

MANGAL

CREDIT & FINCORP LIMITED
(Formerly known as “Tak Machinery and Leasing Ltd.”)

Date: 03.09.2022

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

Scrip Code: 505850
Scrip Id: MANCREDIT

Dear Sir/ Madam,

Sub.: Notice convening 60th Annual General Meeting along with the Annual Report for the financial year 2021-22

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

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

1. Notice of the 60th Annual General Meeting of the Company scheduled to be held on Friday, 30th September, 2022 at 11:00 a.m. through Video Conferencing/ Other Audio Visual Means; and
2. The Annual Report of the Company for the financial year 2021-22;

The AGM Notice and Annual Report for the financial year 2021-22 are also available on the website of the Company at www.mangalfincorp.com.

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

Thanking you,
Yours faithfully,
For Mangal Credit and Fincorp Limited

**BHAVIKA
MEHTA**

Bhavika Mehta
Compliance Officer and Company Secretary

Digitally signed by BHAVIKA MEHTA
DN: cn=BHAVIKA MEHTA, o=MANGAL CREDIT & FINCORP LIMITED, ou=Compliance Officer and Company Secretary, email=bhavika.mehta@mangalfincorp.com, c=IN
Date: 2022.09.03 09:57:00 +05'30'

CIN No.: L65990MH1961PLC012227

**1701/1702, 17th Floor, 'A' Wing, Lotus Corporate Park, Western Express Highway,
Goregaon (E), Mumbai - 400 063.**

Tel : 022 - 42461300 • Website: www.mangalfincorp.com • Email : info@mangalfincorp.com



MANGAL
CREDIT & FINCORP LIMITED

ACCELERATING GROWTH

ANNUAL REPORT
2021-22



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<https://www.mangalfincorp.com/investor/annual-report>

ACCELERATING GROWTH

Catastrophe and Change are commonly portrayed as varying degrees of transformation across time. However, one element that is identical in both cases is opportunity. They both contribute to the emergence of a novel strategy or response, which eventually help progress humankind. Every crisis and transition brings with it new opportunities for development and a fresh outlook. The current circumstances demand caution and appropriate action to ensure the business's adaptability and enable it to sail into the future with accelerated growth.

Mangal Credit and Fincorp Ltd, over the past one decade has been instrumental in crafting products and services that cater to the financial diversity of our customers. Our focus remains on expanding our reach to more people and assisting them with their financing requirements. We are going to be resolute and keep putting our focus on what makes us unique in our effort to expand and accomplish more. It is our specific expertise in this field, the agility and dedication of our teams, our advanced technology, and our prudent approach overall that will help the company to advance in its next phase of growth.

We are also mindful of the opportunities and taking several steps today to strengthen our tomorrow. Some of these are expanding our geographic footprint pan India, building our brand identity, and creating a best-in-class digital infrastructure. Our endeavor remains to build a sustainable business model which can aid our customers for a longer term.





MCFL at a Glance

Starting its journey in 2012-2013, Mangal Credit and Fincorp Limited (MCFL or the Company) is emerging as a trusted non-banking financial company based out of Mumbai, Maharashtra. In last 9 year of its presence, MCFL has emerged as a trusted partner of prosperity among its growing customer base.

Started with its business operations in one state and single branch, the Company has rapidly increased its operations to 3 states (Maharashtra, Gujarat and Rajasthan) with 10 branches as on date (and counting) in last 2-3 years. We are building a robust foundation underpinned by solid core processes, innovative product suite and accelerated investments in digitisation to provide our customers with unmatched experiences.



Our Core Values



Excellence

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



Diversification

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



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.



Customer Focus

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



Transparency

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



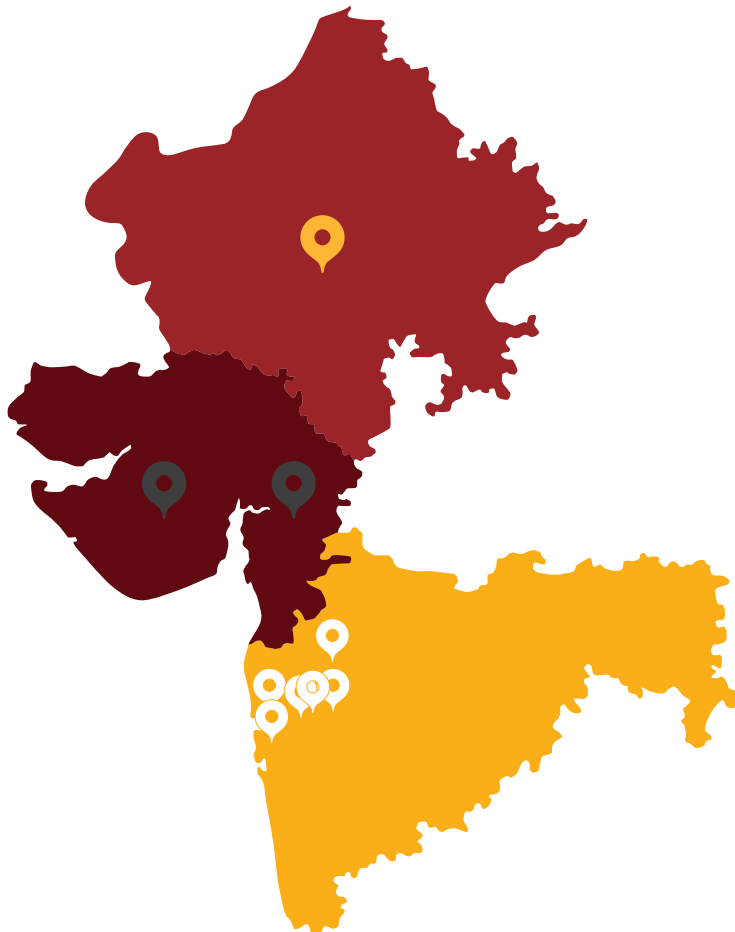
Our Mission

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

Our Vision

- ➔ To contribute to India's growth strong by prevailing accesible financing , especially, to SMEs, MSEs, small business and retail there by releasing Indias limit less geographic & economic potential and to take country's growth to greater heights.
- ➔ To become a one of the most preferred financial services in the co mpany.

Branches



Branches in Maharashtra

- 📍 Goregaon (HO)
- 📍 Malad
- 📍 Vile Parle
- 📍 Virar (2)
- 📍 Pune
- 📍 Vashi

Branches in Gujarat:

- 📍 Surat
- 📍 Rajkot

📍 Rajasthan

Business in numbers



Asset Under Management

₹10,482 Lakhs



Customer Base

957



NNPA (%)

0.54



Branch Offices as on date

10



Net Worth

10,592 Lakhs



Capital Adequacy Ratio

77.67%



Revenue

₹ 1,385 Lakhs



EBITDA

₹ 1,086 Lakhs



Net Profit before OCI

₹ 608 Lakhs



Disbursement

₹ 9,505 Lakhs



Net Interest Income

₹ 1,187 Lakhs



Return on Assets (includes OCI)

5.60%



**We have seen
healthy progress
in numbers and
our operational
performance**



Product Basket



We have created a suite of products differentiated by our effective credit appraisal policies, enhanced level of transparency and a faster turnaround time. Our offerings include SME Loans, Unsecured Business Loans, Loan Against Property (LAP), Gold Loans and Personal Loans.



SME Loans

The Company provides business loans that can be processed with a simple application process and few documents. Thereafter the funds are available for use in very short time. These funds can be utilised for investments in infrastructure, expansion of operations, upgrade to the latest plant and machinery, maintain inventory, or to increase working capital. The Company provides flexible repayment options.

Portfolio as of 31st March, 2022

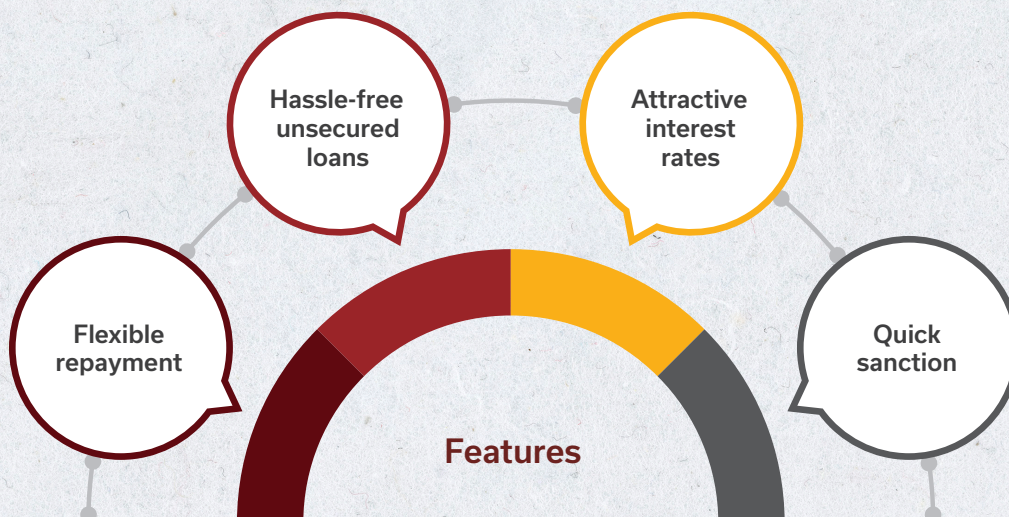
₹61.06 Crores

Ticket Size (In ₹)

From 50K - 50 Lakhs

Tenure

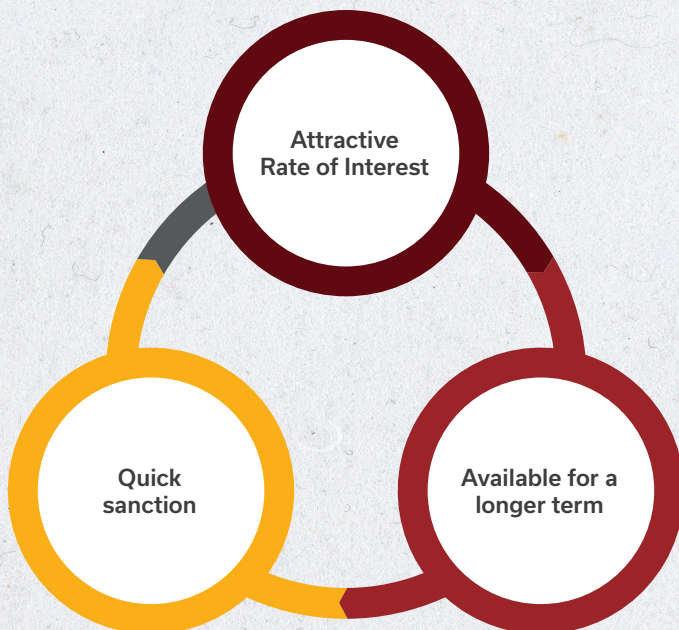
Upto 3 Years





Loan Against Property (LAP)

Loan Against Property serves as a financial assistance to our customers without any hassle-free documentation. The application gets processed within 2-3 days and funds are available to the borrower within a short span of time. These funds can be utilized for business expansion, working capital, personal use, any medical emergency, renovation.



Portfolio as of 31st March, 2022

₹16.69 Crores

Ticket Size

Upto **₹3** Crores

Tenure

Upto **12** Years



Gold Loans

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

Features

Instant fund against
gold jewellery

Attractive loan to value

Highest level of safety of
the deposited jewellery

Nil processing fees

Schemes are customized
as per client requirements

Faster disbursement
process

Tenure: 3 month to 2 years

Nil foreclosure charges

Portfolio as of 31st March, 2022

₹22.25 Crores

Ticket Size

Upto ₹2 Crores

Tenure

Upto 2 Years



Personal loans

The Company's offers personal loan with minimal documentation and speedy approval.

Portfolio as of 31st March, 2022

₹3.72 Crores

Ticket Size

₹5_K
to
₹10 Lakhs

Tenure

Upto **5** Years

Features



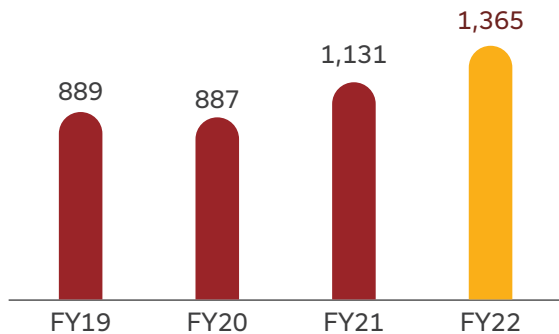
Progressive Numbers



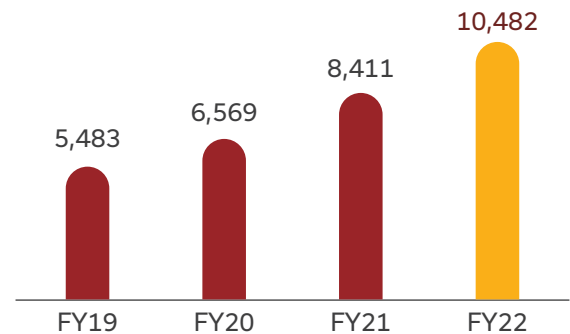
The grit and determination over the last few years and strong business model has resulted into translated efforts for our company



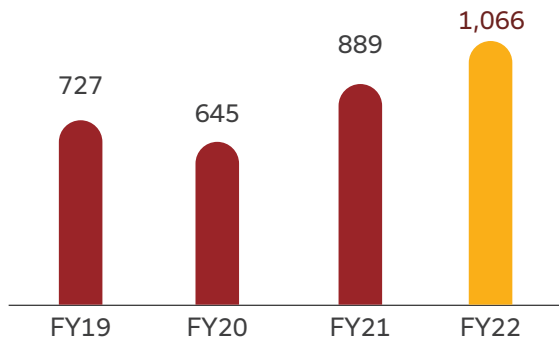
Revenue from Operations (₹ Lakhs)



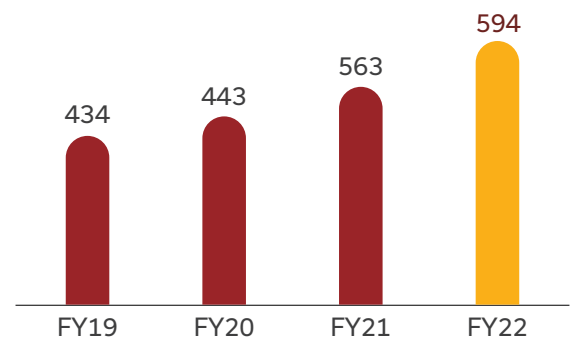
Assets Under Management (AUM) (₹ Lakhs)



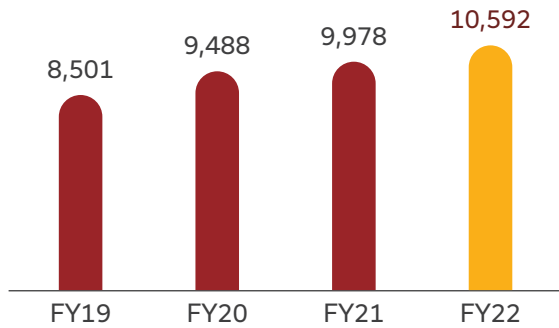
Operating EBITDA (₹ Lakhs)



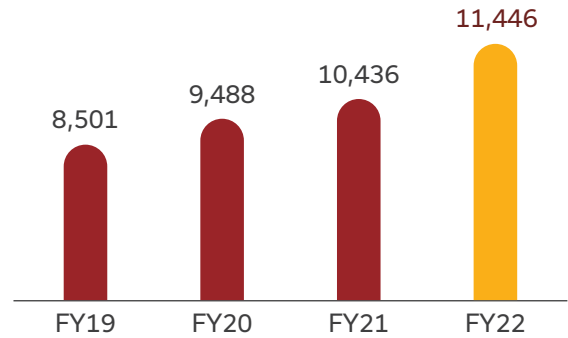
Operating PAT (₹ Lakhs)



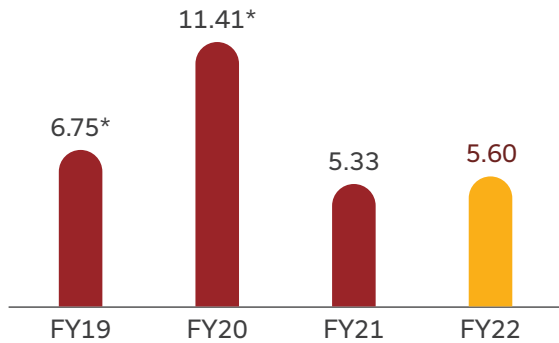
Networth (₹ Lakhs)



Capital Employed (₹ Lakhs)

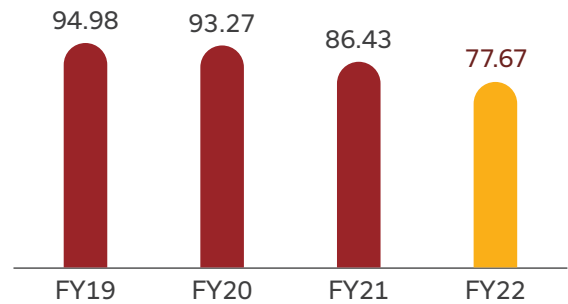


ROA (%)

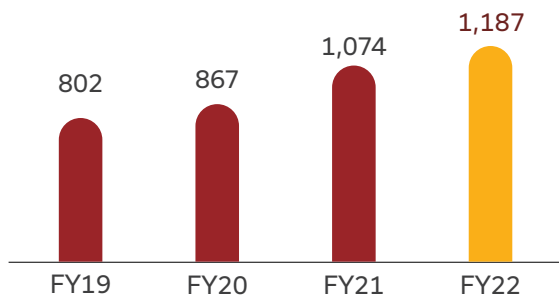


* Includes Exceptional Item

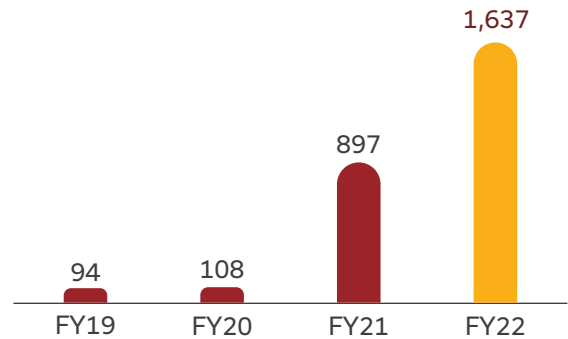
Capital Adequacy (%)



Net Interest Income (₹ Lakhs)



No. of Loans



Performance

Striking Success out of the Vulnerabilities



Credit rating

Our financial discipline and prudence is reflected in the strong credit rating ascribed by Infomerics Valuation & Ratings Private Limited. The credit rating of the company has been upgraded from BBB- / Stable to BBB / Stable on 9th May 2022 for the proposed long term bank facilities which reflects the continued sound financial performance of the company.



Cost Optimisation

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



We have taken concrete steps to ensure the adaptability of our business and move ahead with utmost confidence and optimism



Capital adequacy

As on March 31, 2022, the Capital to Risk Assets Ratio (CRAR) stood at 77.67%, well above the regulatory requirements of just 15%.

(₹ In lakhs)

Particulars	FY 2020-21	FY 2021-22
Tier I Capital	9,937	10,565
Risk Weighted Assets	11,497	13,603
Tier I CRAR (%)	86.43%	77.67%
Overall CRAR	86.43%	77.67%



Agile Risk Mitigation Approach

The Company continuously sharpened its focus on the underwriting and credit risk management practices in tandem with the evolving requirements of the changing economic environment. The effective credit approval mechanisms, credit control processes, audit and risk management processes and policies help us to maintain the desired quality of the portfolio. The Company's NNPA stood at just 0.54% during FY22 with a NPA provisioning of ₹ 81.12 lakhs and total provisioning of ₹ 132.42 Lakhs.



Strategic Priority

Creating sustainable Value



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



Geographic Expansion and Leveraging Technology

At MCFL, we believe in doing things right. We have seen a string of challenges over the last few years and embraced its learnings. These learnings have empowered us to advance strategically and pursue more ambitious goals. Due to our focus on technology, we have been able to quickly scale our operations in the areas of customer experience, process, and risk management.

Through our technology platforms like probe 42, Signzy, Finfort etc, we at MCFL, manage various stages of consumers' financial transactions, from onboarding to customer management. For further expansion, MCFL has opened new branches in the state of Gujarat and shall focus on increasing credit disbursements from our diversified portfolio. Our range of strategic measures will help us implement our plans to expand our presence and invest in business growth through technology adoption and retention and development of talent over the coming years



Capital Raise

Capital forms the key raw material for the Company to drive growth and to expand its business. Having said that, the Company had external borrowing of ₹20.51 crores as on March 31, 2022. The Company has chalked out its borrowing strategy that will help in expanding the current business.

Progress

The Company has proposed a long-term bank facility of ₹70 crores and received an upgraded credit rating of IVR BBB stable, derived from its experienced promoters, comfortable capital adequacy ratio and comfortable capital structure.





Business Expansion

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

Progress

MCFL is among one of the handful players in the country who are able to provide Door to Door Gold Loan.



MCFL Way Ahead

The Company has reported healthy progress across parameters as the operating conditions improved. Healthy economic growth improved resilience resulting in an upshift in the credit growth trajectory. More importantly, the Company's focus will be on accelerating disbursements, maintaining collection efficiency, and continuous improvements in its asset quality.

With India moving towards a digital economy, increased digital usage and availability of innovative business process management solutions has enabled it to provide financial credit to a large number of customers including the rural consumers. Continuing to focus on customer convenience, your Company is very much committed to turn customer experience into customer delight. We will remain determined and keep concentrating on what makes us unique in our effort to expand and accomplish more.

Value Creation Model

Financial

Strong Net worth of ₹ 10,592 Lakhs

Infrastructure

The company expanded its branch network from 1 to 10 branch offices in short span of 2 years across its focus markets.

Intellectual

A decade of strong understanding of customer behaviour and expectations along with strong risk management

Value creation process creation

Our pillars



Vision



Mission

Robust business model focused on value creation

Portfolio

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

Customer profile

Targeting SME, MSE & small business which are growth engine of Indian economy and the under penetrated customer segment having limited or no access to formal credit

Customer centricity

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

Strategic priorities



Geographic
Expansion



Capital Raise



Digitization



Portfolio
Expansion

Financial

Revenue: ₹1,385 lakhs

NII : ₹1,187 Lakhs

ROA (includes OCI) : 5.60%

AUM: ₹10,482 lakhs

Infrastructure

10 branches as on date
(and counting)

Intellectual

Customer Satisfaction

Digital Documentation

Focus Digitization and Working
Forward

Human Resources

Strong team of experienced Professionals

Social and relationship

Building a strong customer base while extending credit support to SME, MSE and small business growth driver of economy



Core values

Processes

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

Businesses



SME loans



LAP



Gold loans



Personal loans

HR Practises

Performance oriented culture

Continuous productivity enhancement

Enabling work culture

Social and relationship

Customers added: 900+

CSR spend: ₹14.28 lakhs



Our Focal Points

Unfolding Growth Latitude



At MCFL, we continue to refine our customer value proposition. Our focus-oriented products and services have enabled us to serve our customers better during their challenging times. We have positioned ourselves to capitalise on opportunities, perform better and strengthen our brand value.



Optimal capital structure

MCFL's capital structure remains comfortable marked by low gearing ratio of 0.19x as on March 31, 2022. Going forward company is planning to borrow funds from the bank to expand its existing business. Strong Debt to Equity and CRAR position would give Company a strong base to raise debt fund in near term.



Diversified portfolio

A journey that started with just offering one product in its basket, MCFL now caters with a diversified product basket offering to its customers including SME Loans, Business Loans, Loan against property, Gold loan and Personal Loans. The driven efforts has certainly resulted in increasing customers and as well helping the nation to make a step ahead in fulfilling its dreams.



Healthy Capital Adequacy Ratio

MCFL's capital adequacy ratio (CAR) remained healthy at 77.67% as on March 31, 2022, as against the regulatory requirement of 15%. The Net worth of the company stood at ₹ 105.92 crores as on March 31, 2022.



Experienced and Reliant Promoters

MCFL is led by a highly experienced team of well-regarded experts in their relevant fields. The promoters and executive team has rich experience in the financial services industry which supports the business profile of the Company. Also, on its board are other experienced professionals who maintain strong oversight on the business, which has helped the Company in placing prudent lending practices.



Fostering Trust

In the last one decade, we have been successful in building a strong brand trust across different regions. We have ensured that our clients remain the most important reason for our existence by designing products that improve customer pleasure. Our priority has always been at being transparent with our customers, provide them loan at competitive rates, easy documentation with zero hidden costs.



