



**MANGALAM INDUSTRIAL  
FINANCE LIMITED**

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# **ANNUAL REPORT**

**2018-2019**



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## Corporate Information's

### BOARD OF DIRECTORS

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

### REGISTERED OFFICE

"SUBOL DUTT BUILDING"

13, Brabourne Road, Mezzanine Floor, Kolkata-700001 (West Bengal)

Tel.: +91 33 2231 5686

E-mail : [mifl\\_1983@yahoo.co.in](mailto:mifl_1983@yahoo.co.in); [info@miflindia.com](mailto:info@miflindia.com)

Website: [www.miflindia.com](http://www.miflindia.com)

### AUDITORS

M/s. R. K. Kankaria & Co

Chartered Accountants

33, Brabourne Road,

3rd Floor, Kolkata-700 001

Tel.: +91 33 2242 5812;

E-mail: [rajesh@rkkco.in](mailto:rajesh@rkkco.in)

### BANKERS

HDFC Bank Ltd.

### REGISTRARS AND SHARE TRANSFER AGENTS

Niche Technologies Pvt. Ltd.

3A Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata 700 017

Tel.: +91 33 2280 6616 / 17 / 18; Fax: +91 33 2280 6619

E-mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

### COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mrs. Namrata Saboo (upto 01.04.2019)

Mrs. Surbhi Raivadera (w.e.f. 08.04.2019)

E-mail : [info@miflindia.com](mailto:info@miflindia.com)

### Corporate Identity Number (CIN)

L65993WB1983PLC035815

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

**Audit Committee**

Chairman	Arun Chakraborty
Member	Pradeep Kumar Daga
Member	Rathindra Nath Ghosh

**Stakeholders' Relationship Committee**

Chairman	Arun Chakraborty
Member	Pradeep Kumar Daga
Member	Rathindra Nath Ghosh

**Nomination & Remuneration Committee**

Chairman	Arun Chakraborty
Member	Sudarson Kayori
Member	Rathindra Nath Ghosh

## Directors' Report

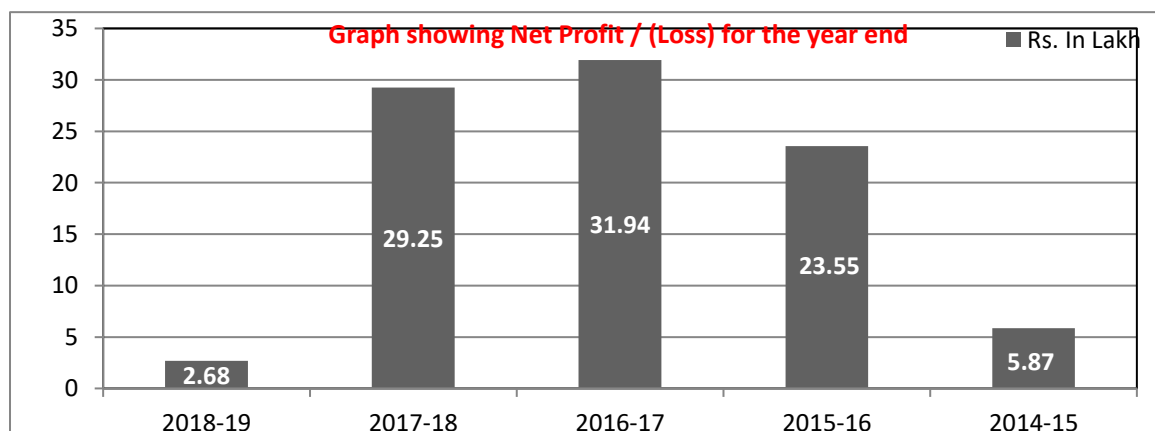
To  
The Members,

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

### 1. FINANCIAL RESULTS :

(Rs. in Lakh)

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



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

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

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

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

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

**4. DIVIDEND :**

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

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

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

**6. SHARE CAPITAL :**

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

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

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

**8. TRANSFER TO RESERVES :**

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

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

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

**10. CORPORATE SOCIAL RESPONSIBILITY :**

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

**11. RISK MANAGEMENT :**

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

**12. AUDITORS :**

***Statutory Audit :-***

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

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

***Secretarial Audit :-***

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

Pursuant to the provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. P D Rao & Associates, Practicing Company Secretaries (C.P. No. 14385 & Membership Number A38387) to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year ended 31st March, 2019 is annexed herewith as "Annexure-A" to this report. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

**13. EXTRACT OF ANNUAL RETURN :**

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

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

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

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

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

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

#### **15. DIRECTORS' RESPONSIBILITY STATEMENT :**

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

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

#### **16. PERSONNEL :**

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

**17. ACCEPTANCE OF DEPOSIT :**

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

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

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

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

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

**20. ENVIRONMENT AND SAFETY :**

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

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

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

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

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

**22. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange and requirements under the Companies Act, 2013, the Report on Corporate Governance together with Statutory Auditors view and management discussion & analysis report regarding compliance of the SEBI code of Corporate Governance is annexed herewith.

**23. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

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

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

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

**25. REMUNERATION POLICY :**

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

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

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

**27. CODE OF CONDUCT :**

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

The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

**28. RELATED PARTY TRANSACTION POLICY:**

The policy regulates all transactions between the company and its related parties. The policy is available on the website of the company (<http://www.miflindia.com/cc/prt.pdf>)

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

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

**30. VIGIL MECHANISM/ WHISTLE MECHANISM POLICY :**

In pursuant to the provisions of section 177 of the Companies Act, 2013 and SEBI Listing Regulations, the Company has a vigil mechanism to deal with issuance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.