,000
	Mangal Entertainment Pvt Ltd	-	-	16,447,919



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

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

Name of Company	Loans & Advances		Loans & Advances		Loans & Advances	
	Amount O/s as on	Maxium Balance O/s	Amount O/s as on	Maxium Balance O/s	Amount O/s as on	Maxium Balance O/s
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	April 1, 2018	April 1, 2018
Companies Under Common Control						
1 Indtrans Container Lines Pvt Ltd	-	-	-	-	-	6,700,000
2 Mangal Compusolution Pvt Ltd	-	-	-	-	-	4,195,969
3 Satco Capital Markets Ltd	14,645,500	32,015,000	22,880,000	76,590,000	59,160,000	112,900,000
4 Mangal Buildhome Pvt Ltd	5,000,000	5,000,000	-	-	-	44,185,003
5 Mangal Globle Marble Pvt Ltd	70,156,890	70,156,890	38,226,890	42,926,890	27,624,990	49,370,894
6 Mangal Entertainment Pvt Ltd	-	-	-	-	-	21,987,882
7 Mangal Extrusion Pvt Ltd	-	-	-	-	-	3,149,000
8 Chakshu Realtors Pvt Ltd	-	-	-	-	-	1,908,123
9 Mangal Royal Jewels Pvt Ltd	10,000,000	10,000,000	5,000,000	5,000,000	-	-
10 Shree Mangal Abhushan Pvt Ltd	10,000,000	10,000,000	5,000,000	5,000,000	-	-
11 Shree Mangal Jewels Pvt Ltd	10,000,000	10,000,000	5,000,000	5,000,000	-	-
12 Shree Radhey Mangal Gold Chain Pvt Ltd	20,000,000	20,000,000	5,000,000	5,000,000	-	-
13 Shree Ratna Mangal Jewels Pvt Ltd	10,000,000	10,000,000	5,000,000	5,000,000	-	-
14 Swarna Bhavya Mangal Jewels Pvt Ltd	10,000,000	10,000,000	5,000,000	5,000,000	-	-
15 Woodland Construction Private Limited	49,675,000	49,675,000	-	-	-	-
16 Standard Infra Developers Pvt Ltd	-	-	-	6,000,000	6,000,000	6,000,000
	209,477,390	226,846,890	91,106,890	155,516,890	92,784,990	250,396,871

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

39 FIRST TIME ADOPTION OF IND AS

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2018 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed in accounting policy.

(i) Effect of adoption of Ind AS on the Balance Sheet as at March 31, 2019 and April 01, 2018

Amount in ₹

Particulars	Foot Notes	As at March 31, 2019			As at April 1, 2018		
		Previous GAAP	Effect of Ind AS	Ind AS	Previous GAAP	Effect of Ind AS	Ind AS
ASSETS							
1 Financial Assets							
a) Cash and cash equivalents		6,603,727	-	6,603,727	1,859,923	-	1,859,923
b) Bank balances other than (a) above		947,244	-	947,244	657,172	-	657,172
c) Receivables		-	-	-			
i) Trade receivables		-	-	-	-	-	-
ii) Other receivables		36,094,886	-	36,094,886	6,480,287	-	6,480,287
d) Loans	1	546,009,454	22,524	546,031,978	517,359,760	96,368	517,456,128
e) Investments		257,646,053	-	257,646,053	306,327,043	-	306,327,043
f) Other financial assets	2	5,050,750	3,683,255	8,734,005	27,800,750	-	27,800,750
Total		852,352,114	3,705,778	856,057,892	860,484,935	96,368	860,581,303
2 Non- Financial Assets							
a) Income tax assets (net)		8,987,384	-	8,987,384	8,987,384	-	8,987,384
b) Deferred tax assets (net)	3	1,967,311	(1,168,794)	798,517	1,964,679	(26,810)	1,937,870
c) Investment property		14,104,245	-	14,104,245	14,104,245	-	14,104,245
d) Property, plant and equipment		4,629,771	-	4,629,771	6,264,011	-	6,264,011
e) Intangible Assets		104,225	-	104,225	-	-	-
f) Other non-financial assets	2	1,072,738	470,944	1,543,682	1,669,973	-	1,669,973
Total		30,865,674	(697,850)	30,167,824	32,990,292	(26,810)	32,963,482
TOTAL ASSETS		883,217,788	3,007,928	886,225,716	893,475,226	69,558	893,544,785
LIABILITIES AND EQUITY							
1 Financial Liabilities							
a) Payables							
i) Trade payables							
(i) total outstanding dues of micro enterprises and small enterprises			-	-			-