Sufficient liquidity and positive ALM

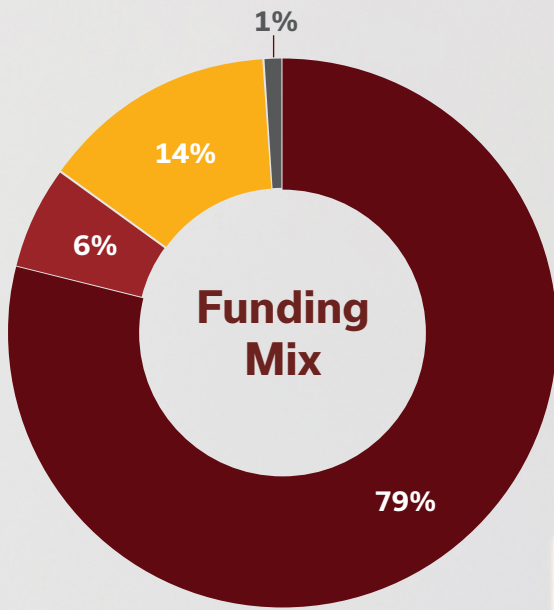
MCFL is well-capitalized to explore expansion prospects due to strong capital adequacy ratio and a positive asset liability management.



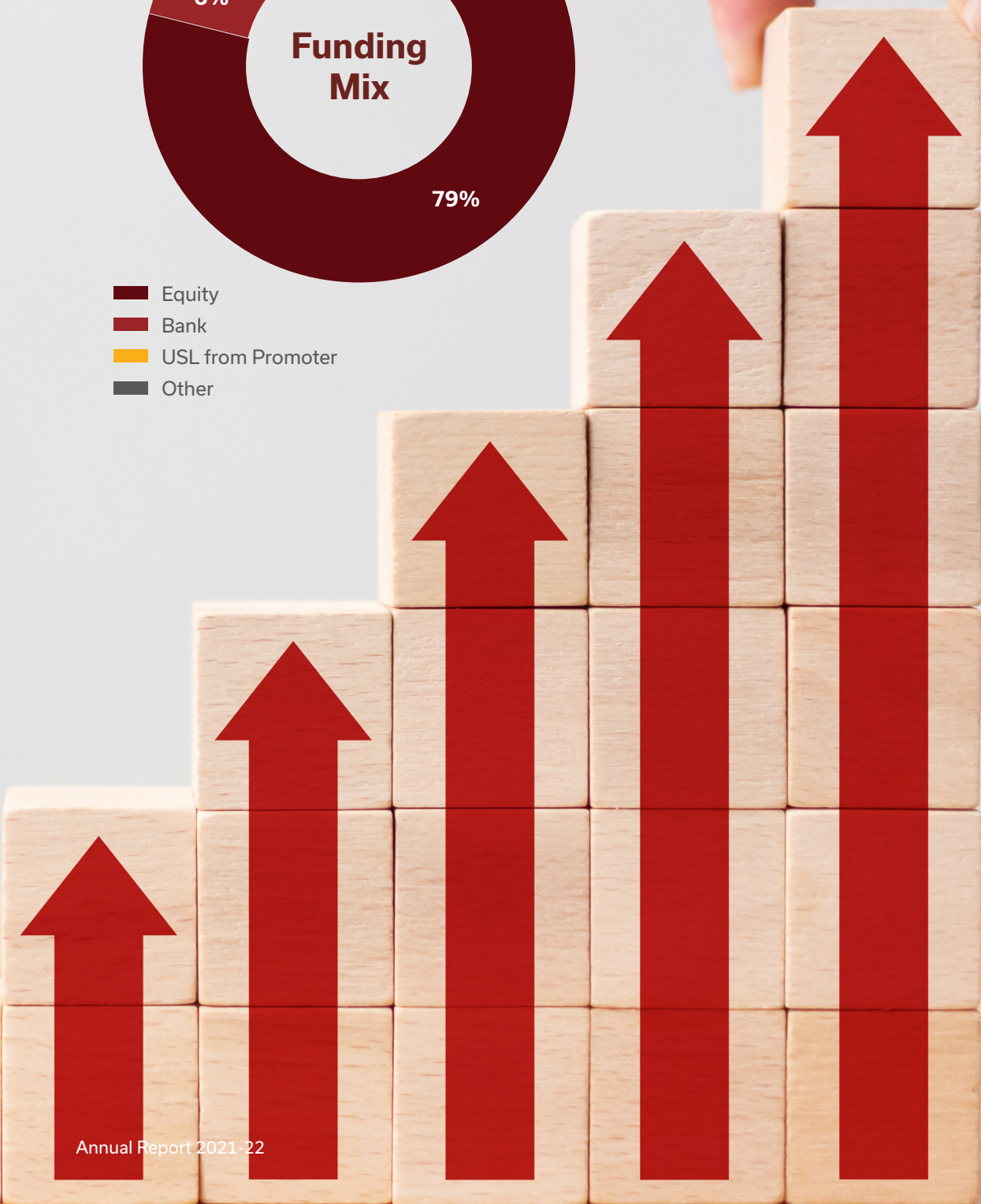
Improving liability profile

We are able to keep our liability profile well-diversified across products and lenders, which protects our company from market volatility.





- Equity
- Bank
- USL from Promoter
- Other





Chairman's Message

Meghraj Jain
Chairman and Managing Director

Dear Shareholders,

I sincerely hope that you and your loved ones are secure and healthy. I want to start by expressing my sincere thanks to governments worldwide and the medical community for their support and fortitude during the Covid-19 pandemic. Our governments launched a wide range of policies aimed at managing disasters and alleviating economic disruptions. The prompt introduction of immunizations, strict controls on the virus's transmission, and efficient patient resources have all contributed to the world's slow return to normalcy.

The outbreak of the pandemic resulted in a series of difficulties that were absolutely unprecedented, making the last two years likely the most difficult in history. It is true to state that no economy in the world, including India, was immune to the shocks it brought about. However I am happy to share that I have a great deal of optimism about the fact that the worst is finally over. The fact that India's economy grew by 8.9% is the quickest among the world's major economies, attests to its impressive resiliency. This was only made possible by the widespread immunisation programme conducted throughout the nation, the incremental lifting of Covid restrictions, and the aggressive policy responses by the Government of India and Reserve Bank of India (RBI). The Aatmanirbhar Bharat package, the Emergency Credit Line Guarantee Scheme (ECLGS), and other fiscal stimulus plans announced by the government are in addition to the accommodative stance on policy that the RBI has established through repo rate cuts, Targeted Long-Term Repo Operations (TLTRO), Special Liquidity Scheme,

Partial Credit Guarantee Scheme and other measures.

In India, gold has always played a significant role in our culture and is frequently seen as a sign of wealth and rank, especially among rural residents and members of lower socioeconomic categories in urban areas. The lower-income households, MSMEs, and SMEs felt the effects of the pandemic's issues the most. These people ultimately turned to gold loans to ease their financial pressures. So, even during this difficult time, there was a sizable demand.

In the Union Budget of 2022-23 MSMEs sector was allocated an Emergency Credit Line Guarantee Scheme (ECLGS) of ₹ 50,000 crore (US\$ 6.55 billion). The Bombay Stock Exchange (BSE) announced in June 2021 that it has partnered with the Electronics and Computer Software Export Promotion Council (ESC) to raise awareness of the benefits of listing among small firms and start-ups. On March 30 2022, the Indian government allocated ₹ 6,062.45 crore (US\$ 808 million) for the scheme Raising and Accelerating MSME Performance (RAMP). The programme aims to improve market and credit access, strengthen institutions and governance at the centre and state levels, improve centre-state connections and partnerships, resolve late payment difficulties, and green MSMEs.

After an uptick in economic activity, the MSME sector is anticipated to revive in the on-demand recovery of FY22. This financial year's rise can be attributed to India's general economy experiencing a more significant uptick. The sentiment of the general business industry has changed, and there is a pent-up demand for the



We were able to report strong performance primarily due to our strong business model, despite the pandemic wreaking havoc on the economy and the lockdown disrupting businesses.



product. The micro, small, and medium enterprise sector is reportedly anticipating a revenue increase of between 15–17%. The MSME sector's annual non-performing assets (NPAs) have somewhat increased over the past two years, with growth observed at about 8.6% in FY19 and 12.5% in FY20. It'll probably remain at or near the same level this year. India's MSME Sector is Expected To Rebound With 15% Growth in 2022.

According to estimates, Loan against Property (LAP) portfolio growth among NBFCs increased by 3% in FY 22. However, many participants switched their attention to non-LAP portfolios in the second half of FY 22, principally due to a normalisation of business activity.

Over the past ten years, Mangal Credit and Fincorp Ltd. has played a key role in developing products and services that meet the diverse financial needs of MSME and SME clients. Our priority is about reaching out to more people and helping them with their financing needs. In our efforts to grow and accomplish more, we will be steadfast and maintain focusing on what makes us special. The company will move forward in its next phase of expansion thanks to our specialised experience in this area, the adaptability and dedication of people, technology and overall cautious approach.

The Company is concentrating its efforts on the MSME and SME financing. The Micro, Small and Medium Enterprises (MSME) sector is a crucial component of the crucial supply chain for goods and services and a very significant aspect of India's historical economic model. This industry is regarded as a job provider and is essential to the industrialisation of rural and underdeveloped areas by creating large-scale employment. The Micro Small and Medium Enterprises (MSMEs) industry makes a significant contribution to the nation's socio economic growth. Due to the sector's contribution to the GDP and exports of India, it has taken on a substantial amount of significance. The sector has also made significant contributions to the growth of entrepreneurship, particularly in India's semi-urban and rural areas. With 72% of payments made digitally compared to 28% of cash transactions, Indian Micro, Small and Medium-Sized Enterprises (MSMEs) are quickly moving away from cash

transactions. Increased digital use offers opportunities for the industry to continue growing.

Despite the development of previously unheard-of headwinds, we persisted in delivering reliable performance. Our gross loan assets under management increased by 25% to ₹ 10,482 Lakhs in the year under review from ₹ 8,411 Lakhs in the year prior. Our average ticket size during the year decreased to ₹ 6 Lakhs. We look forward to build a retail and granular book. During the year under review, our gold loan portfolio grew by 80%, reaching at ₹ 22.25 crores. In contrast to the previous financial year, our profit after tax before OCI climbed by 6.49%. Our total revenue for the year increased by 21%.

The company's geographic area is being expanded with now operations in 3 States via 10 strong branch network and counting. Other developments include targeting SMEs, retail individual loans, small business loans, decreasing total average ticket size, increasing business diversification, receiving additional loan approvals from the bankers, and having the rating upgraded. The company has implemented extensive branding techniques across a variety of mediums, including radio, automobiles and social media platforms.

The greatest asset of our company is the workforce. They have put in a tremendous amount of effort over the past year, as usual. I want to thank all of our employees and their families for their steadfast support throughout these trying times. I want to express my gratitude to the Board for its advice and assistance. Additionally, I want to express my gratitude to all of our clients, lenders, and business associates for their unwavering support. I want to thank you all on behalf of the Board of Directors for your unwavering confidence in us.

Best wishes,

Meghraj Jain

Chairman and Managing Director

Management Team



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



Board of Directors

Mr. Meghraj Jain | Managing Director

- ⊕ Mr. Meghraj Jain, Managing Director, is an entrepreneur and businessman. He is the founder & the promoter of MCFL. He has more than 3 decades of experience in leasing, finance, lending, jewellery, and logistics business.
- ⊕ He hailed from small family from Rajasthan and came to Mumbai with nothing in hand but with the grit and vision, he established Mangal group which is diversified into various business including NBFC, leasing, jewellery, IT related services and others.
- ⊕ He continues to steer the Group in attaining the pinnacle of success.. He has been the guiding spirit of the Company in its transformation as a professionally run conglomerate.

Mr. Manish Rathi | Chief Executive Officer

- ⊕ Mr. Manish Rathi, Chartered Accountant is a Member of the ICAI and pursuing CFA Level III.
- ⊕ He has 17 years of experience with specialization in credit and risk management across products and customer segments covering PAN India and South East Asia etc.
- ⊕ He has distinctive experience in setting up new & profitable/growing businesses, creating teams, developing credit risk policies processes & products, credit monitoring framework and portfolio management.
- ⊕ He also possesses strong experience in delinquency management & Collections, Investor relationship and Fund Raising- debt and equity.
- ⊕ He managed cumulative portfolio of more than \$ 3 billions.

Mr. Nilesh Jain | Additional Director

- ⊕ Mr. Nilesh Jain has 10+ years of professional experience in the financial sector with in-depth knowledge of Gold Loan, Housing Loan, Mortgages, Construction Finance. His area of expertise includes sales, marketing & Strategic planning.
- ⊕ Mr. Nilesh Jain is an MBA

Ms. Nirupama Pendukar | Independent Director

- ➔ Mrs. Nirupama Pendukar 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.
- ➔ Mrs. Nirupama has established business with several banks. She acts as a consultant on Agri-funding, Agri-trading and community based project management.
- ➔ Mrs. Nirupama Pendukar, graduated from Sydenham College of Commerce and Economics, Churchgate, Mumbai. She studied Law from Government Law College, Mumbai

Mr. A. Ramanathan | Independent Director

- ➔ Mr. Ramanathan brings over 4 decades of experience in Management of Rural Financial Institutions/ Micro Finance Institutions/ Training organizations/ Business Schools.
- ➔ Mr. Ramanathan has been associated with NABARD since 1989. Presently he is on the Boards of seven MFIs, one NBFC and one HFC as Independent Director.
- ➔ Mr. Ramanathan, Ramanathan is an MBA from PSG College of Technology (University of Madras) & has done PG from Institute of Development Policy & Management, University of Manchester, UK.

Mr. Subramanyam Ganesh | Independent Director

- ➔ Mr. Subramanyam brings over 25 years of rich experience in Loan Syndication & arranging of funds from FI for Corporate borrowers, private placement of Equities & Debt with FI's & Fund Houses.
- ➔ He is heading auditing and consulting firm S. Ganesh & Associates* having operations in Mumbai.
- ➔ Mr. Subramanyam is a Chartered Accountant and runs his own practice since 1991

Mr. Sriram Sankaranaryanan | Independent Director

- ➔ Mr. Sriram Sankaranaryanan is the CEO of a software services company since 2007, specialized in creating innovative, cutting edge software, using latest technologies, in the fast-paced Stock Broking segment
- ➔ Mr. Sriram Sankaranaryanan started his career with Hindustan Lever in 1989. He has more than three decades of varied experience in finance, accounting, equity/sector research, IT Management.
- ➔ Mr. Sriram Sankaranaryanan is a Chartered Accountant. In addition he also a qualified Cost Accountant, Certified Information Systems Auditor and Certified Information Security Manager.

Mr. Sujan Sinha | Non-Executive Non-Independent Director

- ➔ Mr. Sujan Sinha, (born 12th November 1958) is a senior finance professional, with more than 3½ decades in the industry, having worked for banks and NBFCs, primarily in the retail field.
- ➔ He spent more than 14 years with SBI, gaining considerable experience in branch banking, personnel administration as well foreign exchange dealings.
- ➔ Mr. Sinha Graduating from Calcutta (Kolkata) University in Geology.

Corporate social responsibility



**Vaccination drive Photos done
at Lotus corporate park at HO**

**Developing
School in
Shishoda
Rajasthan**



Corporate Information

Board of Directors

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

Chairman and Managing Director
(DIN: 01311041)

Mr. Naval Maniyar

Executive Director & CFO
(DIN: 06657440)
(resigned w.e.f 05/03/2022)

Mr. Nilesh Jain

Additional Director
(w.e.f 30/10/2021)

Mr. Ramanathan Annamalai **A** **N**

Independent Director
(DIN: 02645247)

Mrs. Nirumpama Dattatraya **A** **S** **N** **C**

Independent Director
(DIN: 01605060)

Mr. Ganesh Subramanyam **A** **S** **N** **C**

Independent Director
(DIN: 01718431)

Mr. Sriram Sankaranaryanan

Independent Director
(DIN: 00146563)

Mr. Sujan Sinha

Non-Executive Non-Independent Director
(DIN: 020033322)

Auditors

M/s MGB & CO. LLP,
Chartered Accountants

Bankers

Axis Bank
HDFC Bank
Bharat Bank
Federal Bank
South Indian Bank
City Union Bank

Key Managerial Personnel

Mr. Meghraj Jain

Chairman and Managing director

Mr. Manish Rathi

Chief Executive Officer
(w.e.f 01/04/2022)

Mr. Naval Maniyar

Chief Financial Officer
(resigned w.e.f 5/3/2022)

Ms. Supriya Agarwal

Company Secretary & Compliance Officer
(resigned w.e.f. 31/05/2022)

Ms. Bhavika Mehta

Company Secretary & Compliance Officer
(w.e.f 25/07/2022)

Listing on the Stock Exchange

Bombay Stock Exchange (BSE)

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

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

Committees

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



Management Discussion and Analysis

Mangal Credit & Fincorp Limited (MCFL) is a non-deposit taking and non-systemically important NBFC Registered with Reserve Bank of India (RBI). The company has a diversified portfolio across MSME, SME, Small Business, Individual and Retail customers. The company specializes in SME Loans both secured and unsecured, Loan Against Property, Gold Loan and Personal loan. The cumulative asset under Management of the Company for Financial Year 2022 stood at 10,482 Lakhs and CRAR was of 77.67% as on 31 March 22 which is well above the regulatory requirement

The COVID-19 Pandemic

The first half of the Financial Year 2022 was again significantly impacted by the COVID-19 pandemic as new waves of infection, widely known as Delta, swept across the world as well as India. The second wave proved far more lethal than the first that struck in 2020. After a shaky start in some places, the vaccine immunization program by the Indian Government and Governments across the world has been exemplary. The massive efforts by the Government Globally and Locally saved lives and livelihood.

The highly transmissible variant 'Omicron' in early January 2022 (the third wave) spread rapidly across the world. During this wave, India's daily number of reported cases peaked to nearly 3.5 Lakhs on 20 January 2022. Faced with the prospect of yet more lockdowns, there was fear that the world would face yet another year

of slow economic growth. Fortunately, while highly transmissible, Omicron was not as lethal as Delta. So, while many got infected, the fatality rate was fortunately low.

The world did not see a re-run of massive drop in GDP as witnessed in the financial year 2020-21. Thanks to a huge vaccination drive and the preparedness to deal with COVID-19 as a way of life, people, firms and both the Central and State Governments sensibly dealt with the virus. Consequently, the strong link between COVID-19 waves and fall in GDP growth seem to have considerably reduced. As long as the new variants are like Omicron, we should have less to worry about mass hospitalizations, high mortality, multiple lockdowns and lower growth. The pandemic also gave the world an opportunity to reinvent itself to adapt to new ways of life and business. The COVID-19 pandemic was a real test of resilience and agility for every business. Entities and person that have successfully adapted the challenges thrown by COVID-19 have become more resilient and prepared to weather future disruptions.

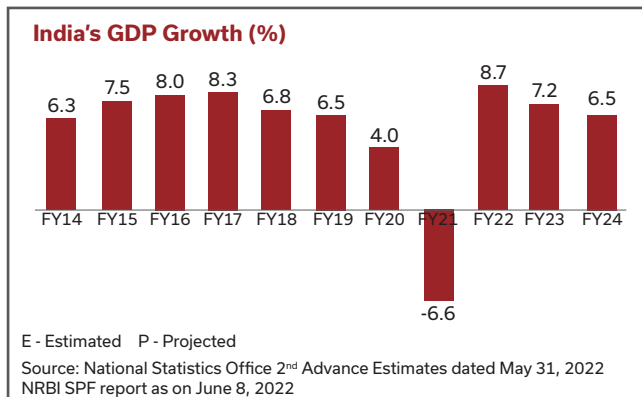
Macro-Economic Overview

Indian Economy – continues to be resilient

India continued to make a substantial contribution to the global economic recovery. According to the Central Statistics Office's second advance estimates of national income for FY2022, which were announced on February 28, 2022, GDP growth will be 8.9%. Estimates

Accelerating Growth

of sectoral growth reveal that all three industries—agriculture, manufacturing, and services—grew strongly. The economic production of all three sectors in absolute terms exceeded FY2020 pre-pandemic levels. Real GDP growth of 7.2% was forecast by the RBI in its monetary policy report on 8 April 2022 for the fiscal year 2022–23.

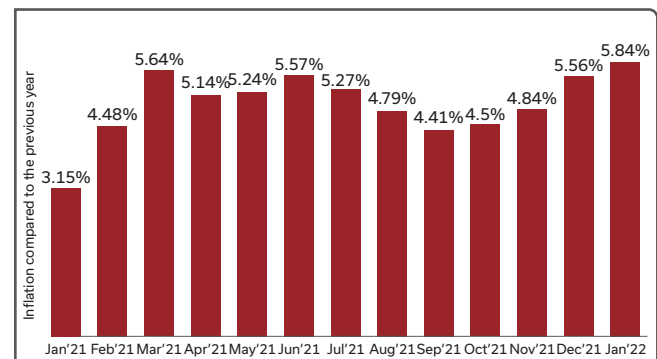
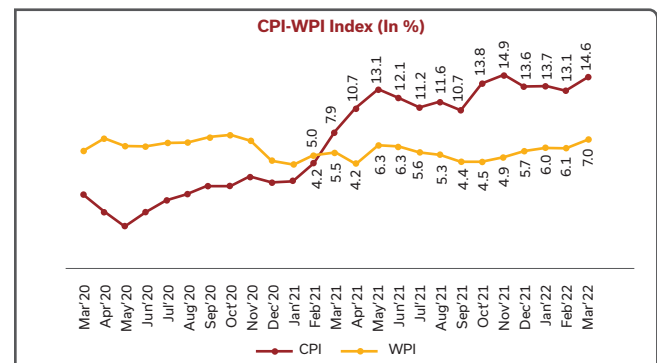


Although private consumption spending barely surpassed pre-pandemic levels in FY 2022, increases in government spending and gross fixed capital formation more than made up for the muted private spending. The estimated compound annual growth rate for capital expenditures through FY2020 is 28%, while revenue expenditures are expected to remain at 12%. According to the budget, such capex-driven development would put India on a growth path even at the expense of a fiscal deficit of 6.4% in FY2023, which would be on top of 6.8% in FY2022. The GST revenue, which climbed in FY2022 by over 30% to 14.83 lakh crore and signifies resurgence and growth momentum, is a solid indicator of the country's growth and economic recovery.

In the Union Budget 2022, our government projected Indian economy to grow by 9.2% in current fiscal further emphasizing that India will be growing at fastest pace among all major economies. The budget also laid emphasis on to provide support to MSME sector with measures like extension of ECLGS scheme and integration of digital portals among others. Higher allocation towards capex of ₹ 7.5 lakhs crore will aid the industry in sustaining. The overall focus of the budget is to nurture growth. New and ambitious targets are taken up by India in the green economy and tech industries. The four key pillars for development that have been chalked out are inclusive development, productivity enhancement, energy transition, and climate action.

The COVID impacted the Global and Domestic production and supply chain which led to increase in energy and fuel prices, commodities prices, various input and freight costs etcetera triggering higher inflation which became a problem worldwide. The Russia-Ukraine war

has further exacerbated and elongated the disruptions. The economic fallout from the conflict continue to depict a turbulent backdrop of global inflationary pressures and disrupted supply chains. Retail inflation in India, as measured by the Consumer Price Index (CPI), increased from 5.66% in December 2021 to 6.95% in March 2022. While food prices eased in later period, fuel inflation remained high and is still a major source of concern. To tame inflation RBI is now taking required action via monetary and fiscal policies including increasing interest rates. The chart below shows India's Inflation Rate and Wholesale Price Index –



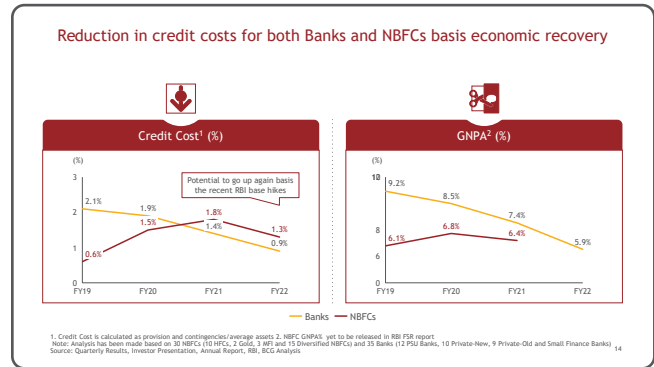
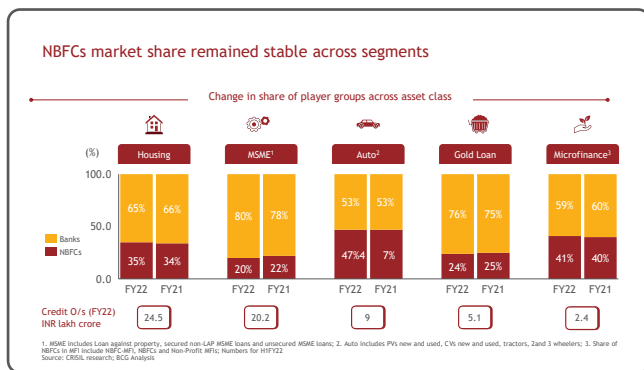
Source: RBI and Government of India (GOI) data and Statista 2022

The India Economy continues to fare well due to its consumer-driven economy and on account of strong measures by Government and RBI like Moratoriums 1.0 & 2.0 scheme, Emergency Line of Credit Scheme, Loan restructuring and resolution schemes, key policy rates were reduced and kept unchanged during COVID period to support economy and boost growth and now increasing key policies rates to tame inflation. Overall, the Indian economy is prepared to face the challenges posed by such pandemics and global uncertainties. However, one must be prepared well to faces such unprecedented challenges including Geopolitical situation in future.

