



MANGALAM

INDUSTRIAL FINANCE LIMITED

**ANNUAL
REPORT
2016-17**

- : Contents : -

<input checked="" type="checkbox"/> Corporate Information's.	03
<input checked="" type="checkbox"/> Director's Report	05
<input checked="" type="checkbox"/> Annexure to the Director's Report	23
<input checked="" type="checkbox"/> Management Discussion and Analysis Report	40
<input checked="" type="checkbox"/> Code of Conduct	45
<input checked="" type="checkbox"/> CEO & CFO Certificate	45
<input checked="" type="checkbox"/> Auditors' Report on Corporate Governance	46
<input checked="" type="checkbox"/> Auditors' Report on Non-Banking Financial Company	47
<input checked="" type="checkbox"/> Independent Auditors' Report	48
<input checked="" type="checkbox"/> Balance Sheet	58
<input checked="" type="checkbox"/> Profit & Loss Account	59
<input checked="" type="checkbox"/> Notes on Accounts	60
<input checked="" type="checkbox"/> Cash Flow Statements	69
<input checked="" type="checkbox"/> Form SH-13 for registration of Nominee	
<input checked="" type="checkbox"/> E-mail Address Registration Form	
<input checked="" type="checkbox"/> Notes	

Intentionally Blank

Corporate Information's

BOARD OF DIRECTORS

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

REGISTERED OFFICE

"SUBOL DUTT BUILDING"
13, Brabourne Road, Mezzanine Floor, Kolkata-700001 (West Bengal)
Tel.: +91 33 2231 5686
E-mail : mifl_1983@yahoo.co.in; info@miflindia.com
Website : www.miflindia.com

AUDITORS

M/s. Maroti & Associates
Chartered Accountants
9/12, Lal Bazar Street, Block-'E', 3rd Floor, Room No.2, Kolkata - 700 001
Tel. : +91 33 2231 9392 / 9391; Fax : +91 33 2243 8371
E-mail : mkmaroti@gmail.com

BANKERS

HDFC Bank Ltd.

REGISTRARS AND SHARE TRANSFER AGENTS

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

COMPANY SECRETARY

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

Corporate Identity Number (CIN)

L65993WB1983PLC035815

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

Intentionally Blank

Directors' Report

To

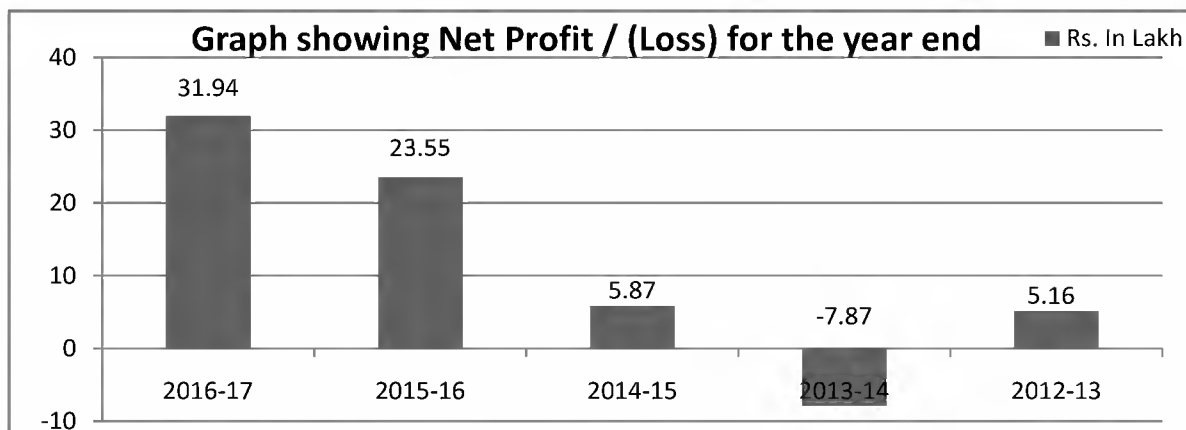
The Members,

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

1. FINANCIAL RESULTS :

(Rs. in Lakh)

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



2. REVIEW OF OPERATIONS & PERFORMANCE & FUTURE OUTLOOK :

In the year under review, the revenue from operations has been increased by 288.26% in accordance with the previous year. However, during the year the operating profit of the Company stands at Rs. 45.55 Lakh as against operating profit of Rs. 34.09 Lakh for the previous year and the total profit of Rs. 31.94 Lakh as against profit of Rs. 23.55 Lakh in the previous year. Further, Your Directors are identifying prospective investments mix strategies that will maximize the revenue of the company during the current Financial Year.

3. DIVIDEND :

Your Directors regrets its inability to recommend any dividend to the equity shareholders for the year in the current financial year.

4. TRANSFER TO RESERVES :

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

5. SHARE CAPITAL :

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

6. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE :

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

7. CORPORATE SOCIAL RESPONSIBILITY :

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

8. RISK MANAGEMENT :

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

9. AUDITORS :

Statutory Audit:-

At the Annual General Meeting, Members will be required to appoint new Auditors for the current financial year 2017-18. The appointment of new statutory auditor for the financial year 2017-18 will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. The Members are requested to consider the appointment of Statutory Auditors of the Company for the current year and authorize the Board of Directors to fix their remuneration.

Secretarial Audit:-

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

Pursuant to the provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. P. D. Rao & Associates, Practicing Company Secretaries (C.P. No. 14385 & Membership Number A38387) to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year ended 31st March, 2017 is annexed herewith as “Annexure - A” to this report. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

10. EXTRACT OF ANNUAL RETURN :

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure - B”.

11. DIRECTORS :

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

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

An Independent director shall be appointed as per the provisions of Section 149 of the Act, and is not liable to retire by rotation. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the company may propose name of requisite numbers of Independent Directors in compliance with the provision of section 149 of The Companies Act, 2013 (The Act) ,who in the opinion of the Board, if fulfill the conditions specified in The Act and the Rules made there under for appointment of Independent Directors and are independent of the management.

12. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- i. In preparation of the annual accounts, the applicable Accounting Standards have been followed.
- ii. The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and Profit & Loss of the company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on going concern basis.
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

13. PERSONNEL :

Human Capital is an important asset for the Company and the Company has taken and shall continue to take adequate steps towards education and enrichment of the human capital. Your Directors place on record the sense of appreciation for the valuable contribution made by the staff members of the company and hope that their continued support will help in achieving the goals of the Company. None of the employees of the company are in receipt of remuneration in excess of the limit prescribed under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (appointment and Remuneration of Managerial Personnel) Rules 2014.

14. ACCEPTANCE OF DEPOSIT :

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

15. LOANS, GUARANTEE OR INVESTMENTS :

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

16. STATUTORY INFORMATION :

Particulars required to be furnished by the companies (Accounts) Rules, 2014:

- | | |
|-------------------------------------|-------|
| 1. Conservation of Energy | : Nil |
| 2. Technology Absorption & Adoption | : Nil |
| 3. Foreign Exchange Earning & Outgo | : Nil |

17. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT :

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

18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

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

19. BOARD PERFORMANCE EVALUATION :

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

20. REMUNERATION POLICY :

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

21. BOARD & COMMITTEE MEETINGS :

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

22. CODE OF CONDUCT :

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