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

Particulars		Foot Notes	As at March 31, 2019			As at April 1, 2018		
			Previous GAAP	Effect of Ind AS	Ind AS	Previous GAAP	Effect of Ind AS	Ind AS
	(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		1,910,935	-	1,910,935	1,085,143	-	1,085,143
b)	Borrowings (Other than debt securities)		19,867,719	-	19,867,719	79,032,341	-	79,032,341
c)	Other financial liabilities		928,369	-	928,369	727,176	-	727,176
	Total		22,707,023	-	22,707,023	80,844,660	-	80,844,660
2	Non-Financial Liabilities							
a)	Current tax liabilities (net)		12,508,921	-	12,508,921	10,122,018	-	10,122,018
b)	Other non- financial liabilities		940,533	-	940,533	1,984,646	-	1,984,646
	Total		13,449,454	-	13,449,454	12,106,664		12,106,664
3	Equity							
a)	Equity share capital		193,139,860	-	193,139,860	193,139,860	-	193,139,860
b)	Other equity	1, 2 & 3	653,921,449	3,007,928	656,929,377	607,384,042	69,558	607,453,601
	Total		847,061,309	3,007,928	850,069,237	800,523,902	69,558	800,593,461
	TOTAL LIABILITIES AND EQUITY		883,217,786	3,007,928	886,225,714	893,475,226	69,558	893,544,785

(ii) Reconciliation of total equity as at 31 March, 2019 (End of last period presented under previous GAAP) and 01 April, 2018 (Date of transition)

Sr. no.		Particulars	Foot notes	Amount in ₹	
				As at March 31, 2019	As at April 1, 2018
		Total equity as reported under previous GAAP		847,061,309	800,523,902
(a)		Impact of Ind AS adjustment			
i		Impact on recognition of financial assets and financial liabilities at amortised cost by application of Effective Interest Rate method	1 & 2	4,176,722	96,368
ii		Tax impact on above adjustment	3	(1,168,794)	(26,810)
		Total equity as reported under previous Ind AS		850,069,237	800,593,461

**NOTES FORMING PART OF FINANCIAL STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2020

(iii) Effect of adoption of Ind AS on the Statement of Profit and Loss for the year ended 31 March, 2019

Amount in ₹

Particulars	Foot notes	For the Year ended March 31, 2019		
		Previous GAAP	Effect of Ind AS	Ind AS
1 Revenue from operations				
- Interest income	1	82,779,132	648,156	83,427,288
- Fees and commission income	1	1,979,889	3,456,750	5,436,639
2 Other Income	2	16,816,711	446,392	17,263,103
3 Total Income (1+2)		101,575,731	4,551,298	106,127,029
4 Expenses				
(a) Finance Costs		8,623,989	-	8,623,989
(b) Impairment on financial instruments		352,327	-	352,327
(c) Employee Benefits Expense		8,284,832	-	8,284,832
(d) Depreciation and Amortization Expense		1,666,436	-	1,666,436
(e) Other Expenses	2	7,071,964	470,944	7,542,908
Total Expenses		25,999,548	470,944	26,470,492
5 Profit/(loss) before tax (3-4)		75,576,183	4,080,354	79,656,537
6 Tax Expense				
(a) Current tax		18,447,709	-	18,447,709
(b) Deferred tax	3	(2,631)	1,141,985	1,139,354
Total tax expense / (credit)		18,445,078	1,141,985	19,587,063
6 Profit/(loss) for the year (5-6)		57,131,105	2,938,369	60,069,474
7 Other comprehensive income				
Items that will not be recycled to profit or loss				
(a) Re-measurement gains on defined benefits obligations		-	-	-
(b) Income tax effect		-	-	-
Other comprehensive income for the year (net of tax)		-	-	-
8 Total comprehensive income for the year (6+7)		57,131,105	2,938,369	60,069,474

(iv) Effect of adoption of Ind AS on the Statement of Cash Flows for the year ended 31 March, 2019