Industry Overview

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs are leveraging their superior understanding of regional dynamics and customized products and services to expedite financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt service standards have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, they are well-suited to bridge the financing gap in a large country like India. Systemically Important NBFCs have demonstrated agility, innovation, and frugality to provide formal financial services to millions of Indians.

As of 31 March 2021, the NBFC sector (including HFCs) had assets worth more than 54 lakh crore, which is equivalent to nearly 25% of the size of the banking sector's balance sheet, up from 12% in 2010. The assets of NBFC have increased at a cumulative average growth rate of 17.9% during the last five years. As of 30 September 2021, NBFCs had gross payables of 12.06 lakh crore and gross receivables of 1.65 lakh crore, making them the largest net borrowers of funds from the banking system. NBFCs' growth in credit delivery as a percentage of GDP increased from 8.6% in FY2013 to 13.7% in FY2021. According to the RBI report, the credit growth for NBFCs increased from 7.2% YoY in FY 2020 to 9.7% in FY 2021. The credit to GDP ratio for NBFCs also increased, going from 50.6% in FY 2020 to 54.8% in FY 2021. The overall Key Performance Indicators of the NBFC sector remain strong and healthy and indicate even higher potential in the years to come.



Source: BCG report as on June 2022.

Further given the systematic importance of the Sector in overall financial system, RBI has come with various regulations in last 2 years to strengthen and overhaul the overall sector including scale based regulations for NBFCs, framework on digital lending, revised master directions on transfer of loan assets and securitization etc. The objective of these regulations is to ensure availability of adequate capital to support and encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing their risks. RBI's implementation of these regulations at prompt times would certainly strengthen the framework and processes of NBFCs so that they operate in a healthy environment in recent times.

The Company – Poised to Grow

The company continue to focus and strengthen its presence in extending credit and financial facilities to SME & MSE segment, Small Businesses, Retail and Individual Customers and Gold Loans. The company is achieving growth on following pillars - increasing branch and geographic presence, new product offerings, increasing customer base and enhancing use of technology as enabler.

While the pandemic induced disruptions continued in FY2022 as Delta in first half of the financial year and then as Omicron in second half of the year, its impact on the company operation and performance was limited. As we all are learning and rising from the scars of the COVID, economic slowdown and global uncertainties, your company is working hard to strengthen its growth plan and has been vigilant to implement its nuanced strategy focused on new business acquisition and expansion.

Despite the COVID and continued disruption in business in the first half of the year, the company was able to control its credit costs, kept sufficient liquidity, recorded a growth of 25% in AUM and 6.49% in profit after tax

before OCI. Return on average total assets (ROA) for FY2022 was 5.60% which is one of the best in Industry. It remains well capitalized with a capital-to-risk weighted asset ratio (CRAR) of 77.67% as on 31 March 2022, making it among the best capitalized NBFCs in India.

The company given its deeply embedded risk culture and robust risk management practices was able to improve its portfolio quality as of 31 March 2022 despite repeated waves of COVID-19 in last 2 years. The Company's Gross NPA stood at 1.31% and Net NPA stood at 0.54% as on 31 March 2022 compared to GPNA of 1.33% and NNPA of 1.12% as on 31 March 2021. The asset quality of the company is one of the best in the industry. Further using its robust risk management and portfolio monitoring framework, the took enhanced credit costs to supports its future growth. It holds a management overlay provision of ₹ 15.35 Lakhs as on 31 March 2022 as it plans to grow multi-fold in coming years.

The performance highlights for FY2022 are given below:

- ⊕ Customer franchise grew by 1400% plus in last 2 years.
- ⊕ Assets under management (AUM) increased by 25% to ₹10,482 Lakhs in FY 2022.
- ⊕ Total income increased by 21.34% to ₹1,385 Lakhs
- ⊕ Net interest income (NII) rose by 11% to ₹ 1,187 Lakhs
- ⊕ Operating expenditure to NII stood at 27%
- ⊕ Profit after tax before OCI increased by 6.49% to ₹608 Lakhs
- ⊕ CRAR of 77.67% as of 31 March 2022 one of the best in Industry and is well above the RBI norms.

Strategy – The way forward

Your company is almost a decade old NBFC and has successfully sailed through several economic ups and downs including recent sever downturn due to COVID pandemic. The company over the last 2-3 years has transformed itself from single product lender to a diversified financial service provider with focus on extending financial services to Small business, SME, MSE, Individuals and Retail sector. Over the next few years, the company intends to become a dominant financial services company in India. The company is investing time and energy in making significant structural changes to its technology stack to evolve itself into a customer centric digital enterprise with sight on holistic growth.

In FY2022, the Company made significant progress in the following domains

Geographic expansion

Started with its business operations in one state and single branch, the Company has rapidly increased its operations to 3 states (Maharashtra, Gujarat and Rajasthan) with 10 branches as on date (and counting) in last 2-3 years. Further now company operates through both direct & distributor channels and physical as well as digital channel. With focus on growth and expansion, the Company in the next 12-18 months year intends to increase the number of branches to 25 and increase its presence and penetration in Tier 2 and 3 cities in these states. The expansion would help the company to provide credit access among the urban and rural masses

Single product offering to diversified Financial Services suit

Began with just one product in its basket, MCFL now caters with a diversified product basket offering to its customers including SME Loans, Business Loans, Loan against property, Gold loan, Diamond Loan and Personal Loans. The company has been able to create a diversified portfolio over last 2-3 years with 16.09% LAP, 58.87% SME Loans, 21.45% Gold Loan and 3.59% Personal Loans as on 31 March 2022. Further, more than 80% of loans are extended to support MSE/SME which are driving engine of Indian Economy. The company plans to further increase its products offering significantly over next 12-18 months including fees based financial services like Insurance, Forex, Money transfer etcetera to its customers.

Increasing Customer Franchise

The company with; revived thrust on business has increase in geographical and digital presence, diversified product offerings and high level of customer service standards; is able to increase its customer base by extraordinary rate of 1500% plus in last 2 years. The Company is not only expanding its market size but also attracting market share from unorganized players at a rapid pace. It is well positioned to address the credit gap across different customer segments. The share of customers new to credit avilment has increased, indicating rising penetration of SME, Small business and Retail loans provided by the Company.

Digitization – investing in technology to and mobile app

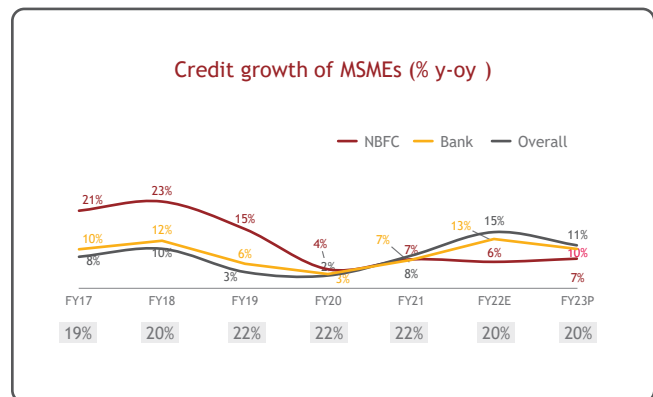
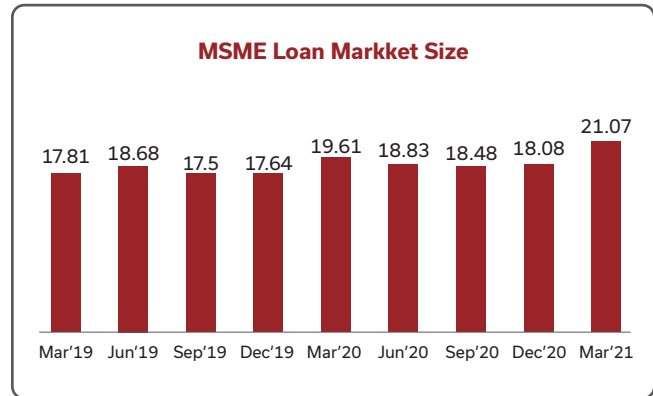
The Company has initiated an enterprise-wide digital transformation journey. The approach will include four focus areas: digitizing operations for scalability, mobile interfaces for customer service, unified data architecture and analytics for a single customer perspective and utilizing new technologies. The Company is also investing in technological platforms and applications which can allow customers to digitally apply for a loan, door to door lending, complete e-KYC, faster turnaround time and track all transactions. The Company believes that the true potential can be unlocked by digital transformation and consistently focusing on technological prowess in accordance with the industry's current trends.

Business Overview

MSE and SME Business – Driving engine of Indian Economy

The MSME sector, which consists of 6.3 million units and employs more than 11 Crores of the Indian population, contributes to more than 28% of the country's GDP and one of the largest contributors in exports. The Government continue to support the sector through budget allocations, policies, and initiatives. The Indian government committed ₹6,062.45 crore (US\$ 808 million) on March 30, 2022 for the Raising and Accelerating MSME Performance Program (RAMP). The initiative intends to increase market and credit access, promote Centre-state links and cooperation, address issues with late payments, and green MSMEs. The Pradhan Mantri MUDRA Yojana (PMMY) scheme had approved 48.92 million loans as of March 2022, disbursing a total of ₹3,02,948.49 crore (US\$ 39.90 billion). MSMEs were given an Emergency Credit Line Guarantee Scheme (ECLGS) budget of ₹50,000 crore (US\$ 6.55 billion) in the Union Budget for 2022–2023. The Government E-Marketplace (GeM), owned and operated by the government and where Ministries and PSUs (public sector undertakings) source their procurement, is an e-commerce platform where MSMEs are encouraged to promote their products. As of March 24, 2022, the GeM site had fulfilled 9.63 million orders totaling ₹219,071 crore (US\$ 28.70 billion) for 59,259 buyer organizations from 4 million registered sellers and service providers.

The chart below provide details of growth in credit to MSMEs by Banks, NBFC and overall –



Key MSME Status

Key MSME States	%Share
Maharashtra	20.32%
Tamil Nadu	20.67%
Gujarat	8.08%
Uttar Pradesh	7.86%
Rajasthan	7.72%

Source: BCG report as on June 22, RBI, CRIF report FY 21 and www.msme.gov.in.

The company specializes in lending to MSE and SME sector including small businesses. The company has expanded its operations from one state to three states i.e., Maharashtra, Gujarat and Rajasthan which are among the top five MSME states in India and account for 36% of Registered MSMEs. The company has total portfolio outstanding to MSE & SME segment is around ₹ 82.99 Crores which accounts for 80% of total AUM of the company. Further the company's collection efficiency and delinquency in this segment remains robust which is reflected in the overall delinquency numbers of the company.



Loan against Property (LAP)

The LAP segment is anticipated to perform better in FY 23 due to strengthening of the economy and lenders' favorable attitude toward mortgage-based lending. Further Due to the unanticipated risks in other segments, non-bank lenders favored mortgage-based lending coupled with cash-flow based lending approach. LAP portfolio of NBFCs was estimated at ₹ 2.5 Lakhs crores as of FY21. For Non-banks where the segment witnessed a double digit CAGR of 12% between FY17 and FY20. According to a report by CRISIL, the asset under management of NBFCs is predicted to increase 8-10% in the fiscal 2023 due to an uptick in economic activity and enhanced balance sheet buffers.

The company has expanded its footprints to 3 states via 10 branches (and counting) and is targeting Tier 2 and 3 markets in these states to increase its LAP portfolio. The company presence in top 3 MSME market with focus to extend credit to MSME and small businesses in Tier 2 and 3 markets should naturally help it to grow its LAP portfolio as borrower in these markets are unorganized, unstructured and with deficient papers are unable to raise money without collateral further offering property as security help borrowers to get better rate and longer tenure. Under this channel the company offers loans customized loans as per borrower requirement with flexible terms and easy repayment options at attractive rate of interest. The total portfolio outstanding under LAP stood at ₹ 16.69 Crores as on FY 2022. Further company collection efficiency and delinquency in this segment remains robust which is reflected in the overall delinquency numbers of the company.



Loan against Jewellery and Gold loan

Gold maintains a special consideration among Indian households as the primary sign of financial wellbeing and the abundance of gold assets is considered as indication of the high social stature of families. While gold is an especially liquid asset, the affinity of the Indian population towards the metal means that people rarely sell gold assets in the times of financial hardships and instead collateralize it in exchange for short term credit. The Indian gold market is one of the largest in the world, rich in heritage, steeped in tradition and a central part of our culture and customs. According to the World Gold Council, Indian households have US\$1.5tn of gold, of which only 10% is used for financing. While in recent years, there has been a growth in the formalization of gold loans in India, a large segment of the market is still unorganized in nature. The rising levels of urbanization has helped organized players such as Banks and NBFCs in expediting the formalization of gold loans across rural regions through the setup of newer branches, launch of new digital products and more importantly offering rural customers more favorable interest rates and customer service as compared to unorganized players such as pawn brokers and money lenders. The Gold Loan AUM of Banks and NBFCs is estimated at Rs.5.1 trillion. The organized Gold Loan market in India grew by 20% between FY18-21 and by 13% in FY22. The share of NBFCs is estimated at 40-50% and Banks is estimated at 50-60%. Further organized market is estimated to just 35% of overall Gold Loan market the remaining 65% is dominated by local jewelers, pawn dealers and money lenders.

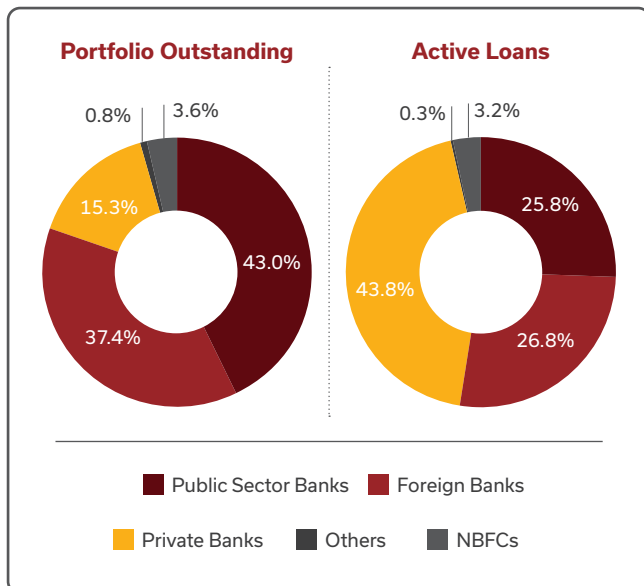
MCFL entered the Gold Loan Business in calendar year 2021 and within a short span it has made significant progress. The company is among very few companies who are able to offer Gold Loan through all available channels including Loan at Home Model, Digitally, and via Branches. The total Gold loan portfolio outstanding as on 31 March 2022 was ₹ 22.25 crore. The company is expected to grow its Gold loan portfolio rapidly in

next couple of years to its multi-channel presence and increase in branch presence.

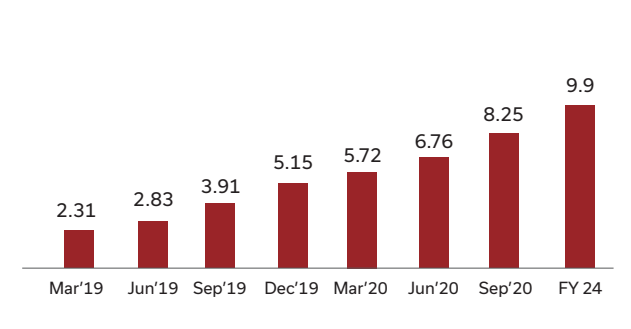


Personal Loan

The market for large-ticket personal loans is managed by Public Sector and Private Banks, whereas the market for small-ticket personal loans is dominated by NBFCs. From FY17 to FY21, originations of Personal Loans increased by 2.3 times in value and 3.8 times in volume, whilst Small Ticket Personal Loan originations increased by 3 times in value and 11.5 times in volume. The overall delinquency in this segment is under control as per CRIF report, PAR 31-90 DPD (days past due) of Personal Market stood at 2.2% in FY21. The personal loan market size is projected to grow ₹ 9.9 Lakh crore by FY24 from ₹ 6.76 Lakh crore in FY22. The below chart provides details on lender wise market share of Personal Loan market and overall size and projection of Personal Loan market AUM (source CRIF):



Personal Loan Market Size & projection (INR Lakh Crore)



Source: CRIF Report FY21

The company is extending personal loan to various sets of customers including self-employed person, professionals and salaried people on attractive terms. The company has strong policies and collection in place for Personal Loans which is reflected in its portfolio quality. The total Portfolio outstanding under personal loan segment is ₹ 3.72 Crores as on 31 March 2022. In near term the company is planning to launch Digital personal loans which are 100% automated with state through processing and with minimal human intervention.

FINANCIAL PERFORMANCE

Table below gives Company's financial performance for FY2022 vis-à-vis FY2021

Particulars (₹ in Lakhs)	2021	2022
Total Revenue from Operation	1,141	1,385
Interest Income	1,060	1,304
Interest Expense	57	178
Total Operating Expenditure	219	299
Profit Before Tax	818	868
Net profit after tax before OCI	571	608
Total PAT Inclusive OCI & Exceptional Item	586	711
EPS (In Rs.)	2.96	3.15
Networth	9,978	10,592
Cash and Cash Equivalents	40	141
AUM	8,411	10,482

KEY RATIOS

Table below gives a summary of key ratios for FY2022 vis-a-vis FY2021

	2021	2022
CRAR	86.43%	77.67%
Debt to Equity	0.09X	0.19X
Interest Income to Average Loan assets	14.37%	14.01%
Total Operating Expenditure to Average AUM	2.93%	3.16%
ROA	5.33%	5.60%
GNPA	1.33%	1.31%
NNPA	1.12%	0.54%
Provision Coverage Ratio (PCR) Includes *Management Provision	34.96%	97.46%*

Risk Management

Being a NBFC, MCFL is exposed to credit, liquidity, operational, market including interest rate risk. It continues to invest in talent, processes and emerging technologies to build advanced risk management capabilities. Over years, sustained efforts to strengthen its risk framework have resulted in stable risk metrics and financial position of MCFL.

MCFL promotes a strong risk culture that is embedded across the organization. At the top, the Board of Directors has established a Risk Management Committee (RMC), which assists the Board in maintaining oversight and review of the risk management principles and policies, strategies, risk appetite, processes and controls. This is enabled by a robust governance system and review mechanisms which include quarterly risk management review. The COVID-19 pandemic tested the Company's risk management and debt management services framework through its severe impact on life and livelihood. The company not only able to improve its portfolio quality during COVID-19 but was also able to grow its AUM which reflects that its risk management practices are working in right direction.

Credit Risk

MCFL has a strong governance framework and ensures that the Board of Directors and its committees approve risk strategies and delegate appropriate credit authorities. Its robust underwriting practices and continuous risk monitoring ensure that portfolios stay

within acceptable risk levels. The company has invested in credit risk including dedicated credit underwriting team, fraud control unit, and data analytics.

The fraud control unit is responsible for preventing frauds perpetrated by customers, sourcing channels and internal employees either alone or in connivance with others. It ensures that most fraud checks are performed well before any disbursement of loan. The fraud rules are periodically updated based on emerging learnings.

In a calculated way during the year, the Company continues to relax the underwriting norms it had tightened during the first wave. The gradual relaxation of underwriting and sharp vigilance on portfolio quality have ensured that risk performance of portfolio remains in line or even better than the pre-covid metrics.

Given strong credit and risk practices, the company AUM grew by 25%, reported a PAT before OCI growth of 6.49% and GNPA and NNPA reduced by 24% & 40% respectively in FY 2022.

To sum up, the Company's balanced approach to portfolio management coupled with rigorous portfolio review has enabled it to identify early warning signals and take corrective actions. MCFL has maintained a healthy new business portfolio quality and taken risk mitigating policy actions with agility and precision. Further with total PCR of 97.46% (incl. management provision of Rs.15.35 Lakhs) the company has entered in FY 2023 with healthy financial position and risk metrics.

Liquidity Risk

MCFL manages its liquidity risk in accordance with its Board approved Liquidity Risk Management Policy which incorporates the stipulations laid down by the RBI. The policy framework and the operational parameters are regularly reviewed by the Asset and Liability Management Committee (ALCO) setup in line with guidelines issued by the RBI, which ensures that there are no material imbalances or excessive concentrations on either side of the balance sheet. The Company follows a prudent approach for managing liquidity and ensures availability of adequate liquidity buffers to overcome mismatches in case of stressed market environment.

MCFL regularly monitors the gap between maturing assets and liabilities in the near term and across all time buckets. The Company's robust liquidity management framework ensured that it had enough liquidity throughout FY2022 to meet its debt service obligations and balance sheet growth.

The Company's consolidated total external borrowing was ₹20.51 crores as on 31 March 2022 and net owned funds stood at ₹105.92 Crores.

Table below gives the maturity pattern of MCFL's asset and liabilities; and depicts its prudent approach towards ALM management. As can be seen, MCFL has maintained significantly cumulative positive ALM position across all

buckets including the 1-7 days, 8-14 days and 15-31 days, while the extant RBI regulation permits a negative ALM mismatch of up to 10%, 10% and 20% respectively. The overall ALM position of company is satisfactory and sufficient in line with its growth projections. The company was also able to maintain its NIM on account of strong ALM management. ALM brief snapshot as on 31 March 2022-

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
A. Total Inflows	283	23	32	81	365	839	3,175	6,580	2,165	3,328	16,871
B. Cumulative Inflow	283	306	337	419	783	1,622	4,798	11,378	13,543	16,871	16,871
C.Total Outflow	44	7	139	66	107	242	1,851	152	425	11,284	14,318
D. Cumulative Outflow	44	51	190	256	364	606	2,457	2,609	3,034	14,318	14,318
E. Cumulative Mismatch (D-E)	239	255	147	162	420	1,017	2,341	8,769	10,509	2,553	2,553
F. Cumulative Mismatch as % of Cumulative Total Outflows	540%	498%	77%	63%	115%	168%	95%	336%	346%	18%	18%
G. Permissible Cumulative Mismatch (%)	(10%)	(10%)	(20%)								

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems, or human factors, or from external events. MCFL being in lending business, it inherits operational risk. The goal is to keep operational risk at an appropriate level relative to the characteristics of the company's businesses, the markets in which it operates and the regulatory environment.

To reduce operational risks, the company has established procedures and loan approval processes that are clearly specified. The maker-checker principle, joint custody arrangements, the monitoring of exceptions, the separation of roles and responsibilities, and other factors are all part of the internal control. Additionally, a robust system of internal controls, the creation of guidelines and procedures to monitor transactions, the maintenance of necessary backup procedures, and contingency planning are all intended to reduce operational risk. In order to control risks associated with information technology, the company has created a set of IT and security-related guidelines that provide a governance framework for information security practices.

Market Risk

Market risk results from changes in market variables like interest rates, foreign exchange rates, and equity prices that affect the fair value of financial instruments' future cash flows. The company adheres to a cautious investment policy that directs its investment decisions in order to successfully manage market risk on its investment portfolio. The majority of the company's investments in government securities, liquid and arbitrage funds, and deposits with banks and highly regarded financial institutions have been made with surplus funds. The Company adjusts the duration of its investment portfolio to strike a compromise between the twin goals of sustaining company liquidity and minimizing unfavorable fair value change.

Interest Rate Risk

The main reason the Company is susceptible to interest rate risk is that it makes loans to clients at predetermined interest rates and for periods that may be different from those of its sources of financing, which have both fixed and changing interest rates. Interest rates are particularly sensitive to a wide range of external factors, including

Accelerating Growth

inflation, the RBI's monetary policies, the liberalization of India's financial industry, regional and global economic and political conditions, and other factors.

The Company evaluates and reduces the interest rate risk on its balance sheet by managing assets and liabilities. The Asset Liability Management Committee implements the Company's interest rate policy, liquidity risk management policy, resource planning policy, and asset liability management policy and procedures (the "ALM Policy"). Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis to measure the impact of such interest rate movements on its balance sheet. This is computed monthly and sensitivity of the market value of equity assuming varying changes in interest rates are presented and monitored regularly.

Portfolio quality and Delinquency

The financial sector as a whole, including MCFL, saw its risk management frameworks put to the test by these developments. The pandemic's interruptions have put the Company's wide array of products, client classes, and geographic distribution to the test. The self-employed and SME market groups took the biggest hit from the decline in economic activity that affected cash flows.

In order to curb the above challenges, the Company has put in place a strict risk management framework consisting of risk identification, risk assessment, risk treatment, monitoring and reporting. As a result, the Company's delinquencies has substantially reduced. The company was able to maintain GNPA of 1.31% compared to GNPA of 1.33% in FY21 and Net NPA of the company reduced drastically from 1.12% in FY21 to 0.54% in FY22 amidst strong risk management practices adopted by the Company. Going forward, MCFL shall continue to enhance its portfolio monitoring, database management and information report capabilities.

Credit Rating

The Company's financial discipline and prudence is reflected in the strong credit rating ascribed by Infomercs Valuation & Ratings Private Limited. The credit rating of the company has been upgraded on 9th May 2022 which reflects the continued sound financial performance of the company.

Particulars/ Rating Agencies	Amount	Upgraded Ratings	Previous Rating
Long Term Bank Facilities	70 Crore	IVR BBB / Stable (IVR Triple B with Stable Outlook)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)

The improvement in total loan assets as well as the improvement in asset quality in 9MFY22 are both taken into account in the **rating upgrade** of Mangal Credit and Fincorp Limited (MCFL). Experienced promoters, strong operational indicators, and enough capitalization indicators continue to provide assurance for future ratings. These rating strengths are still limited, though, by industry competition and the possibility of geographic concentration.

Human resource

People are our key pillars of strength. This belief was further strengthened as our people showed tremendous resilience and extraordinary commitment during the pandemic times to bring the Company back to its core performance. The company has adopted people practices that enable us to attract and retain talent in an increasingly competitive market; and to foster a work culture that is always committed to providing the best opportunities to employees to realize their potential. The company is committed as an equal opportunity employer. The company works on concept of 'Do More Earn More' and rewards people for their performance and contribution – which are anchored on metricized work deliverables and directly reflected in their earning potential. MCFL has a strong orientation to learning and development. All employees, from a new joiner to a tenured one, are provided tailored learning opportunities as per their role, level, and specific focus area. In line with its business transformation strategy, the Company has made significant changes to its employee policies and practices. Performance Management is the most critical tool in the Company to drive performance and productivity & accordingly given utmost importance. This is the most important part of HR, where a manager gives his team members feedback, evaluates their work, and compensates them appropriately. Goal setting, self-assessment, managerial evaluation and review, and overall assessment with feedback are all parts of the annual performance management process. Along with its growth strategy, the Company is developing an effective human resource strategy to assist it in managing its growth.

COVID-19 created an unprecedented health crisis, especially during the second wave. Given situation, MCFL took multiple initiatives to ensure safety and well-being of employees and their families and extended financial and logistical support towards diagnosis and treatment. MCFL tracked the health of its employees, assistance for doctor consultation and financial aid. As vaccines became available, the Company supported employees in completing their vaccination. Further, MCFL along with its group company Mangal Foundation supported mega vaccination drives through which it was able to administer over 800 to 1000 doses of the COVID-19 vaccine to the beneficiaries of Mumbai. The Company has contributed ₹10 lakhs to support the nationwide fight against COVID-19, alleviate the immediate on-ground challenges, build capabilities and resources.

Internal Control Systems and its Adequacy

The Company has adopted policies and procedures for the governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company.

Fulfilment of the RBI's Norms and Standards

The company thrive hard to comply with various applicable RBI norms. The company is governed by Master Circular no RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 1, 2016 and modified/amended from time to time. Further RBI has recently issued various circular important among them are Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated 22 October 2021 was issued by the RBI, which has given an implementation timeline of up to October 2022. Subject to some clarifications and detailed guidelines to be issued by the RBI, MCFL is confident of implementing these regulations on or before timeline; Prompt Corrective Action (PCA) Framework for NBFCs issued on 14 December 2021 – basis analysis of financial

position and performance of the company and as per the PCA framework issued by the RBI, MCFL doesn't fall into any risk threshold category.

MCFL's key regulatory ratios compared to the minimum requirements of the RBI are provided in table below –

Key Regulatory Ratios	Actual - As on 31.3.2022	RBI Stipulation
CRAR – Tier I	77.67%	15%
CRAR overall	77.67%	15%
ALM (Cumulative)		
1-7 days	540.19%	(10%)
8-14 days	498.19%	(10%)
15-30 days	77.49%	(20%)

Cautionary Statement

Some forward-looking statements in this Management Discussion and Analysis Report may be based on various assumptions about the company's current and future business strategies as well as the environment in which it operates. Due to risk and uncertainties, actual results could significantly or materially differ from those that were indicated or inferred. These risks and uncertainties include the impact of domestic and international political and economic circumstances, the volatility of interest rates and the stock market, new rules and government initiatives that could have an impact on the Company's businesses, and the capability to carry out its business strategies. The Company does not have any obligation to amend these statements; the information provided here is current as of the date indicated. Even though the accuracy or completeness cannot be guaranteed, the Company has gathered all market data and other information from sources it believes to be dependable or from its own internal estimations.

DIRECTORS' REPORT

To,
The Members
Mangal Credit and Fincorp Limited

Your Directors' are pleased to present the 60th Annual Report on the affairs of your Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2022.

In compliance with the applicable provisions of the Companies Act, 2013, ("the Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), this Board's Report is prepared based on the standalone financial statements of the Company for the year under review:

1. FINANCIAL HIGHLIGHTS

Particulars	As at 31 st March, 2022 (₹ In Lakhs)	As at 31 st March, 2021 (₹ In Lakhs)
Total income	1384.57	1141.04
Total expenditure	516.32	322.70
Profit before taxation	868.25	818.34
Less: Provision for Taxation		
- Current tax	235.22	230.54
- Deferred tax asset	(13.11)	16.70
- Tax in respect of Earlier Year	38.00	-
Net profit after taxes	608.14	571.10
Earnings per share (Face Value ₹ 10/- each)		
Basic	3.15	2.96
Diluted	3.15	2.96

2. DIVIDEND

The Board of Directors are pleased to recommend final dividend of ₹ 0.5/- per equity share (5%) of face value of ₹ 10/- each for the financial year ended 31st March, 2022. The dividend payment is subject to approval of members at the ensuing Annual General Meeting. As your Company is not falling under 1000 top listed entities, regulation 43A of SEBI Listing Regulations is not applicable to the Company.

3. TRANSFER TO STATUTORY RESERVES

Pursuant to the requirement of Section 45-IC of the Reserve Bank of India Act, 1934, an amount of INR 121.63/- Lakhs (previous year ended 31st March, 2021 was INR 114.22/- Lakhs) 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 Net Profit for the period is transferred to the statutory reserve fund for the year.

4. REVIEW OF OPERATIONS

- Total Revenue increased by 21% to INR 1384.57 Lakhs in FY22 compared to INR 1141.04 Lakhs in FY21
- Interest Income from operations grew by 23.4% to INR 1303.89 in FY22 compared to INR 1059.76 Lakhs in FY21
- Profit after tax (PAT) before OCI increased by 6% to INR 608.14 Lakhs in FY22 compared to INR 571.11 Lakhs in FY21

- Loan assets under management (AUM) grew by 25% y-o-y to INR 10482.45 Lakhs in FY22 compared to INR 8411.04 Lakhs in FY21
- Net Interest Income grew by 11% to INR 1186.71 Lakhs in FY22 compared to INR 1073.56 Lakhs in FY21
- GNPA reduced to 1.31% in FY22 compared to 1.33% in FY21
- NNPA significantly improved to 0.54% in FY22 compared 1.12% in FY21.

5. CAPITAL ADEQUACY RATIO

Your Company's Capital Adequacy Ratio, as of 31st March, 2022, stood at 77.67% (Tier I Capital to Risk Weighted Assets Ratio), which is well above the regulatory requirement of 15% as prescribed by the RBI for NBFCs.

6. PUBLIC DEPOSITS

Your Company is a non-deposit taking non-banking financial company ("NBFC"). Accordingly the company did not held any public deposits at the beginning and end of the financial year, nor has it accepted any public deposit during the financial year under review.

7. COVID-19 PANDEMIC

Financial year 2021-22 was once again dominated by the COVID-19 pandemic as new waves of infection swept across countries. The second wave (called 'Delta') proved far more deadly than the first that struck in 2020.

The advent of the highly transmissible variant 'Omicron' in early January, 2022 (the third wave) spread much dread across the world. During this wave, India's daily number of reported cases peaked to nearly 350000 on 20th January, 2022 and active case load was over 22 million as on 23th January, 2022. Fortunately, while highly transmissible, Omicron was not as clinically deadly as delta. So, while many got infected, almost all got well again within a week or so, without hospitalisation and mortality.

The impact of the second and third wave of the

pandemic on the performance of the Company and measures adopted to steer through this continuing crisis have been discussed in detail in Management Discussion and Analysis.

8. CREDIT RATING

Your Company's financial discipline and prudence is reflected in the strong credit rating ascribed by Infomeric's Valuation & Ratings Private Limited. The credit rating of the company has been upgraded on 9th May 2022 which reflects the continued sound financial performance of the company.

Particulars/ Rating Agencies	Amount (INR)	Upgraded Ratings	Previous Rating
Long Term Bank Facilities	70 Crore	IVR BBB / Stable (IVR Triple B with Stable Outlook)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)

9. SHARE CAPITAL

During the financial year under review, the issued, subscribed and paid-up share capital of the Company as at 31st March, 2022 was INR 19,31,39,860/- divided into 1,93,13,986 equity shares of face value of INR 10/- each.

Your Company has not issued and allotted any equity shares with differential rights as to voting, dividend or otherwise during the financial year ended on 31st March 2022.

10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any subsidiaries, joint venture(s)/associate company(ies) within the meaning of Section 2(6) of the Companies Act, 2013 as at the end of the financial year 2021-22.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, along with relevant documents are available on the website of the Company.

11. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND POLICY ON DIRECTOR FAMILIARIZATION

Policy on Appointment and Remuneration of Directors

On recommendation of the Nomination and Remuneration Committee (NRC), the Board has framed a Remuneration Policy. This policy, inter alia, provides

- (a) The criteria for determining qualifications, positive attributes and independence of directors; and
- (b) Policy on remuneration of directors, key managerial personnel and other employees.

The policy is directed towards a compensation philosophy and structure that will reward and retain talent; and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Remuneration Policy is available on the Company's website. As per the requirements of the RBI Master Directions and SEBI Listing Regulations, details of all pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company are disclosed in the Corporate Governance Report.

Policy on Directors Familiarization

On a quarterly basis detailed presentations are made by Senior Management to provide an overview of the operations, various products offered by the company, financial performance fund raising strategy, various risks/challenges faced during the quarter, changes in IT infrastructure landscape etc. as part of Board meeting. The suggestions received from Directors are noted for implementation.

12. DIRECTORSHIP AND KEY MANAGERIAL PERSONNEL (KMP)

As on 31st March 2022, the Board of Directors of your Company comprises of 7 (Seven) Directors of which 1 (One) is Non-Executive Non Independent Director, 4 (Four) are Non-Executive Independent Directors and 2 (Two) are Executive Directors. The Chairman is an Executive Director. The Board composition is in compliance with the requirements of the Act, the SEBI 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.

Consequently, the Board underwent the following changes:

A. Change in Directorship

Cessation of Director:

With deep regret, we report the resignation of Mr. Naval Maniyar from the post of Chief Financial Officer and Executive Director received on 5th March 2022. The board places on record its sincere appreciation for the valuable contribution made by Mr. Naval Maniyar during his tenure on the Board.

Appointment of Director:

All appointments of Directors are made in accordance with the relevant provisions of the Act, SEBI Listing Regulations, the RBI Directions and other laws, rules, guidelines as may be applicable to the Company. The Nomination & Remuneration Committee ("NRC") exercises due diligence inter-alia to ascertain the 'fit and proper' person status of person proposed to be appointed on the Board of Directors of the Company, and if deemed fit, recommends their candidature to the Board of Directors for consideration.

During the year under review, Mr. Nilesh Jain (DIN: 08788781) was appointed as Additional Executive Director by the Board of Directors at their Board Meeting held on 30th October 2021 for a period of (1) one year and who shall hold office upto the 60th Annual General Meeting which is to be held on 30th September, 2022.

Retirement by Rotation of the Directors:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 Mr. Meghraj Jain (DIN: 01311041) Chairman and Managing Director and Mr. Sujan Sinha (DIN- 02033322) Non- Executive Non- Independent Director shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers them self for re-appointment. A brief profile of Mr. Meghraj Jain and Mr. Sujan Sinha has been included in the Notice convening the ensuing Annual General Meeting.

Changes in KMP:

Resignation of Mr. Naval Maniyar from the post of Chief Financial Officer received on 5th March, 2022.

Appointment of Mr. Manish Rathi as a Chief Executive Officer of the Company with effect from 1st April, 2022. Brief profile of Mr. Manish Rathi is set out in Annexure F of Directors' Report.

13. 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, 2022 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.

14. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the declarations from all the Independent Directors as per the Section 149(7) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations and the Board is satisfied that all the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations.

Further, declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ("MCA") vide its Notification dated October 22, 2019, regarding the requirement relating to enrollment in the data bank created by MCA for Independent Directors, had been received from all Independent Directors.

15. CODE OF CONDUCT

Your Company has formulated a code of conduct for Board of Directors and Senior Managerial Personnel.

The Code of Conduct is also posted on the website of the Company. All Board Members and Senior

Management Personnel have confirmed compliance with the Code for the financial year 2021-22.

A declaration to this effect signed by Mr. Meghraj Jain, Managing Director is reproduced below:

In accordance with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that; all the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct and Ethics for the Members of the Board and the Senior Management Personnel, as applicable to them, in respect of the financial year 2021-22.

16. ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2022 is available on the Company's website and can be accessed at www.mangalfincorp.com.

17. BOARD MEETINGS HELD DURING THE YEAR

The Board meets at regular intervals inter-alia to discuss and review various matters including business performance, business strategies and policies. During the year under review, 4 (Four) meetings of the Board of Directors were held as per the details below:

Sr. No.	Date of Board Meeting
1.	19 th May, 2021
2.	12 th August, 2021
3.	12 th November, 2021
4.	04 th February, 2022

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 Directors' Report.

18. 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, Internal Complaints 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) has been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Directors' Report.

19. 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.

20. ANNUAL EVALUATION BY BOARD OF DIRECTORS

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 19th May, 2021 to inter-alia review the performance of the Non- Independent Directors including the Chairman and the Board, as a collective entity.

The Board of Directors have carried out an annual evaluation of its own performance, Board Committees, and Individual Directors pursuant to the provisions of the Companies Act, 2013 and SEBI 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.

21. INTERNAL AUDITOR AND INTERNAL AUDIT REPORT

The Internal Audit function provides an independent view to the Board of Directors, the Audit Committee and the senior management on the quality and impact of Internal Controls, Internal Control systems and processes. During the year M/s. Goyal Pareek & Co., Chartered Accountant and M/s. Sharma & Goyal, Chartered Accountant were appointed as Internal Auditor of the company.

The Board and Audit Committee periodically reviews the Internal Audit Reports and the adequacy and effectiveness of the internal controls, significant audit observations, corrective and preventive actions thereon are presented to the Board and Committee on a quarterly basis.

22. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has adopted policies and procedures for the governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company.

23. 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 held on 30th September, 2019 and shall hold the office till the conclusion of the 61st Annual General Meeting of the Company.

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, 2022, have not submitted any qualifications, reservations, adverse remarks or disclaimers.

The observations and comments, if any, given by the Auditors in their report read together with notes on financial statement are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

24. REPORT ON CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION ANALYSIS

Pursuant to the SEBI Listing Regulations, Management Discussion Analysis and Corporate Governance Report are part of this Annual Report. The Corporate Governance Report for the year under review, including disclosures as stipulated under

Regulation 34 read with Schedule V of the SEBI Listing Regulations and the RBI Directions is annexed herewith as **Annexure E** to this Directors' 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

25. SECRETARIAL AUDITOR

The Board has appointed M/s. Vijay S. Tiwari & Associates, Practicing Company Secretary 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 2021-22. 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 A** and **Annexure B**.

26. SECRETARIAL STANDARDS

During the year under review, your Company has followed the applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of Board of Directors' and 'General Meetings' respectively.

27. 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.

28. RELATED PARTY TRANSACTIONS

All the related party transactions during the financial year were at arm's length basis and are in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. There were no material significant related party transactions entered into by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict of interest with the Company at large.

All the related party transactions are presented to the Audit Committee and Board for their approval. A statement of all related party transactions is presented

before Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

During the year under review, your Company had not entered into any related party transactions covered within the purview of Section 188(1) of the Act, and accordingly, the requirement of disclosure of related party transactions in terms of Section 134(3)(h) of the Act in Form AOC - 2 is not applicable to the Company.

The related party transaction policy of the Company have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Directors' Report.

29. 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 C** to this Report.

30. 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.

31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

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.

32. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your Company did not have any foreign exchange earnings and foreign currency expenditure.

33. WHISTLE BLOWER POLICY / VIGIL MECHANISM

In terms of Section 177(9) and Section 177(10) of the Act and the SEBI 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 Directors' Report.

34. 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.

35. PREVENTION 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.

36. RBI DIRECTIONS AND GUIDANCE

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

37. RISK MANAGEMENT

The Board of Directors of the Company is responsible to implement, and monitor the risk management for the Company. The Board considers the risks that impact the mid-term to the long-term objectives of the business, including those reputational in nature. The Board has additional oversight in the area of financial risks and controls apart from Audit Committee, Internal Auditors and Statutory auditors of the company.

38. CHANGE IN THE NATURE OF BUSINESS

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

39. EMPLOYEE STOCK OPTION PLANS (ESOPs)

During the financial year 2021-22 your Company have not offered any Employee Stock Options scheme to Employees. Hence, relevant provisions of the Act and SEBI Listing Regulations are not applicable to the Company.

40. 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 Directors' 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 have been provided at **Annexure D** to this Directors' Report.

41. DETAILS AND STATUS OF ACQUISITION, MERGER & MODERNIZATION & DIVERSIFICATION

During the financial year 2021-22 no Acquisition, Merger, Modernization and Diversification have taken place in your Company.

42. INVESTORS EDUCATION AND PROTECTION FUND

During the year under review, the company has transferred ₹ 4.24 Lakhs to the Investor Education and Protection Fund

43. 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.

44. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

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

45. OTHER STATUTORY DISCLOSURES

- The financial statements of the Company are placed on the Company's website at www.mangalfincorp.com.

- Details required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, inter alia, the ratio of remuneration of directors to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report.
- Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing details prescribed under rule 5(3) of the said rules, which form part of the Directors' Report, will be made available to any member on request, as per provisions of section 136(1) of the Act.
- The provision of section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.
- The securities of the Company were not suspended from trading during the year on account of corporate actions or otherwise.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principle of any of its debt securities.
- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company.
- During financial year 21-22, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 5(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.
- Disclosures pursuant to RBI Master Directions, unless provided in the Directors' Report, form part of the notes to the standalone financial statements.

46. ACKNOWLEDGEMENT

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

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

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

Sd/-
Nilesh Jain
Director
DIN: 08788781

Place: Mumbai
Date: 25th July, 2022

Annexure A to the Directors' Report

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
[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
1701/1702, 17th Floor, 'A' Wing,
Lotus Corporate Park, 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards."

Unmodified Opinion:

Based on our verification of the Company's books, papers, minute 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** (hereinafter called the 'Audit Period') 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, 2022 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.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vi) Based on the representations made by the Company and its officers and my verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance with the following laws applicable specifically to the Company:
- a. The Reserve Bank of India Act, 1934, as applicable to Non-banking Financial Companies;
 - b. Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
 - c. Master Direction - Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016;
 - d. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
 - e. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
 - f. Master Direction - Information Technology Framework for the NBFC Sector;
 - g. Master Direction - Know Your Customer (KYC) Direction, 2016;
 - h. Prevention of Money Laundering Act, 2002 and the Rules made thereunder; and;
 - i. Various Circulars, Notifications, Directions, Guidelines, Master Circulars issued by the Reserve Bank of India from time to time in respect of Non-Systemically Important Non-Deposit taking Non-

Banking Financial Company;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in compliance with the provisions of the Act and Rules made thereunder and Secretarial Standards on Board Meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

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

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

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

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

**Sd/-
Vijaykumar Tiwari
Proprietor
COP No. 12220
M. No. 33084**

**Peer Review Certificate No.: 1679/2022
UDIN: A033084D000746577**

Place: Mumbai

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
1701/1702, 17TH FLR., 'A' WING, LOTUS CORPORATE PARK
WESTERN EXPRESS HIGHWAY, GOREGAON (E)
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. Based on our verification of the Company's books, papers, minute 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 (hereinafter called the 'Audit Period') 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"
7. 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 Vijay S. Tiwari & Associates
Practicing Company Secretaries**

**Sd/-
Vijaykumar Tiwari
Proprietor
COP No. 12220
M. No. 33084**

**Peer Review Certificate No.: 1679/2022
UDIN: A033084D000746577**

Place: Mumbai

Annexure B to the Directors' Report

SECRETARIAL COMPLIANCE REPORT OF MANGAL CREDIT AND FINCORP LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

To,
MANGAL CREDIT AND FINCORP LIMITED
1701/1702,17TH FLR.,A' WING, LOTUS CORPORATE
PARK WESTERN EXPRESS HIGHWAY, GOREGAON (E)
MUMBAI - 400063

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

- a) All the documents and records made available to us and explanation provided by **MANGAL CREDIT AND FINCORP LIMITED** (the "listed entity"),
- b) The filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:
 - i. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- a) Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015;

- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (herein after as "**Insider Trading Regulation**")
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client.

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

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

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

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

Peer Review Certificate No.: 1679/2022
UDIN: A033084D000391728

Place: Mumbai
Date: 26/05/2022

Annexure C to the Directors' Report

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, 2022:

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

- Mr. Meghraj Jain – 10x
- Mr. Naval Maniyar – 6x

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): 26%
- Ms. Supriya Agarwal (CS): Nil

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

The median remuneration of the employees of the Company increased by 0.56% in the financial year.

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

There were 30 permanent employees on the rolls of the Company as on 31st March, 2022.

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 for financial year 2020-2021 & 2021-2022 has been annualized for the purpose of comparison.

Annexure D to the Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. A brief outline on CSR Policy of the Company:

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 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.

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

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Nirupama Dattatraya	Chairperson	2	2
2	Mr. Ganesh Subramanyam	Member	2	2
3	Mr. Meghraj Jain	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee: www.mangalfincorp.com
CSR Policy and CSR Projects: www.mangalfincorp.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable for the financial year under review

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not Applicable for the financial year under review

6. Average net profit of the Company as per Sec. 135(5) for last three financial years: ₹ **71,424,138/-**

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ **1,428,484/-**
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : **Nil**
(c) Amount required to be set off for the financial year, if any: **Nil**
(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ **1,428,484/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In ₹)	Amount Unspent (in ₹)	
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).
₹ 1,428,484/-	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Promotion of Education	Clause (ii)- Promoting Education	Yes	Rajasthan,	Rajsamand	₹ 4,28,484/-	Yes	Mangal Charitable Trust	CSR00011542
2.	Covid-19 Vaccination	Clause (i)- promotion of health-care	Yes	Maharashtra,	Mumbai	₹ 10,00,000/-	Yes		
Total						₹ 14,28,484/-			

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **14,28,484/-**

(g) Excess amount for set off, if any: **Not Applicable for the financial year under review**

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Nil**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset. **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - **Not applicable**

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

**Sd/-
Nirupama Dattatraya**
Independent Director & Chairman of CSR Committee
DIN: 01605060

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

Annexure E to the Directors' Report

CORPORATE GOVERNANCE REPORT (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 2021-22

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, 2022 comprises 7 (Seven) Directors of which 2 (Two) are Executive Directors, 4 (Four) are Non-Executive Independent Directors and 1 (One) is Non-Executive Non-Independent Director. The composition of the Board of your Company is governed by and is in compliance with the requirements of the Companies Act, 2013 read with Rules framed there under ("Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the circulars / directions / notifications issued by the Reserve Bank of India ("RBI Directions"), and the Articles of Association of the Company.