Amount in ₹

Particulars	For the Year ended March 31, 2019		
	Previous GAAP	Effect of Ind AS	Ind AS
(a) Net cash flows from operating activities	15,564,539	(4,556,341)	20,120,880
(b) Net cash flows from investing activities	63,384,070	290,073	63,093,998
(c) Net cash flows from financing activities	(74,204,805)	4,266,268	(78,471,073)
(d) Net increase/(decrease) in cash and cash equivalents	4,743,804	(0)	4,743,804
(e) Cash and cash equivalents at Beginning of period	1,859,923	-	1,859,923
(f) Cash and cash equivalents at end of period	6,603,727	(0)	6,603,727



NOTES FORMING PART OF FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(v) Foot Notes to Reconciliations

1 Effective interest rate impact

Under Previous GAAP, origination fees and transaction costs charged to customers was recognised upfront. Under Ind AS, such fees and costs is amortised over the expected life of the loan assets and recognised as interest income using effective interest method.

Under Previous GAAP, the transaction costs related to borrowings were recognised upfront in the Statement of profit and loss/ securities premium. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest method in the Statement of profit and loss.

2 Under previous GAAP, interest free security deposits given were at the undiscounted amount. Under Ind AS, such deposits are to be measured initially at discounted amounts, if the effect of time value of money is material. Accordingly, the Company has identified deposits which qualify as financial assets and has discounted such deposits to their present value at the reporting date. After initial recognition, the deposits are subsequently measured at amortised cost i.e. interest based on the market rate has been recognised under the effective rate method as part of interest income. The prepayments are charged to the Statement of Profit and Loss on the straight line basis over the period of security deposit.

3 Deferred tax effect of all adjustments has been recognised on transition date and during the year ended 31 March 2019.

40 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

Sd/-

Meghraj Jain

Managing Director

DIN: 01311041

Sd/-

Naval Maniyar

Director & CFO

DIN-06657440

Sd/-

Supriya Agarwal

Company Secretary

M.No. A35286

Place: Mumbai

Date : 30th June, 2020

UDIN : 20078146AAAABQ5607

For and on behalf of the board of directors

For Mangal Credit & Fincorp Limited



NOTICE

NOTICE is hereby given that the 58th Annual General Meeting of the Members of **Mangal Credit and Fincorp Limited** is scheduled to be held on Wednesday, 30th December, 2020 at 11:00 a.m. through Video Conferencing/ Other Audio Visual Means, 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, 2020 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 31st March, 2020;
3. To appoint a Director in place of Mr. Meghraj S. Jain (DIN:01311041), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment;

To appoint a Director in place of Mr. Naval Maniyar (DIN: 06657440), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment;

Special business:

4. **To appoint Mr. Sriram Sankaranarayanan (DIN: 00146563) as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to provision of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per applicable Regulations and Schedules of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, Mr. Sriram Sankaranarayanan (DIN: 00146563) who was on the recommendation of Nomination and Remuneration Committee appointed as the Additional Director (Independent Category) by the Board of Directors in their Meeting held on 11th November, 2020 to hold office till the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under the provisions of

section 160 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 11th November, 2020."

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

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

"RESOLVED THAT pursuant to provision of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per applicable Regulations and Schedules of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, Mr. Sujan Sinha (DIN: 02033322) who was on the recommendation of Nomination and Remuneration Committee appointed as the Additional Director by the Board of Directors in their Meeting held on 11th November, 2020 to hold office till the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under the provisions of section 160 of the Companies Act, 2013 be and is hereby appointed as Non-Executive Director of the Company to hold office for a term of 1 (One) year commencing from 11th November, 2020."

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

**Meghraj Jain
Managing Director**

DIN: 01311041

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

Place: Mumbai

Date: 11th November, 2020

Registered Office:

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

Tel.: +91 22-42461300

E-mail: compliance@mangalfincorp.com



NOTES:

- 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 and Circular No. 20/2020 dated May 05, 2020 (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.