The name and category of Director on the Board, the number of Directorship held by them in other Company and numbers of the Committees in which they are the Member or Chairman, as on 31st March, 2022 are given herein below:

Name of the Director	Category of the Director	No. of Directorships in other Companies *		No. of Committee Membership/ Chairmanship of other Companies **	
		Public	Private	Member	Chairman
Mr. Meghraj Jain	Chairman & Managing Director	0	0	-	-
Mr. Nilesh Jain	Executive Director	0	1	-	-
Mrs. Nirupama Dattatraya	Independent Director	1	1	1	-
Mr. Ramanathan Annamalai	Independent Director	5	5	2	-
Mr. Ganesh Subramanyam	Independent Director	0	2	1	-
Mr. Sriram Sankaranarayanan	Independent Director	0	1	-	-
Mr. Sujan Sinha	Non-Executive Director	1	3	-	-

*Number of Directorships held in other public companies excludes Directorship of Mangal Credit and Fincorp Limited, Directorships in private companies, deemed public companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

**In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

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

A certificate from M/s. Vijay S. Tiwari & Associates, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company as on 31st March, 2022 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 as **Annexure A** to this Corporate Governance Report.

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

The Board has complete access to any information within the Company. At Meetings of the Board, it welcomes the presence of Senior Management who can provide additional insights into the items being discussed.

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

During the year under review, 4 (Four) meetings of the Board of Directors were convened and held. These meetings were held in a manner that not more than 120 days intervene between two consecutive meetings. The required quorum was present at all the above mentioned meetings. Due to business exigencies, certain decisions were taken by the Board by way of resolutions passed through circulation, from time to time.

Name of the Director	Attendance at the Board Meeting Held on				Attendance at the Annual General Meeting Held on
	19.05.2021	12.08.2021	12.11.2021	04.02.2022	29.09.2021
Mr. Meghraj Jain	Yes	Yes	No	Yes	Yes
Mr. Naval Maniyar	Yes	Yes	Yes	Yes	Yes
Mr. Ganesh Subramanyam	Yes	Yes	Yes	Yes	Yes
Mrs. Nirupama Dattatraya	Yes	Yes	Yes	Yes	Yes
Mr. Ramanathan Annamalai	Yes	Yes	No	Yes	No
Mr. Sriram Sankaranarayanan	Yes	Yes	Yes	Yes	Yes
Mr. Sujan Sinha	Yes	Yes	Yes	Yes	Yes
Mr. Nilesh Jain	NA	NA	Yes	Yes	NA

Note:

- Mr. Nilesh Jain (DIN: 08788781) was appointed as Additional Executive Director by the Circular resolution passed by Board of Directors on 30th October, 2021;

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
- Industry Experience, Research & Development and Innovation
- Global Business
- Knowledge of Regulatory Environment
- Financial and Accounting Expertise
- Board Service, Corporate Governance and Risk Management
- Knowledge in the field of Information Technology

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

Committees of the Board:

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

The Board reviews the functioning of these committees from time to time. The Chairman of these Committees conducts the Meetings and also informs the Board about the summary of discussions held in the Committee 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, 2022 comprises of Mr. Subramanyam Ganesh, Mr. Nirupama Dattatraya and Mr. Ramanathan Annamalai.

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

During the year under review, the Audit Committee met 4 (Four) times. The required quorum was present at all the meetings. As prescribed under the Act, the Chairman of the Audit Committee who is an Independent Director was present at the last Annual General Meeting of the Company held on 29th September, 2021.

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			
		19.05.2021	12.08.2021	12.11.2021	04.02.2022
Mr. Ganesh Subramanyam	Chairman	Yes	Yes	Yes	Yes
Mr. Ramanathan Annamalai	Member	Yes	Yes	No	Yes
Mrs. Nirupama Dattatraya	Member	Yes	Yes	Yes	Yes

Terms of Reference

The terms of reference of the Audit Committee inter alia includes: dealing with all material questions concerning the auditing and accounting policies of the Company and its financial controls and systems, review and ensure correctness, sufficiency and credibility of annual financial statement of the Company, review with the management financial condition and results of operation, review quarterly and annual financial results, scrutiny of inter-corporate loans and investments, recommend appointment / re-appointment / removal of Statutory and Internal Auditors, reviewing statement of utilization 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 utilization of loans/ advances/investments made to subsidiary(s).

Asset-Liability Management Committee ("ALCO")

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

Tier 1

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

Tier 2

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

Terms of Reference

The terms of reference of the ALCO inter-alia includes: monitoring the asset liability composition of the Company's business, determining actions to mitigate risks associated with the asset liability mismatches, determining and reviewing the current interest rate model of the Company, approve proposals and detailed terms and conditions of borrowings from banks reviewing the borrowing programme of the Company, review product pricing and desired maturity profile of assets and liabilities and also the mix of incremental assets & liabilities.

Nomination and Remuneration Committee ("NRC")

The Nomination and Remuneration Committee as on 31st March, 2022 comprises of Mr. Ramanathan Annamalai, Mrs. Nirupama Dattatraya and Mr. Subramanyam Ganesh.

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

During the year under review, the Nomination and Remuneration Committee met 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			
		19.05.2021	12.08.2021	12.11.2021	04.02.2022
Mr. Ramanathan Annamalai	Chairman	Yes	Yes	No	Yes
Mrs. Nirupama Dattatraya	Member	Yes	Yes	Yes	Yes
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).

During the financial year 2021-22, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company apart from receiving sitting fees for attending the Meetings of Board and committees of the Company. The Company paid sitting fees of ₹ 2.65 Lakhs to the Non-Executive Independent Directors for attending a Meeting of the Board of the Company.

Stakeholders Relationship Committee ("SRC")

The Stakeholders Relationship Committee as on 31st March, 2022 comprises of Mrs. Nirupama Dattatraya, Mr. Meghraj Jain and Mr. Subramanyam Ganesh. During the year under review, the Stakeholders Relationship Committee met 4 (Four) times. The required quorum was present at all the meetings. Ms. Supriya Agarwal, Company Secretary is also the Compliance officer of the Company.

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

Name of the Members	Category	Attendance at the Stakeholders Relationship Committee Meeting Held on			
		19.05.2021	12.08.2021	12.11.2021	04.02.2022
Mrs. Nirupama Dattatraya	Chairperson	Yes	Yes	No	Yes
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, 2022.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee as on 31st March, 2022 comprises of Mrs. Nirupama Dattatraya, Mr. Meghraj Jain and Mr. Subramanyam Ganesh. During the year under review, the Corporate Social Responsibility Committee met 2 (Two) times. 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 at the Corporate Social Responsibility Committee Meeting Held on	
		19.05.2021	04.02.2022
Mrs. Nirupama Dattatraya	Chairperson	Yes	Yes
Mr. Subramanyam Ganesh	Member	Yes	Yes
Mr. Meghraj Jain	Member	Yes	Yes

Terms of Reference

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

Corporate Social Responsibility ("CSR") Policy

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

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

The CSR Policy is available on the website of the Company www.mangalfincorp.com

Other Committee

Internal Complaints Committee

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

The Internal Complaint Committee comprises of the following Members:

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

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

Terms of Reference

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

Independent Directors

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

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

Pursuant to part C(2)(i) of Schedule V of Securities and Exchange Board of India (Listing Regulations and 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 19th May, 2021 through video conference without the attendance of the Non-Independent Directors and members of the management of the Company. At their meeting, the Independent Directors evaluated and assessed the performance of the Non-Executive Non-Independent Directors, the Executive Directors, the Chairman and the Board, as a collective entity. The Independent Directors also reviewed the quality, quantity, content and timeliness of the flow of information between the management and the Board / Committees, which was necessary for the Board / Committee Members to perform their duties effectively.

Familiarization Programme for Independent Directors

The Independent Directors of your Company were familiarized 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 familiarized with their functioning roles rights and responsibilities as Independent Directors. Details of how the familiarization 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 SEBI 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 SEBI Listing Regulations. In accordance with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct and Ethics for the Members of the Board and the Senior Management Personnel, as applicable to them, in respect of the financial year 2021-22.

Fair Practices Code

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

Information Technology related Policies and Processes

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

Asset Liability Management Policy ("ALCO Policy")

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

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

Whistle Blower Policy / Vigil Mechanism

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

Related Party Transaction Policy

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

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

Policy for Determination of Materiality of Events and Information

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

Performance Evaluation Policy

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

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

Certification on Corporate Governance Compliances

As required under the Regulations of SEBI (Listings Obligations and Disclosure Requirements) Regulations, 2015, certificate of compliances of Corporate

Governance issued by M/s. Vijay S. Tiwari & Associates, Practicing Company Secretaries is annexed as **Annexure B** to this Corporate Governance Report.

Fees paid to Auditors

Total fees for all services paid by the Company to the Statutory Auditor for the financial year ended 31st March, 2022 is ₹ 2.5 Lakhs p.a.

Remuneration of the Managing Director and Whole-time Directors for the financial year 2021-22

Name of the Director	Gross Salary	Others	Total
Mr. Meghraj Jain	30,00,000	-	30,00,000
Mr. Naval Maniyar	17,00,000	-	17,00,000

Remuneration of the Non-Executive Directors for the financial year 2021-22

Name of the Director	Sitting Fees	Others	Total
Mr. Sujan Sinha	55,000	-	55,000
Mr. Ramanathan Annamalai	45,000	-	45,000
Mrs. Nirupama Dattatraya Pendurkar	55,000	-	55,000
Mr. Subramanyam Ganesh	55,000	-	55,000
Mr. Sriram Sanakarnarayanan	55,000	-	55,000
Total	2,65,000	-	2,65,000

During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company.

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
2018-19	Monday 30.09.2019	Utkarsh Mandal Hall Malviya Road, Vile Parle (East), Mumbai- 400057	11:00 A.M	<ol style="list-style-type: none"> To appoint Mr. Srichand Teckchand Gerela (Din: 01565534) as Non-Executive Director of the Company To Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary (Indtrans Container Lines Pvt. Ltd.) To Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary (Satco Capital Markets Pvt. Ltd.) To Authorize Board of Directors to Sale, Transfer or Dispose of the shares held by the Company in its Subsidiary and other investments held by the Company To ratify the resolution passed for Sale, Transfer or Disposal of the shares held by the Company in its Subsidiary Mangal Buildhome Private Limited

Financial Year	Day and Date of the AGM	Venue of the AGM	Time of the AGM	Special Resolutions Passed
2019-20	Wednesday, 30.12.2020	1701/1702, 17 th Floor, A Wing, Lotus Corporate Park, Western Express Highway, Goregaon (East), Mumbai-400063 Through Video Conferencing	11:00 A.M	No Special Resolution
2020-21	Wednesday, 29.09.2021	1701/1702, 17 th Floor, A Wing, Lotus Corporate Park, Western Express Highway, Goregaon (East), Mumbai-400063 Through Video Conferencing	11:00 A.M	No Special Resolution

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

Means of Communication

- The quarterly, half yearly and annual results are communicated to all the members of the Company by publishing in English and Marathi National dailies namely Financial Express or and Mumbai Lakshdeep respectively;
- The Financial Statements are also displayed on the website of the Company www.mangalfincorp.com;
- 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 2021-22	60 th Annual General Meeting Date: 30 th September, 2022 Day: Friday Time: 11:00 A.M. Mode of conducting the meeting: Video conferencing / other audio visual means
Financial year	1 st April 2021 to 31 st March 2022
Date of book closure	Thursday 22 nd September, 2022 to Friday 30 th September, 2022
Dividend payment date	Final Dividend for financial year 2021-22, if approved by the shareholders of the Company will be paid on or before 29 th October, 2022
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 2022-23 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 dematerialized form, except in case of request received for transmission or transposition of securities, which shall be approved by the Stakeholders Relationship Committee.
Nomination Facility for Shareholding	As per the provisions of the Companies Act, 2013, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer agent of the Company.
Dematerialization of Shares	Equity shares of the Company are available for trading in dematerialised form under both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. 1,86,92,276 equity shares of the Company (96.78%) of the equity share capital of the Company) were held in dematerialized form as on 31 st March, 2022
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. Bhavika Mehta 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: compliance@mangalfincorp.com
Credit Rating	Infomermics Valuation & Ratings Private Limited Ratings: IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)

Distribution of shareholding (Shares)

Sr. No	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	3840	81.08	693621	3.59
2	501 to 1000	452	9.54	345255	1.79
3	1001 to 2000	172	3.63	260152	1.35
4	2001 to 3000	76	1.61	195007	1.01
5	3001 to 4000	27	0.57	95286	0.49
6	4001 to 5000	27	0.57	128192	0.66
7	5001 to 10000	52	1.10	375840	1.95
8	10001 to 9999999999	90	1.90	17220633	89.16
TOTAL :		4736	100	19313986	100

Shareholding Pattern as on 31st March, 2022

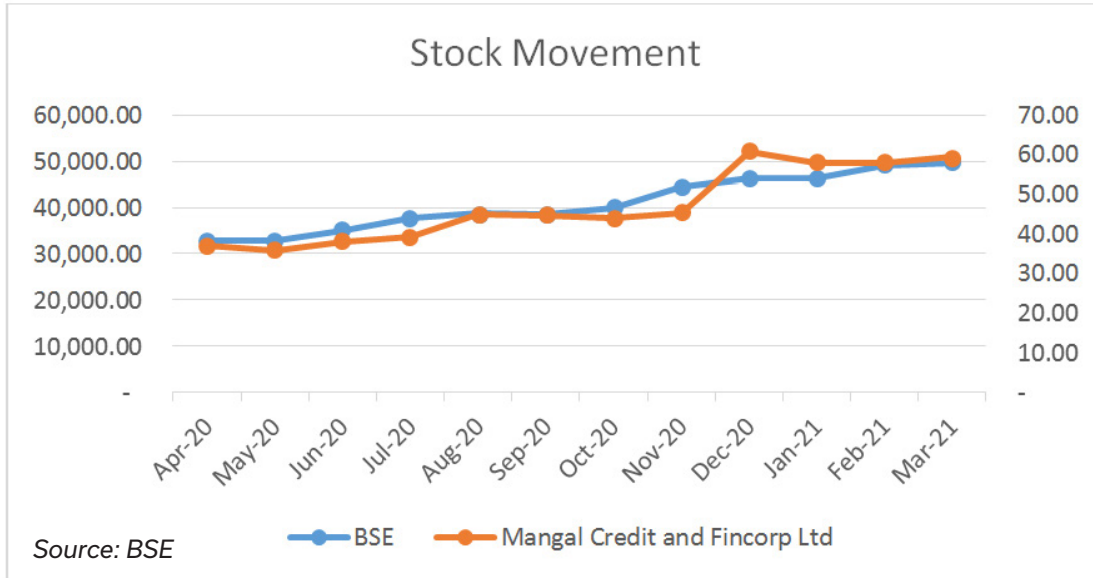
Sr. No.	Category of shareholder	Number of shareholders	Total number of shares	Percentage of the Total
(A) Shareholding of Promoter and Promoter Group				
(1)	Indian	12	12044500	62.36
(2)	Foreign	0	0	0
Total Shareholding of Promoter and Promoter Group		12	12044500	62.36
(B) Public Shareholding				

Sr. No.	Category of shareholder	Number of shareholders	Total number of shares	Percentage of the Total
(1)	Institutions	2	1500	0.01
(2)	Central Government/ State Government(s)/ President of India	1	123640	0.64
(2)	Non Institutions	4641	7144346	36.99
Total Public Shareholding		4644	7269486	37.64
(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)		4656	19313986	100

Monthly high and low prices of equity shares of the Company during the financial year ended 31st March, 2022

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-21	59.5	62.5	57.05	58.25	522266	2385	30871681	300880	57.61	5.45	-1.25
May-21	58	64.95	55.05	59.75	873761	6822	53179971	459458	52.58	9.9	1.75
Jun-21	59.75	65.9	58	60.25	1093527	4790	66904698	635900	58.15	7.9	0.5
Jul-21	60.95	63.95	58.15	60.2	419834	2366	25573184	242324	57.72	5.8	-0.75
Aug-21	60.8	68.95	55.3	61.55	454431	2336	27365710	234663	51.64	13.65	0.75
Sep-21	62	78.95	58.55	72.8	718700	3316	47367478	400728	55.76	20.4	10.8
Oct-21	73.5	94.65	72.5	87.95	900084	3271	73882966	411228	45.69	22.15	14.45
Nov-21	89	100	80	92.3	545518	2092	47990548	283706	52.01	20	3.3
Dec-21	94.9	94.9	72	80.8	748398	1919	63003543	457090	61.08	22.9	-14.1
Jan-22	82.75	110	82	105.85	2031483	4321	200598257	1695829	83.48	28	23.1
Feb-22	106.5	117.9	86.6	97.2	576663	2701	61454601	335128	58.12	31.3	-9.3
Mar-22	101	105	90	100.45	438326	1920	42909157	189029	43.13	15	-0.55
Apr-22	102	148.7	99.95	129.1	1214584	3312	155369976	962887	79.28	48.75	27.1
May-22	128.1	134.1	111.7	118.05	394147	1115	47164470	394147	100	22.4	-10.05
Jun-22	118.05	122.35	109.9	116.7	523940	1067	60749741	475636	90.78	12.45	-1.35
Jul-22	115.55	131.3	112.2	125.4	368435	1501	45653493	207871	56.42	19.1	9.85

Mangal Credit and Fincorp Limited Vs. Sensex



Other Disclosure

- During the year under review, the Company has not entered into materially significant related party transactions that may have potential conflict with the interest of the Company entity at large;
- The Company is in compliance with all mandatory requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- 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.
- In addition to the same, your Company also strives to adhere and comply with the discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of the Listing Regulations, to the extent applicable.
- 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, 2022 is unqualified;

Annexure A to the Corporate Governance Report

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON DIRECTORS NON-DISQUALIFICATION

(Pursuant to Regulation 34(3) read with Schedule V Para-C Sub clause(10)(i) of Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Mangal Credit and Fincorp Limited

We have examined the relevant registers, records, forms, returns, notices and disclosures received from the Directors of Mangal Credit and Fincorp Limited ("the Company") having CIN L65990MH1961PLC012227 and having registered office at 1701/1702,17th Floor, 'A' Wing, Lotus Corporate Park Western Express Highway, Goregaon (E), Mumbai-400063 for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for financial year ended 31st March 2022.

In our opinion and to the best of our knowledge, based on the information furnished to us by the Company and the Directors of the Company and based on necessary verification by us, we hereby certify that none of the following Directors, who were on the Board of Directors of the Company as on 31st March 2022, have been debarred or disqualified from being appointed or continuing as Directors on the Board of the Company by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment
1	Mr. Meghraj Sohanlal Jain	01311041	14/08/2013
2	Mr. Sriram Sankaranarayanan	00146563	11/11/2020
3	Mrs. Nirupama Dattatraya Pendurkar	01605060	12/06/2018
4	Mr. Subramanyam Ganesh	01718431	14/11/2018
5	Mr. Sujan Sinha	02033322	11/11/2020
6	Mr. Ramanathan Annamalai	02645247	06/07/2018
7	Mr. Nilesh Jain	08788781	30/10/2021

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

Sd/-
Vijay Kumar Tiwari
ACS No: 33084
COP No: 12220
UDIN: A033084D000816757
Peer Review Certificate No: 1679/2022

Place: Mumbai
Date: 19th August, 2022

Annexure B to the Corporate Governance Report

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Mangal Credit and Fincorp Limited

We have examined the compliance of the conditions of Corporate Governance by **Mangal Credit and Fincorp Limited** ("the Company"), for the year ended on 31st March 2022, as stipulated under regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable for the year ended on 31st March, 2022.

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**

Vijay Kumar Tiwari
ACS No: 33084
COP No: 12220
UDIN: A033084D000816680
Peer Review Certificate No: 1679/2022

Place: Mumbai
Date: 19th August, 2022

Annexure F to the Directors' Report

Brief Profile of Mr. Manish Rathi, Chief Executive Officer of the Company

Mr. Manish Rathi, Chartered Accountant is a Member of the ICAI. He has more than 17 years of post-qualification experience with specialization in credit and risk management across products and customer segments covering PAN India and South East Asia etc. He has distinctive experience in setting up new & profitable/ growing businesses, creating teams, digitization, automation & tech, process improvement and project management. He has experience in developing credit risk policies & processes, products, credit monitoring framework and portfolio management. He has experience in delinquency management & collections, sale of stress assets, risk based auditing, and Investor relationship & Fund Raising - debt & equity. He managed cumulative portfolio of \$ 3 billion. In earlier assignment he has worked with large banks including Foreign Banks and NBFCs including Kotak, Bajaj, Citi, Religare and IIFL at senior & leadership positions.

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, 2022, 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, 2022;
- 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 ₹ 59,83,730/- arising on Income Tax Assessment for the A.Y. 2017-18 consequent upon Income tax assessment under Section 143(3) of Income Tax Act, 1961.

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

Key Audit Matters

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

Management's Responsibility for the Standalone Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy

and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether

the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements.

- 1) As required by Companies (Auditor's Report) Order, 2020 ("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, 2022 taken on record by the Board of Directors,

none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial Reporting of the Company and the operating effectiveness of such controls, Refer to our separate Report in **"Annexure B"**.
- (g) With respect to the other matters to be included in the Auditor's Report in Accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the Explanations given to us:
 - (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements in Note 29 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
Sandeep Jhanwar
Partner
M.No. 078146
UDIN: 22078146ALPLXN3546

Place: Jaipur
Date: 02nd May 2022

Annexure A 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 2022, we report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a)
 - (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular programme of physical verification of its Property Plant and Equipment by which Property Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, Property Plant and Equipment 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 (other than where the same company is the lessee and the lease agreement are duly executed in the favor of lessee) disclosed in the financial statements are held in the name of the Company.
 - (d) According to the information and explanations given to us and on the basis of examination of the records of the company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) According to the information and explanations given to us and on the basis of examination of the records of the company, no proceedings have been initiated or are pending against the
- company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) 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.
 - (b) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has not been sanctioned any working capital limits in excess of five crores rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the order is not applicable to the company.
- (iii) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has made investments in companies, however not provided any security to companies, firms, limited liability partnerships or any other parties during the year. The company has not provided any guarantees, but granted loans and advances in the nature of loans during the year to companies and other parties in its normal course of non-banking financial company, accordingly clause 3(iii)(a)(A) and (B) are not applicable.
 - (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, The guarantees and the terms and conditions in the nature of loans and guarantees provided are not prejudicial to the company's interest
 - (b) According to the information and explanations given to us and based on our examination of records of the company, in our opinion, schedule of repayment of principal and payment of interest, wherever stipulated, the payment of interest and principal are regular, except as mentioned herein below:

Name of Product	No. of Clients	Amount (₹ in Lakhs)
Loan against Jewellery	405	22.095
Personal Loan	6	0.80
Loan against Property	1	0.03
Total	412	22.925

- (c) According to the information and explanations given to us and based on examination of records of the company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given, except as mentioned herein below. In case of amount overdue the steps taken by the company for recovery of principal and interest are reasonable and adequate.

Name of Product	No. of Clients	Amount (₹ in Lakhs)
Loan against Jewellery	90	7.84
Personal Loan	1	0.49
Total	91	8.33

- (d) The Company is a non-banking finance company engaged in business of granting loans or advances in the nature of loans, accordingly the requirement of clause 3(iii)(e) are not applicable.
- (e) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has not given loans or advances to promoters, related parties as defined in clause (76) of section 2 of Companies act 2013. Accordingly, clause 3(iii)(f) of the order is not applicable
- (iv) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The company has not accepted deposits or amounts which are deemed to be deposits during the financial

year 2021-2022. Accordingly, paragraph 3(v) of the order is not applicable

- (vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of Act, for any of the services rendered by the company. Accordingly, paragraph 3(vi) of the order is not applicable.

- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities; According to the information and explanations given to us and on the basis of our examination of records of the company, no undisputed amounts payable in respect of GST, provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of excise, value added tax, cess and any other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, following dues of Goods and Service Tax, Provident Fund, employees' state insurance, income tax, sales tax, duty of excise, service tax and value added tax, have not been deposited by company on account of disputes:

Name of the Statute	Nature of dues	Amount (in ₹)	Period which the amount relates	Forum where
Income Tax Act, 1961	Income Tax & Interest	59,83,730	A.Y. 2018-19	CIT(A)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company has not surrendered or disclosed any transaction, previously unrecorded as

income in books of account in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company the company has not been declared a wilful defaulter by any bank or financial institution or other lender
- (c) According to the information and explanation given to us and on the basis of examination of the records of the Company, no term loans were obtained by the company during the year. Accordingly, clause 3(x)(c) of the order is not applicable.
- (d) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short term basis have not been utilized for long term purposes by the company.
- (e) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that company does not have any of its subsidiary, or joint ventures or associate company, accordingly clause 3(ix)(e) and (f) of the order are not applicable.
- (x) (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence the clause 3 (ix) of the order is not applicable.
- (b) According to the records of the company examined by us and the information and explanation given to us the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the order is not applicable.
- (xi) (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, considering the principles of materiality outlined in the Standards on Auditing, we report that no material fraud by the company or any fraud on the company has been noticed or reported during the course of our audit.
- (b) According to the information and explanation given to us and on the basis of examination of the records of the Company, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanation given to us and on the basis of examination of the records of the Company, no whistle-blower complaints have been received by the company during the year.
- (xii) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable, and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- (xiv) (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has an internal audit system commensurate with the size and nature of its business.

- (b) We have considered the internal audit reports of the company, issued till date, for the period under audit.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected to its directors and hence, provisions of the Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The company is registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The company obtained and holds valid certificate of registration from Reserve bank of India, accordingly clause 3(xvi)(c) of the order is not applicable.
- (c) According to the information and explanation given to us and based on our examination of the records of the company, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence clause 3(xvi)(c) of the order is not applicable.
- (d) According to the information and explanation given to us and on the basis of examination of the records of the Company, there is no CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the order is not applicable.
- (xvii) The company has not incurred cash losses in the current financial year, and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year, accordingly clause 3(xviii) of the order is not applicable.
- (xix) According to the information and explanation given to us and based on our examination of the records of the company, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there are no unspent amount outstanding requiring transfer to the fund specified in Schedule VII read with provisions of sec 135(5) of the Companies Act, 2013, Accordingly, clause 3(xx)(a) of the order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, there are no unspent amount outstanding which is required to be transferred to special account in compliance with provisions of sub section (6) of section 135 of the said Act; Accordingly, reporting under clause 3(xx)(b) of the order is not applicable for the year.
- (xxi) According to the information and explanation given to us and based on our examination of the records of the company, the company does not have any subsidiary, and no accounts are being incorporated in the financial statement, accordingly, clause 3(xxii) of the order are not applicable.

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

Sd/-
Sandeep Jhanwar
Partner
M.No. 078146
UDIN: 22078146ALPLXN3546

Place: Jaipur
Date: 02nd May 2022

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 2022 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

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 2022, based on the internal control over financial reporting criteria established by the Company considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sd/-
Sandeep Jhanwar
Partner
M.No. 078146
UDIN: 22078146ALPLXN3546**

**Place: Jaipur
Date: 02nd May 2022**

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 2022 and related statement of profit and loss and the cash flow statement for the year ended on that date, issued our report dated 02nd May, 2022.

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 2022 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 and 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 2022.
- 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 02nd May, 2022 for non- acceptance of any public deposits.
- b. The company has not accepted any public deposits during the year ended 31.03.2022.
- 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 02/05/2022 on additional matters as stated in directions to the RBI and

may not be suitable for any other purpose. Accordingly, our report should not be quoted or referred to in any other document made available to any other person or persons without our prior written consent.

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

**Sd/-
Sandeep Jhanwar
Partner
M.No. 078146
UDIN: 22078146ALPLXN3546**

**Place: Jaipur
Date: 02nd May 2022**

Balance Sheet

as at March 31, 2022

₹ in Lakhs

Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Financial Assets			
a) Cash and cash equivalents	4	140.91	39.96
b) Bank balances other than (a) above	5	15.64	8.44
c) Receivables			
i) Trade receivables		-	-
ii) Other receivables	6	29.50	31.71
d) Loans	7	10,350.02	8,372.69
e) Investments	8	1,680.70	1,547.21
f) Other financial assets	9	44.20	36.63
	TOTAL	12,260.97	10,036.64
2 Non-Financial Assets			
a) Income tax assets (net)		28.98	83.98
b) Deferred tax assets (net)	27	-	15.63
c) Investment property	11	1,316.11	1,316.11
d) Property, plant and equipment	12(A)	32.92	34.48
e) Right of use asset		100.06	85.31
f) Intangible Assets	12(B)	1.70	4.35
g) Other non-financial assets	13	33.06	44.59
	TOTAL	1,512.83	1,584.45
	TOTAL ASSETS	13,773.80	11,621.09
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 other than micro enterprises and small enterprises			
ii) Other payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues other than micro enterprises and small enterprises	14	24.63	45.59
b) Lease liability		106.37	87.16
c) Borrowings (Other than debt securities)	15	2,826.16	1,311.14
d) Other financial liabilities	16	16.67	34.93
	TOTAL	2,973.83	1,478.82
2 Non-Financial Liabilities			
a) Current tax liabilities (net)	17	177.48	139.75
b) Deferred tax liabilities (net)	27	1.81	-
c) Other non-financial liabilities	18	28.35	24.71
	TOTAL	207.64	164.46
3 Equity			
a) Equity share capital	19(A)	1,931.40	1,931.40
b) Other equity	19(B)	8,660.93	8,046.41
	TOTAL	10,592.33	9,977.81
	TOTAL LIABILITIES AND EQUITY	13,773.80	11,621.09
The accompanying notes form an integral part of the financial statements	1 to 42		

In terms of our audit report of even date
FOR MGB & Co. LLP

Chartered Accountants
FRN: 101169W/W-100035

Sd/-
Sandeep Jhanwar
Partner
M.No. 078146

Place: Mumbai
Date : 2nd May 2022
UDIN : 22078146ALPLXN3546

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

Sd/-
Meghraj Jain
Managing Director
DIN: 01311041

Sd/-
Nilesh Jain
Director
DIN-08788781

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

Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Lakhs

Particulars	Note No.	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Revenue from Operations			
Interest Income	20	1,303.89	1,059.76
Fees and commission income	21	60.68	70.74
Total revenue from operations		1,364.57	1,130.50
Other Income	22	20.00	10.54
Total Income (I)		1,384.57	1,141.04
Expenses			
Finance Costs	23	177.86	56.94
Impairment on financial instruments	24	(0.35)	22.54
Employee Benefits Expense	25	212.07	139.99
Depreciation and Amortization Expenses	12(A) & 12(B)	40.03	24.00
Other Expenses	26	86.71	79.23
Total Expenses (II)		516.32	322.70
Profit Before Tax (I - II)		868.25	818.34
Tax Expense			
Current Tax		235.22	230.54
Short / (Excess) provision for tax relating to prior years		-	-
Net Current Tax Expense	27	-	-
Deferred Tax	27	(13.11)	16.70
Tax in respect of Earlier Year		38.00	
Profit for the Year		608.14	571.10
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		133.49	19.75
Income tax relating to items that will not be reclassified to profit or loss		(30.54)	(4.52)
Total Other Comprehensive Income		102.95	15.23
Total Comprehensive Income for the year		711.09	586.33
Earning Per Equity Share			
Equity Shares of par value ₹10/- each	29		
(1) Basic (₹)		3.15	2.96
(2) Diluted (₹)		3.15	2.96
Nominal Value of each ordinary share is ₹10/-			
Significant Accounting Policies	2		
Other Notes on Accounts	4 to 42		

In terms of our audit report of even date

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

Sd/-
Sandeep Jhanwar
Partner
M.No. 078146

Place: Mumbai
Date : 2nd May 2022
UDIN : 22078146ALPLXN3546

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

Sd/-
Meghraj Jain
Managing Director
DIN: 01311041

Sd/-
Nilesh Jain
Director
DIN-08788781

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

Statement of cash flows

for the year ended March 31, 2022

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flows from operating activities		
Profit before tax	868.25	818.34
Adjustments for:		
Depreciation and amortisation	40.03	24.00
Finance cost	177.86	56.94
Impairment on financial instruments	96.65	22.54
Interest on Income Tax Refund	(3.55)	-
Interest on fixed deposit	(0.40)	-
Operating profit before working capital changes	1,178.84	921.82
Adjustment for working capital changes		
(Increase)/ decrease in trade and other receivables	2.21	724.45
(Increase)/ decrease in loans	(2,064.45)	(1,893.81)
(Increase)/ decrease in other financial asset	(7.57)	13.87
(Increase)/ decrease in non- financial asset	11.53	(36.11)
Increase / (Decrease) in trade and other payables	(20.96)	13.84
Increase / (Decrease) in other financial liabilities	8.40	0.33
Increase / (Decrease) in non financial liabilities	(5.89)	16.14
Cash flow from operating activities	(897.89)	(239.47)
Income taxes paid	(176.93)	(303.60)
Net cash generated from operating activities (A)	(1,074.82)	(543.07)
B. Cash flows from investing activities		
Payments for property, plant and equipment and capital advance	(9.42)	(6.43)
Purchase of investment property	-	(119.56)
Interest income from fixed deposit	0.40	-
Movement in earmarked balances with bank	(7.20)	(0.34)
Net cash used in investing activities (B)	(16.22)	(126.33)

Statement of cash flows

for the year ended March 31, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flows from financing activities		
Proceeds from borrowings	5,659.89	1,230.77
Repayment of borrowings	(4,144.87)	(549.32)
Interest paid	(204.52)	(45.19)
Payment of lease liability	(21.94)	(6.97)
Dividend paid	(96.57)	(96.57)
Net cash generated from financing activities (C)	1,191.99	532.72
Net decrease in cash and cash equivalents (A+B+C)	100.95	(136.68)
Cash and cash equivalents at the beginning of the year	39.96	176.64
Cash and cash equivalents at end of the year (refer note 4)	140.91	39.96

In terms of our audit report of even date

FOR MGB & Co. LLP

Chartered Accountants

FRN: 101169W/W-100035

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

Sd/-

Sandeep Jhanwar

Partner

M.No. 078146

Sd/-

Meghraj Jain

Managing Director

DIN: 01311041

Sd/-

Nilesh Jain

Director

DIN-08788781

Sd/-

Supriya Agarwal

Company Secretary

M.No. A35286

Place: Mumbai

Date: 2nd May 2022

UDIN : 22078146ALPLXN3546

Statement of Changes in Equity

for the year ended on 31st March, 2022

A. Equity share capital

	₹ in Lakhs
Balance as at April 01, 2020	1,931.40
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at April 01, 2020	-
Changes in equity share capital during the year	-
Balance as at March 31, 2021	1,931.40
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at April 01, 2021	-
Changes in equity share capital during the year	-
Balance as at March 31, 2022	1,931.40

B. Other equity

Particulars	Reserves and Surplus					Total Other Equity			
	Capital reserve	Security Premium	General reserve	Statutory Reserve Fund	Contin-gency Reserve		Invest-ment Reserve	Retained earnings	Other Comprehensive Income*
Balance as at April 01, 2020	150.46	3,588.19	365.00	785.76	25.00	7.00	2,614.10	21.14	7,556.65
Profit for the year							571.10		571.10
Other comprehensive income for the year, net of income tax*								15.23	15.23
Transactions with owners in their capacity as owners									
- Dividends**							(96.57)		(96.57)
Transferred to Statutory Reserve Fund				114.22			(114.22)		
Balance as at March 31, 2021	150.46	3,588.19	365.00	899.98	25.00	7.00	2,974.41	36.37	8,046.41
Profit for the year							608.14		608.14
Other comprehensive income for the year, net of income tax*								102.95	102.95
Transactions with owners in their capacity as owners									
- Dividends**							(96.57)		(96.57)
Transferred to Statutory Reserve Fund				121.63			(121.63)		
Balance as at March 31, 2022	150.46	3,588.19	365.00	1,021.61	25.00	7.00	3,364.35	139.32	8,660.93

* Other comprehensive income includes valuation of investment.

** During the FY 2021-22 the company has paid dividend of ₹ 96,56,993/- at ₹ 0.5 per equity shares (on face value of ₹ 10/- equity shares) approved in its Annual General Meeting held on 29th September 2021.

** During the FY 2020-21 the company has paid dividend of ₹ 96,56,993/- at ₹ 0.5 per equity shares (on face value of ₹ 10/- equity shares) approved in its Annual General Meeting held on 30th December 2020.

In terms of our audit report of even date

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

Sd/-
Sandeep Jhanwar
Partner
M.No. 078146
Place: Mumbai
Date: 2nd May 2022
UDIN : 22078146ALPLXN3546

Sd/-
Meghraj Jain
Managing Director
DIN: 01311041

Sd/-
Nilesh Jain
Director
DIN-08788781

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

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

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

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 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). Company is engaged in business of providing various type of loans to different type of customers.

2. Significant Accounting Policies

i. Statement of Compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") as amended from time to time.

ii. Basis of preparation of accounts

These financial statements are prepared under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes.

The financial statements are presented in Indian Rupees, and all values are rounded off in lakhs to the nearest two decimal points except otherwise stated.

iii. Presentation of financial Statement

The standalone financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the

Company and/or its counterparties

iv. Use of estimates and judgments and Estimation uncertainty

The preparation of the financial statements in conformity with Ind AS, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

v. Revenue recognition

The Company drives its revenue primarily from the financing business and ancillary activities. The Company follows Ind AS 109 -Financial Instruments for revenue recognition for the income on the financial assets. In case of other revenues the Company recognised its revenue based on five step model prescribed in Ind AS 115- Revenue from Contracts with Customers.

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

a. Recognition of interest income on loans

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit impaired financial assets, the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLS). If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest on gold loan levied on customer for delay in repayment/non-payment of contractual cash flows is recognized on accrual basis whereas penal interest is recognized on realization basis.

Delay payment Interest (penal interest) in other than gold loan levied on customer for delay in repayment/non-payment of contractual cash flows is recognized on realisation basis.

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

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.

vi. 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 as "Capital Advances" under other non-financial assets. Under the head "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 written down value basis in accordance with the useful lives specified in Part C of Schedule II to the Companies Act, 2013.

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

Depreciation on asset added /sold/discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold/discarded.

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

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.

vii. 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 written down value method to write down the cost of intangible assets over their estimated useful lives.

viii. Investments in subsidiaries and associates

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

ix. Impairment of tangible, intangible and right to use 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.

x. Financial instruments

a. Initial Recognition and 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. Subsequent measurement:

• Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

- **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are valued at fair value through profit and loss. All the debt instrument held for trading purpose are designated as fair value through profit and loss.

- **Financial assets at fair value through other comprehensive income**

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.

- **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.

c. Derecognition:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

D. Impairment of financial instruments

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

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. 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 an internal model to evaluate ECL based on nature of Financial Assets. Based on the above process, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

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

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

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

losses for these loans.

The key elements of the ECL are summarized below:

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.

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.

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.

d. 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

- **Defined contribution plans**

Company's contribution paid/payable during the

year to provident fund and ESIC is recognized in the Statement of profit and loss are recognized in statement of profit and loss in the years during the services are rendered by employees.

- **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.

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

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

xiv. Foreign currency translations:

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

xv. Provisions, contingent liabilities and contingent assets:

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- (a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefit is probable.

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. 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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

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. Bank deposits having maturity more than 3 months have been classified as other bank balances.

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.

xix. Statement of cash flows:

Cash flows are reported using the indirect method

where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3. Standards issued but not yet effective:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated 23rd March 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will apply the amendments from 1 April 2022 being the effective date of the amendments:

Ind AS 101 - First-time adoption of Indian Accounting Standards:

The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from 1 April 2022. As the company has already adopted Ind AS, there is no impact of this amendment on the company. Ind AS 103 - Business Combinations: The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1 April 2022.

Ind AS 109 - Financial Instruments: The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after 1 April 2022. The amendment has no impact on the financial statements of the company.

Ind AS 16 - Property, plant and Equipment:

The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets: The paragraph clarifies what cost needs to be considered in the costs to fulfil a

contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contract includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on 1 April 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Note '4' CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	67.80	27.03
Balance with banks		
- in current accounts	73.11	12.93
Total	140.91	39.96

Note '5' BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks-		
- in unpaid dividend account	15.64	8.44
Total	15.64	8.44

Note '6' RECEIVABLES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	29.50	31.71
Total	29.50	31.71

OTHER RECEIVABLES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Other receivables		
Secured, considered good	-	-
Unsecured, considered good	29.50	31.71
Other receivables which have significant increase in credit risk	-	-
Other receivables- credit impaired	-	-
	29.50	31.71
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Other receivables which have significant increase in credit Risk	-	-
Other receivables- credit impaired	-	-
Total	-	-

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Other receivables are non-interest bearing and are generally on terms of 30 to 90 days. The company has assessed that the impact of impairment of other receivables is immaterial and hence no impairment loss has been provided.

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Other receivables Ageing Schedule

As at 31 March 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Other receivables-considered good	29.50	-	-	-	-	29.50
Undisputed Other receivables-which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-
Total	29.50	-	-	-	-	29.50

As at 31 March 2021

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Other receivables-considered good	9.93	5.71	16.07	-	-	31.71
Undisputed Other receivables-which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-
Total	9.93	5.71	16.07	-	-	31.71

Note '7' LOANS

Loans at Amortised cost

₹ in Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(A) (i) Term loans	10,482.44	8,411.04
Total A (Gross)	10,482.44	8,411.04
Less: Impairment loss allowance*	(132.42)	(38.35)
Total A (Net)	10,350.02	8,372.69
(B) (i) Secured by tangible asset	3,953.54	3,557.26
(ii) Unsecured	6,528.90	4,853.78
Total B (Gross)	10,482.44	8,411.04

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Less: Impairment loss allowance	(132.42)	(38.35)
Total B (Net)	10,350.02	8,372.69
(C) (i) Loans in India		
- Public sector	-	-
- Others	10,482.44	8,411.04
Total C (i) (Gross)	10,482.44	8,411.04
Less: Impairment loss allowance	(132.42)	(38.35)
Total C (i) (Net)	10,350.02	8,372.69
(ii) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total C (ii) (Net)	-	-
Total C (i+ii) (Net)	10,350.02	8,372.69

*Impairment Allowance includes management provision of ₹ 15.35 Lakhs.

Note '8' INVESTMENTS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in unquoted equity instruments of other entities at FVTOCI		
- Unquoted Equity Shares	1,680.70	1,547.21
Total	1,680.70	1,547.21

Note '9' OTHER FINANCIAL ASSET

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	44.20	36.63
Total	44.20	36.63

Note '10' INCOME TAX ASSETS (NET)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax	28.98	83.98
Total	28.98	83.98

Note 11 - Investment Property

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
Carried at cost		
Investment in land	1,316.11	1,316.11
Total	1,316.11	1,316.11
*Fair Market Value	₹ 1433.80	₹ 1317.93

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Note 12(A) - Property, plant and equipment

₹ in Lakhs

Description of assets	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments/ Computer Peripherals	Total
I. Cost					
Balance as at April 01, 2020	29.99	159.53	0.60	61.11	251.24
Additions	-	-	-	5.92	5.92
Disposals	-	-	-	-	-
Balance as at March 31, 2021	29.99	159.53	0.60	67.03	257.16
Additions	0.60	4.61	-	4.84	10.05
Additions on Acquisition	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at March 31, 2022	30.59	164.14	0.60	71.87	267.21
II. Accumulated depreciation/ impairment					
Balance as at April 01, 2020	19.94	136.42	0.57	53.99	210.93
Depreciation for the year	1.87	6.08	-	3.80	11.75
Disposals	-	-	-	-	-
Balance as at March 31, 2021	21.81	142.50	0.57	57.79	222.68
Depreciation for the year	1.59	5.16	-	4.86	11.61
Disposals	-	-	-	-	-
Balance as at March 31, 2022	23.40	147.66	0.57	62.65	234.29
Net block (I-II)					
Balance as at March 31, 2022	7.19	16.48	0.03	9.22	32.92
Balance as at March 31, 2021	8.18	17.03	0.03	9.24	34.48

Note 12(B) - Intangible assets

₹ in Lakhs

Description of asset	Intangible Assets
I. Cost	
Balance as at April 01, 2020	9.62
Additions	0.51
Disposals	-
Balance as at March 31, 2021	10.13
Additions	0.16
Disposals	-

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

₹ in Lakhs

Description of asset	Intangible Assets
Balance as at March 31, 2022	10.29
II. Accumulated impairment losses	
Balance as at April 01, 2020	3.15
Amortization for the year	3.42
Disposals	-
Balance as at March 31, 2021	6.57
Amortization for the year	2.02
Disposals	-
Balance as at March 31, 2022	8.59
Net block (I-II)	
Balance as at March 31, 2022	1.70
Balance as at March 31, 2021	4.35

Note '13' OTHER NON FINANCIAL ASSET

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Revenue Authorities*	7.96	7.96
Prepaid Expenses	24.82	24.87
Other advances	0.28	11.52
Advance to Staff	-	0.24
Total	33.06	44.59

*Balances 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.

Note '14' PAYABLES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
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	24.63	45.59
Total	24.63	45.59

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Ageing Schedule

₹ in Lakhs

As at 31 March 2021				
Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	43.28	2.31	-	-
Disputed dues of micro enterprises and small enterprises	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-
Total	43.28	2.31	-	-

As at 31 March 2022				
Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	24.63	-	-	-
Disputed dues of micro enterprises and small enterprises	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-
Total	24.63	-	-	-

Note '15' BORROWINGS (OTHER THAN DEBT SECURITIES)-At amortised cost

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loan		
(i) Term Loan		
-Federal Bank	487.65	490.44
(ii) Loan repayable on demand		
-South Indian Bank	927.57	434.18

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
-City Union Bank	535.94	-
Unsecured Loan		
Loan repayable on demand		
-Inter-Corporate Loans	100.00	-
-Loan from Directors	775.00	386.52
Total	2,826.16	1,311.14

Note:

Secured Loan

Federal Bank:

- The company has taken the secured facility having Sanction Limit of ₹ 5 Crores and current outstanding of ₹ 487.66 Lakhs.
- Security:
 - Primary security-
Receivable of Borrower(s) arising out of loan extended to obligors against security of pledge of gold ornaments which are replighted in favour of the bank and Statement for the same is to be submitted
 - Collateral Security-
Repledge of gold ornaments pledged by Obligors
- Tenure of loan: 12 months
- Rate of interest:
Rate of interest is 8.40% p.a.

South Indian Bank:

- The company has taken the working capital facility payable on demad having Sanction limit of ₹ 10 Crores and Current Outstanding of ₹ 927.57 Lakhs.
- Collateral Security:
Repledge of gold ornaments pledged by Obligors
- Rate of interest:
Rate of interest is 9.75%

City Union Bank:

- The company has taken the working capital facility payable on demand having Sanction limit of ₹ 9 Crores and Current Outstanding of ₹ 535.94 Lakhs.
- Collateral Security:
Repledge of gold ornaments pledged by Obligors

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

3. Rate of interest:
Rate of interest is 10%

Unsecured loan:

All loans are payable on demand from the reporting date having interest rate ranging from 9%- 12%.p.a.

Note '16' OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid Dividends	15.44	8.24
Auction Surplus Refundable	1.20	-
Interest Accrued on borrowings	0.03	26.69
Total	16.67	34.93

Note '17' CURRENT TAX LIABILITY

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax [net of advance tax ₹ 57.74 Lakhs (as at 31 March 2021: ₹62.26 Lakhs)]	177.48	139.75
Total	177.48	139.75

Note '18' OTHER NON FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loan Disbursement Reimbursement	-	8.45
Unearned interest income	12.75	3.22
Other Payables	1.17	0.15
Statutory dues	14.43	12.89
Total	28.35	24.71

Note '19A' - EQUITY SHARE CAPITAL

Particulars	March 31, 2022		March 31, 2021	
	Number of Shares	Amount in Lakhs	Number of Shares	Amount in Lakhs
(a) Authorised				
Equity Shares of ₹10/- each	25,000,000	2,500.00	25,000,000	2,500.00
Total	25,000,000	2,500.00	25,000,000	2,500.00
(b) Issued, Subscribed and Paid up				
Equity Shares of ₹10/- each	19,313,986	1,931.40	19,313,986	1,931.40
Total	19,313,986	1,931.40	19,313,986	1,931.40

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

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

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

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

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of F.Y. 2021-22

Particulars	March 31, 2022		March 31, 2021	
	Number of Shares	Amount in Lakhs	Number of Shares	Amount in Lakhs
At the beginning of the year	19,313,986	1,931.40	19,313,986	1,931.40
Issued during the year				
- on account of equity shares to the promoters/ non-promoters against share warrants	-	-	-	-
Outstanding at the end of the year	19,313,986	1,931.40	19,313,986	1,931.40

(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	March 31, 2022		March 31, 2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Meghraj S Jain	4,562,731	23.62	4,470,342	23.15
Ajit S Jain HUF	2,484,240	12.86	2,484,240	12.86
M/s E-ally Consulting (I) Pvt. Ltd	1,679,700	8.70	1,679,700	8.70
M/s Dhakad Properties and Financial Services Pvt Ltd	1,259,205	6.52	1,259,205	6.52
Chandanmal Hasmukh	1,000,000	5.18	-	-
*Rekha Jagdish Jain	258,665	1.34	1,000,000	5.18

*Rekha Jagdish Jain shareholding is less than 5% as on 31st March 2022 (more than 5% as on 31st March 2021).