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 58th 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 be 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;

- 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 as set out in the Notice convening the AGM ("AGM Notice") is annexed hereto;
- 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 to the Notice;
- 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 58th Annual General Meeting of the Company, therefore the Proxy Form and Attendance Slip are not annexed to this Notice;
- 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;
- The Register of Members and Transfer Books of the Company will be closed from Thursday, 24th December, 2020 to Wednesday, 30th December, 2020, both days inclusive;
- 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;
- 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;
- In compliance with the MCA Circulars and SEBI circular dated May 12, 2020, the AGM Notice along with the Annual Report for the financial year 2019-20 ("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 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;

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;
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. 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 Private Limited or the Company Secretary, at the Company's Registered Office;
15. 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
16. 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;
17. Since the AGM will be held through Video Conferencing, the Route Map is not annexed to this Notice;
18. **E- voting:**
In compliance with section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014,



(including any statutory modifications or re-enactment thereof for the time being in force) 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 58th 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;

A. THE INTRUCTIONS 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, 27th December, 2020 and ends on Tuesday, 29th December, 2020 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, 23rd December, 2020 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. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on "Shareholders" module.
- v. 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.

- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- v. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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 compliance@mangalfincorp.com;</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. 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.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - xii. Click on the EVSN 201120001 of the Company on which you choose to vote.
 - xiii. 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.
 - xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - xv. 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.
 - xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - xviii. 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.
 - xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - xx. Note for Non-Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- B. 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;
 - ii. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested



scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to compliance@mangalfincorp.com;

- iii. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC ARE AS UNDER:

- i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at [https:// www.evotingindia.com](https://www.evotingindia.com) under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii. Shareholders are encouraged to join the Meeting through Laptops / IPads with latest internet browsers for better experience.
- iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. 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.
- v. 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.
- vi. The shareholders who do not wish to speak during the AGM but have queries may send their queries 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 These queries will be replied to by the company suitably by email.

- vii. Only Shareholders who have registered themselves as a 'speaker' will be allowed to express their views / ask questions during the AGM.

D. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 - ii. 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.
 - iii. 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.
 - iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
19. 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, under help section or write an email to 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 Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43;

20. 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.
21. 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.
22. The results declared alongwith the Scrutinizer's report shall be available on the Company's website www.mangalfincorp.com and on the e-voting service provider's website i.e. CDSL 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 the Board of Directors of the Company, on recommendation of the Nomination & Remuneration Committee ("NRC"), at their meeting held on 11th November, 2020 approved the appointment of Mr. Sriram Sankaranarayanan as Additional Director (Independent Category) on the Board of the Company and accordingly, in terms of the provisions of Section 161 of the Companies Act, 2013 ("Act"), holds office up to the date of the forthcoming Annual General Meeting of the Company.

The brief profile(s) of Mr. Sriram Sankaranarayanan are given in the annexure to the Notice.

Members are requested to note that the Company has received a declaration from Mr. Sriram Sankaranarayanan stating that he meet the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Act.

Members are further requested to note that the Company has received notice(s) in writing in terms of the provisions of Section 160 of the Act from Member proposing the candidature of Mr. Sriram Sankaranarayanan as Director on the Board of the Company.

Members are requested to note that it is proposed to appoint Mr. Sriram Sankaranarayanan as an Independent Director on the Board of the Company for a term of 5 years commencing from 11th November, 2020.

In the opinion of the Board, the proposed appointment of Mr. Sriram Sankaranarayanan as Independent Director fulfills the conditions specified in the Act and the LODR Regulations and is independent of the management.

The Board of Directors are of the opinion that the proposed Independent Director possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association with the



Company as an Independent Director.

Members are requested to note that in terms of Section 150 and Schedule IV of the Act, the appointment of Independent Directors is subject to the approval by the Members of the Company.

Except Mr. Sriram Sankaranarayanan none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution(s).

The Board recommends the resolution(s) set out at Item No. 5 of the Notice to the Members for their consideration and approval, by way of an Ordinary Resolution(s).

Item No. 6

Members are requested to note that the Board of Directors of the Company, on recommendation of the Nomination & Remuneration Committee ("NRC"), at their meeting held on 11th November, 2020 approved the appointment of Mr. Sujan Sinha as Additional Director (Non-Executive Non-Independent) on the Board of the Company and accordingly, in terms of the provisions of Section 161 of the Companies Act, 2013 ("Act"), holds office up to the date of the forthcoming Annual General Meeting of the Company.

The brief profile(s) of Mr. Sujan Sinha are given in the annexure to the Notice.

Members are requested to note that the Company has received a declaration from Mr. Sujan Sinha stating that that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Act.

Members are further requested to note that the Company has received notice in writing in terms of the provisions of Section 160 of the Act from Member proposing the candidature of Mr. Sujan Sinha as Director on the Board of the Company.

The Board of Directors is of the opinion that the proposed Director possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association with the Company as Director.