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

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

(g) Split of shares:-

The 'Record Date' for the purpose of ascertaining the Members entitled to receive the said sub-divided equity shares of the Company was fixed by the Board of Directors of the Company as '06/05/2017. Subsequently, the Company has issued ten (10) sub-divided equity shares of ₹1/- each in lieu of one (1) equity share of ₹10/- each to the eligible Members of the Company. In case of Members holding equity shares of the Company in physical form, the Company, without requiring the surrender of old share certificate(s), has directly issued and dispatched the new share certificate(s) of the Company for the sub-divided equity shares of ₹1/- each. The said new share certificate(s) were issued in lieu of the old share certificate(s), which were deemed to have been automatically cancelled and be of no effect. In the case of equity shares of the Company held in dematerialized form, the sub-divided equity shares have been duly credited to the respective beneficiary accounts of the Members with the respective Depository Participants, as per the existing credits representing the equity shares of the Company. In view of the aforesaid Stock Split, the number of equity shares of the Company and price of underlying equity share in the stock markets has been correspondingly adjusted by the Stock Exchanges, where the Company's shares are listed (i.e. BSE). The details of the Authorised and Paid-up share capital of the Company (pre & post Stock Split) is as follows:

Particulars	Authorised Share Capital		Paid up Share Capital	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Pre Stock Split	25,000,000	2,500.00	16,112,038	1,611.20
Post stock Split	250,000,000	2,500.00	161,120,380	1,611.20

(h) Consolidation of shares:-

During the year 2017, pursuant to the shareholders approval the face value of existing equity shares of ₹ 1 each has been consolidated to ₹ 10 each . Accordingly , the Company has issued one (1) consolidated equity share of ₹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 (₹ In Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Pre Stock Consolidation	250,000,000	2,500.00	193,139,860	1,931.40
Post stock Consolidation	25,000,000	2,500.00	19,313,986	1,931.40

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

* 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.

(i) Details of shares held by promoters March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Meghraj Sohanlal Jain	4,470,342	92,389	4,562,731	23.62%	2.07%
Ajit S Jain HUF	2,484,240	-	2,484,240	12.86%	0.00%
Ajit Sohanlal Jain	399,696	-	399,696	2.07%	0.00%
Neeta Maloo	600	-	600	0.00%	0.00%
Sandeep Maloo	600	-	600	0.00%	0.00%
Hardik Meghraj Jain	561,280	16,114	577,394	2.99%	2.87%
Bhavika Meghraj Jain	-	86,898	86,898	0.45%	100.00%
Indra Meghraj Jain	-	63,036	63,036	0.33%	100.00%
Seema Ajit Jain	1,000	-	1,000	0.01%	0.00%
E Ally Consulting India Private Limited	1,679,700	-	1,679,700	8.70%	0.00%
Dhakad Properties Private Limited	1,259,205	-	1,259,205	6.52%	0.00%
Shree Jaisal Electronics And Industries Limited	929,400	-	929,400	4.81%	0.00%
Total	11,786,063	258,437	12,044,500	62.36%	

March 31, 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Meghraj Sohanlal Jain	4,114,372	355,970	4,470,342	23.15%	8.65%
Ajit S Jain HUF	2,484,240	-	2,484,240	12.86%	0.00%
Ajit Sohanlal Jain	336,547	63,149	399,696	2.07%	18.76%
Neeta Maloo	600	-	600	0.00%	0.00%
Sandeep Maloo	600	-	600	0.00%	0.00%
Hardik Meghraj Jain	442,883	118,397	561,280	2.91%	26.73%
Seema Ajit Jain	-	1,000	1,000	0.01%	100.00%
E Ally Consulting India Private Limited	1,679,700	-	1,679,700	8.70%	0.00%
Dhakad Properties Private Limited	1,259,205	-	1,259,205	6.52%	0.00%
Shree Jaisal Electronics And Industries Limited	929,400	-	929,400	4.81%	0.00%
Total	11,247,547	538,516	11,786,063	61.03%	

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Note '19B'- OTHER EQUITY

Particulars	Amount in ₹ in Lakhs	
	March 31, 2022	March 31, 2021
(a) Capital reserve	150.46	150.46
(b) Security premium reserve	3,588.19	3,588.19
(c) General reserve	365.00	365.00
(d) Statutory reserve fund	1,021.61	899.98
(e) Contingency reserve	25.00	25.00
(f) Investment reserve	7.00	7.00
(g) Retained earnings	3,364.35	2,974.41
(h) Other Comprehensive Income	139.32	36.37
Total	8,660.93	8,046.41

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.

Contingency reserve

The extant guidelines provide for a lower appropriation to Contingency Reserves if provision made towards losses exceed 35% of the premium or fee earned during a financial 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 on 31st March, 2022

Note '20' INTEREST INCOME

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
On financial instruments measured at Amortised cost		
Interest on loans	1,303.89	1,059.76
Total	1,303.89	1,059.76

Note '21' FEES AND COMMISSION INCOME

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
Fees on corporate guarantee	3.66	22.74
Service charges and other fees on loan transaction	27.48	15.56
Loan Foreclosure Charges - Income	4.54	1.94
Financial Consultancy Fees	25.00	30.50
Total	60.68	70.74

Note '22' OTHER INCOME

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
Reimbursement of expenses	11.67	8.92
Interest income on fixed deposit	0.40	-
Interest income on security deposit discounting	4.38	1.62
Interest on income tax refund	3.55	-
Total	20.00	10.54

Note '23' FINANCE COSTS

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
On financial liabilities measured at Amortised cost		
Interest from bank and Financial Institutions	115.23	18.22
Interest on other borrowings	44.62	32.90
Interest on lease liability	10.61	4.28
Other finance cost	7.40	1.54
Total	177.86	56.94

Note '24' IMPAIRMENT ON FINANCIAL INSTRUMENT

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
On financial instruments measured at Amortised cost		
Loans and advances to customer	94.08	22.54
Bad debt and write offs	2.57	-
Bad debts recovered	(97.00)	-
Total	(0.35)	22.54

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Note '25' EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
Director's Remuneration	47.00	21.00
Directors Sitting Fees	2.65	1.30
Salaries, Bonus and Allowances	161.12	114.67
Staff Welfare Expenses	1.30	3.02
Total	212.07	139.99

Note '26' OTHER EXPENSES

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
Valuation Expenses	1.72	0.19
Credit Enquiry Expenses	1.07	0.76
Commission Expenses	3.40	0.24
Advertisement Expenses	1.13	0.82
Payment to Auditor		
- Statutory Audit Fees	2.50	2.50
- Tax Audit Fees	0.25	0.25
- Others	-	0.20
Internal Audit Fees	1.50	0.60
Secretarial Audit Fees	0.50	1.00
Conveyance Expenses	-	0.52
CDSL/NSDL custody fees	0.96	1.14
Office Expenses	2.25	1.08
Business promotion expenses	0.03	0.53
Electricity Charges	17.02	11.23
Legal & Professional Charges	10.42	18.43
CSR expense (Note 33)	14.28	12.73
Repair & Maintenance	0.18	0.09
Registration charges	0.31	0.82
Annual Maintenance Charges	0.17	0.32
Membership Fees	0.15	0.10
Listing Fees	3.00	3.00
GST Exp - Others	5.56	5.21
Software expense	1.62	1.68
Computer Expense	0.28	0.25

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Particulars	March 31, 2022	March 31, 2021
Postage, Courier & Telegrams	0.17	0.35
Printing & Stationery	2.33	2.01
Insurance premium	0.62	0.45
Rent, Rates and Taxes	7.38	6.63
ROC Filling Fee	0.12	0.14
Professional tax	0.08	0.05
Travelling Expenses	0.69	1.38
Telephone & Internet Charges	4.23	3.83
Miscellaneous Expenses	0.26	0.70
Over Due Charges Waived Off	0.19	-
Interest on TDS	0.25	-
Penalty	2.09	-
Total	86.71	79.23

Note '27' CURRENT TAX AND DEFERRED TAX

(A) Major Components of income tax expenses

₹ in Lakhs

Particulars	April 1, 2021 to March 31, 2022	April 1, 2020 to March 31, 2021
(a) Statement of profit and loss:		
(i) Current tax:		
- In respect of current year	235.22	230.54
- In respect of earlier year	38.00	-
(ii) Deferred tax:		
- Relating to origination and reversal of temporary differences	(13.11)	16.70
Total tax expense recognised in statement of profit and loss	260.11	247.24
(b) Other comprehensive income:		
(i) Deferred tax impact	30.54	4.52
Total tax expense recognised in total comprehensive loss	290.65	251.76

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

₹ in Lakhs

Particulars	April 1, 2021 to March 31, 2022	April 1, 2020 to March 31, 2021
Profit before tax	868.25	818.34
Applicable tax rate	25.17%	25.17%
Computed tax expense	218.54	205.98

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Particulars	April 1, 2021 to March 31, 2022	April 1, 2020 to March 31, 2021
Effect of expenses that is non-deductible in determining taxable profit / accounting profit	34.12	17.24
Exempted income	-	-
Adjustments in respect of current income tax of previous years	38.00	28.54
Effect of different tax rates (tax on capital gain)	-	-
Income tax expense recognised in statement of profit and loss	290.65	251.76
Effective tax rate	33.48%	30.76%

(C) Deferred Tax

₹ in Lakhs

Particulars	For the year ended March 31, 2022			As at March 31, 2022
	As at April 01, 2021	Recognised in Profit and Loss	OCI	
Tax effect of items constituting deferred tax liability on:				
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(0.87)	(0.40)		(1.27)
On Right to use assets	21.47	(6.64)		14.83
Lease accounting impact				
Fair value of investment through OCI	-			-
	(A)	20.60	(7.04)	-
Tax effect of items constituting deferred tax assets:				
Provision for impairment loss	-	11.30		11.30
Property, plant and equipment and intangible assets	12.54	0.29		12.83
Provision for CSR	-			-
Fair value of investment through OCI	1.75		(30.54)	(28.79)
Deferred tax asset on lease liability	21.94	(5.52)		16.41
	(B)	36.23	(30.54)	11.75
Deferred tax assets have been restricted to the extent of deferred tax liabilities				
Deferred tax liabilities/(assets) (net) (A-B)	(15.63)	(13.11)	30.54	1.80

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

₹ in Lakhs

Particulars	For the year ended March 31, 2021			As at March 31, 2021
	As at April 01, 2020	Recognised in Profit and Loss	OCI	
Tax effect of items constituting deferred tax liability on:				
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(0.90)	0.02	-	(0.87)
On Right to use assets	-	21.47	-	21.47
(A)	(0.90)	21.49	-	20.60
Tax effect of items constituting deferred tax assets:				
Provision for impairment loss	17.07	(17.07)		-
Property, plant and equipment and intangible assets	12.61	(0.07)		12.54
Provision for CSR	-	-		-
Fair value of investment through OCI	6.27	-	(4.52)	1.75
Deferred tax asset on lease liability		21.94		21.94
(B)	35.95	4.80	(4.52)	36.23
Deferred tax assets have been restricted to the extent of deferred tax liabilities	-	-	-	-
Deferred tax liabilities/(assets) (net) (A-B)	(36.85)	16.69	4.52	(15.63)

Note '28' - EARNING PER SHARE

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
Profit after tax for the year attributable to the equity shareholders	608.14	571.10
No. of Equity Shares Outstanding at the end of the year	193.14	193.14
Weighted average number of equity shares (Nos.)	193.14	193.14
Face value per share (In ₹)	10	10
Basic and Diluted earnings per share (in ₹)	3.15	2.96

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

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
(i) Contingent Liabilities		
(a) Claims against company not acknowledged as debt*	59.83	59.83
(b) Guarantees Counter Guarantees Provided to Bank **	732.00	2,732.00
	791.83	2,791.83

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Particulars	March 31, 2022	March 31, 2021
(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)	-	-
	-	-

*Claims against the company not acknowledged as debts for the year ended 31st March, 2022 include demand from the Income Tax Authorities for payment of tax of ₹ 59,83,730/- upon completion of their tax assessment for Assessment Years 2017-18. The company has 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.

** current outstanding of counter guarantee is ₹ 652 Lakhs as on 31st March 2022 (₹ 2,672 Lakhs as on 31st March 2021)

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

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2022 together with interest paid /payable are required to be furnished.

Note '31'- LEASES

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

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

₹ in Lakhs

Particulars	Office premises	Total
As at 1st April 2020	-	-
Additions	94.13	94.13
Depreciation for the year	(8.82)	(8.82)
As at 31st March 2021	85.31	85.11
Additions	41.15	41.15
Depreciation for the year	(26.40)	(26.40)
As at 31st March 2022	100.06	99.86

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Depreciation of right of use asset is as follows:

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Office premises	26.40	8.82
	26.40	8.82

The total cash outflow for leases is ₹ 32.55 Lakhs for the year ended March 31, 2022.

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

₹ in Lakhs

Particulars	Office premises	Total
As at 1st April 2020	-	-
Additions	94.13	94.13
Accretion of interest	4.28	4.28
Payments	(11.25)	(11.25)
As at 31st March 2021	87.16	87.16
Additions	41.15	41.15
Accretion of interest	10.61	10.61
Payments	(32.55)	(32.55)
As at 31st March 2022	106.37	106.37

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Non- current Financial liability	78.60	71.15
Current Financial liability	27.77	16.00

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense of right-of-use assets	26.40	8.82
Interest expense on lease liabilities	10.61	4.28
Total amount recognised in profit or loss	37.01	13.10

The table below provides details regarding the contractual maturities of lease liabilities under Ind AS 116 as at March 31, 2022, on an undiscounted basis:

₹ in Lakhs

Tenure	March 31, 2022	March 31, 2021
Less than 1 year	27.77	16.00
1-5 years	78.60	71.15
More than 5 years	-	-

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Note '32' - OPERATING SEGMENT

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

Note '33' - CORPORATE SOCIAL RESPONSIBILITY (CSR)

Details of CSR expenditure:

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
(a) Gross amount required to be spent by the Company during the year	14.28	12.73
(b) Amount approved by the Board to be spent during the year	14.28	12.73

(c) Amount spent during the year ending on 31 March 2022:

₹ in Lakhs

	In Cash	Yet to be paid in Cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	14.28	-	14.28

(d) Amount spent during the year ending on 31 March 2021:

₹ in Lakhs

	In Cash	Yet to be paid in Cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	23.23	-	23.23

(e) Details related to spent / unspent obligations:

₹ in Lakhs

	March 31, 2022	March 31, 2021
(i) Contribution to Public Trust	-	-
(ii) Contribution to Charitable Trust	14.28	23.23
(iii) Unspent amount in relation to:		
- ongoing project	-	-
- Other than ongoing project	-	-
	14.28	23.23

The Company has spent during the year ended 31 March 2022: ₹ 14.28 Lakhs (year ended 31 March 2021: ₹ 23.23 Lakhs) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

Note '34' - CAPITAL MANAGEMENT

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

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

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 (Refer note no. 37).

Note '35'- FINANCIAL RISK MANAGEMENT FRAMEWORK

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

(i) Credit Risk

The Credit Risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from loans and advances, investments other than the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correlation with the quoted market price and risk.

The Company is exposed to the risk that third parties that owe money will not perform their obligations. These parties may default on their obligations owed to the company due to insolvency, lack of liquidity, operational failure etc. Significant failures by third parties to timely perform their obligations owed could materially and adversely affect the company's financial position, and ability to borrow incremental funds and ability to meet business expenses and to repay. make the payment to its creditors in timely manner.

The credit risk may also arise due to the business, operational and technological parameters and business environment in which the company operates. Due to some challenges specific to his/her business or profession, a customer may not be able to meet its performance obligations and credit risk may arise. On the operational side, there could be a slippage in operational procedure and execution of policies leading to credit risk. Similarly technological redundancy and obsolescence may also pose credit risk.

(A) Management /mitigation of credit risk

The Company's main business is to grant loans to its customer. The Company is exposed to high credit risk due to the inherent nature of its business. The Company lends both secured and unsecured loans to its customer. To mitigate the credit risk, the company has implemented various policies and mechanisms, including credit policy to define the broad principles which the company follows to accept borrowers and loan proposals, to manage loan portfolio and recover its dues so as to protect business revenues with customers satisfaction. To reduce the credit risk in financing, the company perform a detail credit assessment on the prospective borrower or seek security over some assets of the borrower or a gurantee from a third party. The Company takes all reasonable and business precautions through policies and procedure to mitigate and manage the credit risk.

The Senior management in the company is responsible for evaluation of internal financial controls and risk management systems. The Company conducts regular internal audits of various business units to identify scope of improvement/enhancement in the company's processes, quality control, fraud prevention and compliance with law & regulations. The internal audit reports are reviewed by the Audit committee and also placed before the board.

As the portfolio level, the company manages credit risk through limiting concentration of credit at individual borrower

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

level, group levels, industry level etc. The loan proposals are assessed based on various factors like repayment capacity, credit worthiness, repayment history, business/ professional profile, future business prospects etc of prospective borrower, field investigation, quality & value of security etc.

Despite all measure taken by the company and its management it is inherent in the financing business that the customer may default in the repayment of the loan granted to him. The Company employs all recovery procedures including follow up with the customer for payment, legal remedies for recovery, invocation and sale of collateral.

The credit risk is managed by a robust control framework by the risk and collection department which continuously align credit and collection policies and resourcing, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the board appointed Risk Management Committee.

(a) Credit Exposure:

The carrying amount of financial assets represents the maximum credit exposure to credit risk at the reporting date was:

₹ in Lakhs

Particulars	As at March 31, 2022
Trade receivable and other receivables	29.50
Loans (gross carrying amount)	10,482.44
Other financial assets	44.20
Total	10,556.15

(b) Credit quality if the loan assets and provision against the same

₹ in Lakhs

Particulars	As at March 31,2022			
	Gross carrying amount	Provision	Net Carrying amount	
Performing Assets				
Standard	Stage 1	9,751.03	2.98	9,748.05
	Stage 2	463.04	24.05	438.99
	Stage 3	131.79	1.33	130.46
Subtotal		-	-	-
		-	-	-
Non-Performing Assets (NPA)				
Substandard	Stage 3	61.13	17.69	43.44
Doubtful - Upto 1 year	Stage 3	5.45	1.02	4.43
1 to 3 years	Stage 3	-	-	-
More Than 3 Years	Stage 3	70.00	70.00	-

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Particulars		As at March 31,2022		
		Gross carrying amount	Provision	Net Carrying amount
Subtotal for Doubtful	Stage 3	-	-	-
Loss	Stage 3	-	-	-
Subtotal for NPA		-	-	-
Other items such as guarantees, loan, commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-
	Stage 2	-	-	-
	Stage 3	-	-	-
Subtotal				
Total	Stage 1	9,751.03	2.98	9,748.05
	Stage 2	463.04	24.05	438.99
	Stage 3	268.37	90.04	178.33
Management provision		-	15.35	(15.35)
	Total	10,482.44	132.42	10,350.02

(c) Impairment of financial assets

The Company monitors all the loans continuously basis the factors considered while sanctioning the loan. If there are any indicators of impairment on management assessment of these loans, these are provided for. The company uses ECL method of impairment and the prudential norms for the income recognition and asset reclassification issued by RBI for the purpose of impairment of loans and other financial assets. Following are the reconciliations of the provision for impairment of financial assets.

Reconciliations of the provision for impairment of loans

₹ in Lakhs

Particulars	As at March 31, 2022
Opening Balance at the beginning of the year	38.35
Addition/(reversal) during the year	94.08
Write offs during the year	-
Closing balance at the end of the year	132.43

(ii) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self-assessment at branches to identify process lapses

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

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

(1) Liquidity risk management

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.

₹ in Lakhs

Particulars	Maturity within 12 months	Maturity after 12 months	Total contracted cash flows	Carrying value
As at March 31, 2022				
Other payables and other financial liabilities	41.30	-	41.30	41.30
Borrowings (Other than debt securities)	2,051.16	775.00	2,826.16	2,826.16
Lease liability	27.77	78.60	106.37	106.37
Total	2,120.23	853.60	2,973.83	2,973.83
As at March 31, 2021				

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Particulars	Maturity within 12 months	Maturity after 12 months	Total contracted cash flows	Carrying value
Other payables and other financial liabilities	80.52	-	80.52	80.52
Borrowings (Other than debt securities)	924.62	386.52	1,311.14	1,311.14
Lease liability	16.00	71.15	87.16	87.16
Total	1,021.14	457.67	1,478.82	1,478.82

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

Note '36'- FAIR VALUE MEASUREMENT

(a) Fair value hierarchy and Categories of financial instruments

₹ in Lakhs

	Level	March 31, 2022		March 31, 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
A Financial assets					
i) Measured at cost					
Investment in subsidiary		-	-	-	-
ii) Measured at fair value through OCI					
Investment	3	1,680.70	1,680.70	1,547.21	1,547.21
iii) Measured at amortised cost					
Cash and cash equivalents	1	140.91	140.91	39.96	39.96
Bank balances other than above	1	15.64	15.64	8.44	8.44
Loan	3	10,350.02	10,350.02	8,372.69	8,372.69
Other Receivables	3	29.50	29.50	31.71	31.71
Other financial assets	3	44.20	44.20	36.63	36.63
Total		12,260.97	12,260.97	10,036.65	10,036.65
B Financial liabilities					
i) Measured at amortised cost					
Borrowings	2	2,826.16	2,826.16	1,311.14	1,311.14
Other payables	3	24.63	24.63	45.59	45.59
Lease liabilities	3	106.37	106.37	87.16	87.16
Other financial liabilities	3	16.67	16.67	34.93	34.93
Total		2,973.83	2,973.83	1,478.82	1,478.82

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

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.

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

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

Quantative disclosure fair value measurement hierarchy:

₹ in Lakhs

Particulars	Fair value hierarchy	March 31, 2022	March 31, 2021
		Fair Value	Fair Value
Assets for which fair value is disclosed			
Investment in equity instruments - unquoted	Level 3	1,680.70	1,547.21

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level.

Note '37' - CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in Lakhs

Particulars	As at April 1, 2021	Cash flows	Other	As at March 31, 2022
Borrowings other than debt securities	1,311.14	1,515.02	-	2,826.16
Total liabilities from financing activities	1,311.14	1,515.02	-	2,826.16

Particulars	As at April 1, 2020	Cash flows	Other	As at March 31, 2021
Borrowings other than debt securities	629.69	681.44	-	1,311.14
Total liabilities from financing activities	629.69	681.44	-	1,311.14

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Note '38' - DISCLOSURE UNDER PRUDENTIAL NORMS & RBI GUIDELINES

Note '38(i)'

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

Note '38(ii)'

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

Note '38(iii)'

Additional disclosures:

Capital to Risk Assets Ratio (CRAR)

Particulars	March 31, 2022	March 31, 2021
CRAR (percent)	77.67%	86.43%
CRAR - Tier I Capital (percent)	77.67%	86.43%
CRAR - Tier II Capital (percent)	-	-

Liquidity Coverage Ratio (LCR) - The computation of LCR is not applicable to our company in terms of RBI notification no. RBI/2019-20/88/ FOR.NBFC (PD) CC No.102/03.10.001/2019-20 dated November 4, 2019.