Except Mr. Sujan Sinha, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the resolution set out at Item No. 6 of the Notice to the Members for their consideration and approval, by way of an Ordinary Resolution(s).

Details of Directors seeking appointment/re-appointment at the 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:

Name of Director	Mr. Meghraj Jain	Mr. Naval Maniyar
DIN	01311041	06657440
Date of Birth	25 th June, 1970	18 th December, 1988
Nationality	Indian	Indian
Date of First Appointment	14 th August, 2013	21 st May, 2018
Designation	Managing Director	Executive Director
Qualification	B.Com	Chartered Accountant



<p>Brief Resume, Experience and Nature of his expertise in functional areas</p>	<p>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.</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 is 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>
<p>No. of Board Meetings attended during the year 2019-20</p>	<p>5</p>	<p>5</p>
<p>Terms and Condition of appointment and re-appointment</p>	<p>As per resolution passed by the Members at the 56th Annual General Meeting held on 29th September, 2018 read with explanatory statement thereto, Mr. Meghraj Jain was re-appointed as Managing Director of the Company, liable to retire by rotation, who retires by rotation at this AGM and, being eligible, offers himself for reappointment.</p>	<p>As per resolution passed by the Members at the 56th Annual General Meeting held on 29th September, 2018 read with explanatory statement thereto, Mr. Naval Maniyar was appointed as Executive Director of the Company, liable to retire by rotation, who retires by rotation at this AGM and, being eligible, offers himself for reappointment.</p>



Directorships held in other Companies	1. Woodland Constructions Private Limited 2. Mangal Buildhome Private Limited 3. Chakshu Realtors Private Limited 4. Indtrans Container Lines Private Limited 5. Mangal Compusolution Private Limited 6. Satco Capital Markets Limited	1. Mangal Finserve Private Limited - resigned w.e.f. 10/07/2020
Membership/ Chairmanship of Committees of other Board	None	None
Relationship with other Directors / Managers / Key Managerial Personnel	Not related	Not related
Shareholding in the Company	4114372 Equity Shares	Nil

Name of Director	Mr. Sankaranarayanan Sriram	Mr. Sujan Sinha
DIN	00146563	02033322
Date of Birth	01/08/1968	12/11/1958
Nationality	Indian	Indian
Date of First Appointment	11 th November, 2020	11 th November, 2020
Designation	Independent Director	Non-Executive Non-Independent Director
Qualification	CA, ICWA, CISA and CISM	B. Sc. (Hons – Geology)



<p>Brief Resume, Experience and Nature of his expertise in functional areas</p>	<p>Mr. Sankaranarayanan Sriram 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.</p> <p>He 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.</p> <p>Prior to 2007, he held the positions of Chief Strategy Officer and Chief Technology Officer at M/s. India Infoline group. 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.</p>	<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 & 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 & 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. & 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>
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No. of Board Meetings attended during the year 2018-19	N.A.	N.A.
Terms and Condition of appointment and re-appointment	As per resolution at Item No. 5 of the AGM Notice read with explanatory statement thereto, Mr. Sriram Sankaranarayanan is proposed to be regularised as Non- Executive Independent Director of the Company for a term of 5 (five) consecutive years with effect from 11 th November, 2020.	As per resolution at Item No. 6 of the AGM Notice read with explanatory statement thereto, Mr. Sujan Sinha is proposed to be appointed as Non- Executive Non Independent Director of the Company for a term of 1 (One) year with effect from 11 th November, 2020
Directorships held in other Companies	1. Xtremsoft Technologies Private Limited	1. Transcorp International Ltd. 2. Purecred Finance Private Limited 3. Mindex Fincap Private Limited 4. Stragility Consulting Private Limited 5. Sms Vans Skilling And Advisory Private Limited
Membership/ Chairmanship of Committees of other Board	None	None
Disclosure of relationships between directors interse	Not related	Not related
No. of Equity shares held in the Company	Nil	Nil

Place: Mumbai
Date: 11th November, 2020

Registered Office:
1701/02, A Wing, 17th Floor, Lotus Corporate Park,
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Mumbai-400063, **Tel.:** +91 22-42461300
E-mail: compliance@mangalfincorp.com

**By order of the Board of Directors
For Mangal Credit and Fincorp Limited**

Meghraj Jain
Managing Director
DIN: 01311041

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



Address:

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