Note '38(iv)'

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

Particulars	March 31, 2022			March 31, 2021		
	Gross Loan Outstanding	Provision For Assets	Net Loan Outstanding	Gross Loan Outstanding	Provision For Assets	Net Loan Outstanding
Standard Asset	10,346.22	25.59	10,320.63	8,300.95	20.34	8,280.60
Sub Standard Asset	61.22	6.12	55.10	40.09	4.01	36.08
Doubtful Asset	75.00	75.00	-	70.00	14.00	56.00
Loss Asset	-	-	-	-	-	-
Total	10,482.44	106.71	10,375.73	8,411.04	38.35	8,372.68

Note '38(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 on 31st March, 2022

(₹ in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	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	487.65	-	490.44	-
(d) Inter-Corporate Loans and Borrowings	100.00	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits*	-	-	-	-
(g) Other Loans;				
- Working capital Demand Loan Facility	1,463.50	-	434.18	-
- Loan from Directors	775.00	-	386.51	-
*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				

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
	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	3,953.54	3,557.26
(b) Unsecured	6,528.90	4,853.78

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Particulars	March 31, 2022	March 31, 2021
	Amount O/s	Amount O/s
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	-	-

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
	Amount O/s	Amount O/s
5. Break-up of Investments :		
Current Investments :		
1. Quoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Long Term Investments :		
1. Quoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Particulars	March 31, 2022	March 31, 2021
	Amount O/s	Amount O/s
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares : (a) Equity	1,680.70	1,547.21
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	1,316.11	1,316.11

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

Please see **Note (b)** below

(₹ in Lakhs)

Category	March 31, 2022			March 31, 2021		
	Amount Net Of Provision as per Prudential Norms			Amount Net Of Provision as per Prudential Norms		
	Secured	Unsecured	TOTAL	Secured	Unsecured	TOTAL
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	226.16	-	226.16	1,014.96	182.56	1,197.52
2. Other than related parties	3,713.53	6,436.04	10,149.57	2,533.56	4,641.65	7,175.21
TOTAL	3,939.69	6,436.04	10,375.73	3,548.52	4,824.21	8,372.73

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Please see **Note (c)** below

(₹ in Lakhs)

Category	March 31, 2022		March 31, 2021	
	Market Value Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	1,680.70	1,680.70	1,547.21	1,547.21
TOTAL	1,680.70	1,680.70	1,547.21	1,547.21

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

(8) Other Information:

(₹ in Lakhs)

Category	March 31, 2022	March 31, 2021
	Amount	Amount
(i) Gross Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	136.22	110.09
(ii) Net Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	55.10	92.08
Assets acquired in satisfaction of debt	-	-

(9) Movement of NPAs:

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
	Amount	Amount
Net NPA to Net Advances (%)		
Movement of NPA(Gross)		
Opening Balance	110.09	246.50
Additions during the year	26.13	-
Reduction during the year (including loans written off)	-	136.41
Closing Balances	136.22	110.09
Movement of NPA(Net)		
Opening Balance	92.08	194.25
Additions during the year	(36.98)	-
Reduction during the year (including loans written off)	-	102.17
Closing Balances	55.10	92.08
Movement of Provision for NPAs(excluding provision on standard assets)		
Opening Balance	18.01	52.25
Additions during the year	63.11	-
Reduction during the year (including loans written off/ written back)	-	34.24
Closing Balances	81.12	18.01

** Excluding write back of ₹ 97 Lakhs for the year ended on 31st March 2022.

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for the year ended on 31st March, 2022

Sub Notes:

- As defined in point xix of paragraph 3 of chapter II of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

Note 38(vi): Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/22.10.106/2019-20 dated March 13, 2020

In accordance with the regulatory guidance on implementation of Ind AS issued by RBI on March 13, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

₹ in Lakhs

Assets Classification as per RBI norms	Assets Classification as per IND AS 109	Gross Carrying Amounts as per IND AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	9,751.03	2.98	9,748.05	24.20	(21.22)
	Stage 2	463.04	24.05	438.99	1.09	22.96
	Stage 3	131.79	1.33	130.46	0.30	1.03
Subtotal		10,345.86	28.37	10,317.49	25.59	2.78
Non-Performing Assets (NPA)						
Substandard	Stage 3	61.13	17.69	43.44	6.12	11.57
Doubtful - Upto 1 year	Stage 3	5.45	1.02	4.43	5.00	(3.97)
1 to 3 years	Stage 3	-	-	-	-	-
More Than 3 Years	Stage 3	70.00	70.00	-	70.00	-
Subtotal for Doubtful		75.45	71.02	4.43	75.00	(3.97)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		136.58	88.71	47.87	81.12	7.60

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for the year ended on 31st March, 2022

Assets Classification as per RBI norms	Assets Classification as per IND AS 109	Gross Carrying Amounts as per IND AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Other items such as guarantees, loan, commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	9,751.03	2.98	9,748.05	24.20	(21.22)
	Stage 2	463.04	24.05	438.99	1.09	22.96
	Stage 3	268.37	90.05	178.33	81.42	8.63
	Total	10,482.44	117.08	10,365.37	106.71	10.37

The aggregate impairment loss on application of expected credit loss method (ECL) as per Ind AS, as stated above, is more than the provisioning required under IRACP norms (including standard asset provisioning). Further, as stated in Note 7 the company has retained provision in excess of ECL in the books of account as a matter of prudence.

** In addition to ECL & RBI provision, company has provided management provision of ₹ 15.35 Lakhs.

Note 38(vii):- Public Disclosure on Liquidity Risk for the year ended March 31, 2022 pursuant to RBI circular dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

i. Funding Concentration based on significant counterparty (both deposits and borrowings)

Particular	March 31, 2022	March 31, 2021
Number of Significant Counter parties	4	3
Amount (₹ in Lakhs)	2,726.15	1,289.38
% of Total Deposits	NA	NA
% of Total Liabilities	85.69%	78.47%

ii. Top 20 large deposits

Not applicable, the Company being a Non-Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

iii. Top 10 borrowings

Particular	March 31, 2022	March 31, 2021
Amount (₹ Lakhs) of Borrowings from Top 10 Lenders	2,826.16	1,311.14
% of Total Borrowings	100%	100%

iv. Funding Concentration based on significant instrument / product

Name of Instrument / Product ⁴	March 31, 2022		March 31, 2021	
	Amount (₹ lakhs)	% of Total Liabilities	Amount (₹ lakhs)	% of Total Liabilities
Loan from Bank	1,951.16	61.33%	924.63	56.27%
Loan from Directors	775.00	24.36%	386.51	23.52%
Loans from ICD	1.00	3.14%	NA	NA

v. Stock Ratios

Particulars	March 31, 2022			March 31, 2021		
	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
Commercial Papers*	0%	0%	0%	0%	0%	0%
Non-convertible debentures (NCD's)* (original maturity of less than a year)	0%	0%	0%	0%	0%	0%
Other short-term liabilities	72.58%	64.47%	14.89%	72.58%	64.47%	14.89%

*No Commercial Papers and NCD's are issued during current financial year and are outstanding as on reporting date, hence not applicable.

vi. Institutional set-up for liquidity risk management

In compliance with liquidity circular, the Board of Directors has approved constitution of Asset Liability Committee (ALCO) which reviews and monitors Asset Liability Management (ALM) mismatch on regular basis. The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet.

Notes:

- The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2022.
- Total liabilities refer to the aggregate of financial liabilities and non-financial liabilities.
- Significant counter party is as defined in RBI Circular RBI/2019-20/88 DOR. NBFC (PD CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

4. Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

Note '39'- 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

₹ in Lakhs

Particulars	March 31, 2022			March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
1 Financial Assets						
a) Cash and cash equivalents	140.91	-	140.91	39.96	-	39.96
b) Bank balances other than (a) above	15.64	-	15.64	8.44	-	8.44
c) Receivables						
i) Trade receivables	-	-	-	-	-	-
ii) Other receivables	29.50	-	29.50	31.71	-	31.71
d) Loans	3,439.27	6,910.75	10,350.02	2,984.97	5,387.71	8,372.69
e) Investments	-	1,680.70	1,680.70	-	1,547.21	1,547.21
f) Other financial assets	-	44.20	44.20	-	36.63	36.63
2 Non- Financial Assets						
a) Income tax assets (net)	-	28.98	28.98	-	83.98	83.98
b) Deferred tax assets (net)	-	-	-	-	15.63	15.63
c) Investment property	-	1,316.11	1,316.11	-	1,316.11	1,316.11
d) Property, plant and equipment	-	32.92	32.92	-	34.48	34.48
e) Right of use asset	-	100.06	100.06	-	85.31	85.31
f) Intangible Assets	-	1.70	1.70	-	4.35	4.35
g) Other non-financial assets	33.06	-	33.06	22.16	22.44	44.59
TOTAL ASSETS	3,658.38	10,115.42	13,773.81	3,087.25	8,533.85	11,621.10

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Particulars	March 31, 2022			March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
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	24.63	-	24.63	45.59	-	45.59
b) Lease liability	27.77	78.60	106.37	16.00	71.15	87.16
c) Borrowings (Other than debt securities)	2,051.16	775.00	2,826.16	924.62	386.52	1,311.14
d) Other financial liabilities	16.67	-	16.67	34.93	-	34.93
2 Non-Financial Liabilities						
a) Current tax liabilities (net)	177.48	-	177.48	139.75	-	139.75
b) Deferred tax liabilities (net)	1.81	-	1.81	-	-	-
c) Other non- financial liabilities	28.35	-	28.35	24.71	-	24.71
TOTAL LIABILITIES	2,327.87	853.60	3,181.47	1,185.60	457.68	1,643.28
NET	1,330.52	9,261.83	10,592.34	1,901.65	8,076.17	9,977.82
Other undrawn commitments	-	-	-	-	-	-

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Note '40'- RELATED PARTY DISCLOSURE

Details of related parties and their relationship:

(a) Enterprises where control exists

NA

(b) Enterprises owned or significantly influenced by key management personnel or their relatives

S.no.	Name of related party	Status
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	It was related party upto January 17, 2022
7	Mangal Royal Jewels Private Limited	
8	Shree Mangal Jewels Private Limited	
9	Shree Ratna Mangal Jewels Private Limited	
10	Shree Radhey Mangal Gold Chain Private Limited	It was related party upto December 12, 2021
11	Swarna Bhavya Mangal Jewels private Limited	
12	Dhakad Properties Private Limited	
13	Digital Edge Technology	
14	Mangal Entertainment Private Limited	
15	Satco Capital Market Ltd.	It was related party upto July 07, 2021
16	Mangal Charitable trust	

(c) Key Managerial Personnel

S.no.	Name	Designation	Status
1	Meghraj Sohanlal Jain	Chairman & Managing Director	
2	Naval KamalKishor Maniyar	Executive Director and CFO	resigned w.e.f. March 05, 2022
3	Nilesh Jain	Additional Director	appointed w.e.f. October 30, 2021
4	Srichand Tekchand Gerela	Independent Director	resigned w.e.f. May 27, 2020
5	Nirupama Dattatraya Pendurkar	Independent Director	
6	Subramanyam Ganesh	Independent Director	
7	Ramanathan Annamalai	Independent Director	
8	Supriya Rajkumar Agarwal	Company Secretary	
9	Sujan Sinha	Non Executive Non Independent Director	appointed w.e.f. November 11, 2020
10	Sriram Sankaranarayanan	Independent Director	appointed w.e.f. November 11, 2020

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Note '40.1'- RELATED PARTY DISCLOSURE

List of transactions with related parties

₹ in Lakhs

S. No.	Particular	Year ended March 31, 2022	Year ended March 31, 2021	
1	Purchase of Fixed Asset			
	Mangal Compusolution Pvt Ltd	0.04	2.29	
		0.04	2.29	
2	Guarantee Commission income			
	Mangal Compusolution Pvt Ltd	3.66	10.60	
	Mangal Buildhome Pvt Ltd	-	1.48	
	Mangal Globle Marble Pvt Ltd	-	0.66	
	Satco Capital Market Ltd	-	10.00	
		3.66	22.74	
3	Loan Given			
	Mangal Compusolution Pvt Ltd	-	395.00	
	Woodland Construction Pvt Ltd	-	3.25	
		-	398.25	
4	Loan Repayment Received			Status
	Satco Capital Markets Ltd	146.46	-	Closed
	Mangal Globle Marble Pvt Ltd	-	701.57	Not a related party
	Mangal Buildhome Pvt Ltd	31.25	18.75	Closed
	Shree Mangal Jewels Pvt Ltd	20.00	17.50	Active
	Shree Radhey Mangal Gold Chain Pvt Ltd	182.50	17.50	Closed
	Shree Ratna Mangal Jewels Pvt Ltd	20.00	15.00	Active
	Swarna Bhavya Mangal Jewels Pvt Ltd	20.00	15.00	Active
	Mangal Royal Jewels Pvt Ltd	10.00	57.50	Active
	Mangal Compusolution Pvt Ltd	-	395.00	Closed
	Woodland Construction Pvt Ltd	453.21	46.79	Closed
		883.42	1,284.61	
5	Reimbursement of expenses			
	Indtrans Container Lines Pvt Ltd	-	2.03	
	Mangal Buildhome Pvt Ltd	4.34	3.02	
	Chakshu Realtors Pvt Ltd	3.58	2.79	
	Digital Edge Technology	0.55	0.62	
	Dhakad Properties Pvt Ltd	-	0.03	
	Mangal Entertainment Pvt Ltd	-	0.40	
		8.47	8.89	
6	Interest Income			
	Satco Capital Markets Ltd	16.55	21.97	
	Mangal Globle Marble Pvt Ltd	-	52.76	
	Mangal Buildhome Pvt Ltd	2.41	6.33	
	Mangal Royal Jewels Pvt Ltd	5.73	12.10	
	Shree Mangal Jewels Pvt Ltd	11.09	14.19	

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

₹ in Lakhs

S. No.	Particular	Year ended March 31, 2022	Year ended March 31, 2021
	Shree Radhey Mangal Gold Chain Pvt Ltd	19.55	28.68
	Shree Ratna Mangal Jewels Pvt Ltd	11.46	14.38
	Swarna Bhavya Mangal Jewels Pvt Ltd	11.46	14.38
	Mangal Compusolution Pvt Ltd	-	4.09
	Woodland Construction Pvt Ltd	34.54	73.14
		112.79	242.02
7	Service charge and other fees on loan transaction		
	Mangal Buildhome Pvt Ltd	-	0.25
	Mangal Royal Jewels Pvt Ltd	-	0.50
	Shree Mangal Jewels Pvt Ltd	-	0.50
	Shree Radhey Mangal Gold Chain Pvt Ltd	-	0.50
	Shree Ratna Mangal Jewels Pvt Ltd	-	0.50
	Swarna Bhavya Mangal Jewels Pvt Ltd	-	0.25
	Woodland Construction Pvt Ltd	-	5.00
		-	7.50
8	Rent expense		
	Chakshu Realtors Pvt Ltd	9.00	7.75
		9.00	7.75
9	Loans Taken		
	Mangal Entertainment Pvt. Ltd.	-	50.00
	Meghraj Sohanlal Jain	3,808.85	2,743.82
	Naval Kamalkishore Maniyar	17.00	21.75
		3,825.85	2,815.57
10	Repayment of loans taken		
	Mangal Entertainment Pvt. Ltd.	-	50.00
	Meghraj Sohanlal Jain	3,398.62	2,459.43
	Naval Kamalkishore Maniyar	38.75	-
		3,437.37	2,509.43
11	Advertisement expense		
	Digital Edge Technology	-	0.15
		-	0.15
12	Social Media Integrity Charges		
	Digital Edge Technology	-	0.25
		-	0.25
13	Directors Remuneration		
	Meghraj Sohanlal Jain	30.00	7.50
	Naval Kamalkishore Maniyar	17.00	13.50
		47.00	21.00
14	Interest on Loans taken		
	Mangal Entertainment Pvt. Ltd.	-	0.35
	Meghraj Sohanlal Jain	41.56	28.14
	Naval Kamalkishore Maniyar	1.52	0.71
		43.08	29.20

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

₹ in Lakhs

S. No.	Particular	Year ended March 31, 2022	Year ended March 31, 2021
15	Reimbursement of expense- paid		
	Naval Kamalkishore Maniyar	0.55	8.69
		0.55	8.69
16	Computer Rental Expense		
	Mangal Compusolution Pvt Ltd	0.20	0.61
		0.20	0.61
17	Computer Repair Expense		
	Mangal Compusolution Pvt Ltd	0.02	0.05
		0.02	0.05
18	Professional Fees		
	Sujan Sinha	4.70	1.60
		4.70	1.60
19	Director Sitting Fees		
	Nirupama Dattatraya Pendurkar	0.55	0.40
	Subramanyam Ganesh	0.55	0.40
	Ramanathan Annamalai	0.45	0.40
	Sujan Sinha	0.55	0.10
	Sriram Sankaranarayanan	0.55	-
		2.65	1.30
20	CSR Expense		
	Mangal Charitable Trust	14.28	23.23
		14.28	23.23
	Balance payable at the end of the year		
	Other payables		
	Mangal Compusolution Pvt Ltd	-	0.69
	Naval Kamalkishore Maniyar	-	8.24
		-	8.93
	Loans Taken		
	Meghraj Sohanlal Jain	775.00	364.76
	Naval Kamalkishore Maniyar	-	21.75
		775.00	386.51
	Other financial liability- Interest Payable		
	Meghraj Sohanlal Jain	-	26.03
	Naval Kamalkishore Maniyar	-	0.65
		-	26.68
	Balance receivable at the end of the year		
	Loans Given to related parties		
	Satco Capital Markets Ltd	-	146.46
	Mangal Buildhome Pvt Ltd	-	31.25
	Mangal Royal Jewels Pvt Ltd	32.50	42.50
	Shree Mangal Jewels Pvt Ltd	62.50	82.50
	Shree Radhey Mangal Gold Chain Pvt Ltd	-	182.50

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

₹ in Lakhs

S. No.	Particular	Year ended March 31, 2022	Year ended March 31, 2021
	Shree Ratna Mangal Jewels Pvt Ltd	65.00	85.00
	Swarna Bhavya Mangal Jewels Pvt Ltd	65.00	85.00
	Woodland Construction Pvt Ltd	-	453.21
		225.00	1,108.42
	Percentage to total loans and advances in the nature of Loans	2.17%	14.44%
	Loan- Interest and fees receivable		
	Satco Capital Markets Ltd	-	5.01
	Mangal Royal Jewels Pvt Ltd	0.25	0.33
	Shree Mangal Jewels Pvt Ltd	0.48	0.63
	Shree Radhey Mangal Gold Chain Pvt Ltd	-	1.40
	Shree Ratna Mangal Jewels Pvt Ltd	0.50	0.65
	Swarna Bhavya Mangal Jewels Pvt Ltd	0.50	0.65
	Mangal Buildhome Pvt Ltd	-	0.24
		1.73	8.91
	Other receivable		
	Mangal Buildhome Pvt Ltd	-	1.12
	Chakshu Realtors Pvt Ltd	-	0.99
	Digital Edge Technology	-	0.20
	Mangal Entertainment Pvt Ltd	-	0.20
	Satco Capital Markets Ltd	-	27.49
	Mangal Compusolution Pvt. Ltd	-	1.05
		-	31.05
	Off balance sheet item- Contingent liability at the end of the year		
	Mangal Compusolution Pvt Ltd *	732.00	732.00
	Satco Capital Markets Ltd (BG AGAINST FD)	-	2,000.00
		732.00	2,732.00

** current outstanding of counter guarantee is ₹ 652.56 Lakhs as on 31st March 2022 (₹ 2,672.10 Lakhs as on 31st March 2021)

Note '40.2' - Disclosures Required as per Clause 32 of the Listing Agreement :

₹ in Lakhs

Name of Company	Loans & Advances		Loans & Advances	
	Amount O/s as on	Maxium Balance O/s	Amount O/s as on	Maxium Balance O/s
	31-Mar-22	31-Mar-22	31-Mar-21	31-Mar-21
Companies Under Common Control				
Mangal Compusolution Pvt Ltd	-	-	-	395.00
Satco Capital Markets Ltd	-	156.94	146.46	151.47
Mangal Buildhome Pvt Ltd	-	31.25	31.25	50.00

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

Name of Company	Loans & Advances		Loans & Advances	
	Amount O/s as on	Maxium Balance O/s	Amount O/s as on	Maxium Balance O/s
	31-Mar-22	31-Mar-22	31-Mar-21	31-Mar-21
Mangal Globle Marble Pvt Ltd	-	-	-	701.57
Mangal Royal Jewels Pvt Ltd	32.50	42.50	42.50	100.00
Shree Mangal Jewels Pvt Ltd	62.50	82.50	82.50	100.00
Shree Radhey Mangal Gold Chain Pvt Ltd	-	182.50	182.50	200.00
Shree Ratna Mangal Jewels Pvt Ltd	65.00	85.00	85.00	100.00
Swarna Bhavya Mangal Jewels Pvt Ltd	65.00	85.00	85.00	100.00
Woodland Construction Private Limited	-	453.21	453.21	496.75
Total	225.00	1,118.90	1,108.42	2,394.79

Note 41 - ADDITIONAL REGULATORY INFORMATION UNDER DIVISION III TO SCHEDULE III AS PER NOTIFICATION DATED MARCH 24, 2021

- (i) Title deeds of Immovable Property not held in the name of the Company - All immovable property are in the name of the Company itself.
- (ii) Revaluation of Investment Property - The Company has not revalued Investment Property during the year.
- (iii) Revaluation of Property, Plant and Equipment - The Company has not revalued Property, Plant & Equipment during the year.
- (iv) Revaluation of Intangible Assets - The Company has not revalued Intangible assets during the year.
- (v) Loans or Advances - During the year, the Company has not provided any loans or advances granted to promoters, directors, KMPs and the related parties.
- (vi) Capital Work-in-Progress (CWIP) ageing schedule / completion schedule - The Company has no CWIP as on March 31, 2022.
- (vii) There are no Intangible assets under development.
- (viii) Details of Benami Property held - No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ix) Security of current assets against borrowings - Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.-NA
- (x) Wilful Defaulter - The Company has not declared as wilful defaulter by any bank or financial institution or other lender.

Notes Forming Part of Financial Statement

for the year ended on 31st March, 2022

- (xi) Relationship with Struck off Companies - During the year, the company has not entered into any transaction with struck off companies.
- (xii) Registration of charges or satisfaction with Registrar of Companies (ROC) - During the year, there was no delay in registration of charge or satisfaction with ROC.
- (xiii) Compliance with number of layers of companies - The Company has complied with the requirements of number of layers.
- (xiv) Analytical Ratios - NA
- (xv) Compliance with approved Scheme(s) of Arrangements - Not applicable
- (xvi) Utilisation of Borrowed funds and share premium - Borrowed funds have been utilised for the purpose they have been sanctioned and share premium has been utilised in working capital.
- (xvii) There is no undisclosed income during the year in the tax assessments under the Income Tax Act 1961
- (xviii) Details of Crypto Currency or Virtual Currency - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note '42'

Previous year's figures have been regrouped/reclassified and reclassified wherever necessary to confirm to current year's presentation. In accordance with amendments in Schedule III to the companies Act, 2013.

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/-

Nilesh Jain

Director
DIN-08788781

Sd/-

Supriya Agarwal

Company Secretary
M.No. A35286

For and on behalf of the board of directors

Mangal Credit & Fincorp Limited

Place: Mumbai

Date : 2nd May 2022

UDIN : 22078146ALPLXN3546

NOTICE

NOTICE is hereby given that the 60th Annual General Meeting ('AGM') of the Members of **Mangal Credit and Fincorp Limited** is scheduled to be held on Friday, 30th September, 2022 at 11:00 a.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the below mentioned business:

Ordinary Business:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the reports of the Board of Directors and Statutory Auditors thereon;
2. To declare the final dividend of ₹ 0.5/- per equity share of face value of ₹ 10/- each for the financial year ended 31st March, 2022;
3. To appoint a Director in place of Mr. Meghraj Jain (DIN 01311041), who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Mr. Sujan Sinha (DIN: 02033322), who is eligible for re-appointment retires by rotation and being eligible, offers himself for re-appointment;

Special business:

5. To re-appoint Mr. Nilesh Jain (DIN: 08788781) as an Executive Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, Section 152 and other applicable

provisions, if any, of the Companies Act, 2013, ("The Act") read with the applicable Rules framed thereunder including the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") on the recommendation of the Nomination & Remuneration Committee ("NRC") and approval of the Board of Directors of the Company, Mr. Nilesh Jain (DIN: 08788781), who was appointed as an Additional Executive Director of the Company at the Board meeting of the Company held on 30th October, 2021 and who holds office upto the 60th 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 pursuant to Section 160 of the Act, be and is hereby appointed as a Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company ("Board") be and is hereby authorized to undertake all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions, queries, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company and that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By the Order of the Board

Meghraj Jain

Chairman & Managing Director
DIN: 01311041

Place: Mumbai
Date: 25th July, 2022

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 continuing outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 dated April 08, 2020; Circular No.17/2020 dated April 13, 2020; Circular No. 20/2020 dated May 5, 2020; Circular No. 02/2021 dated January 13, 2021; Circular No. 19/2021 dated December 08, 2021; Circular No. 20/2021 dated December 12, 2021; Circular No. 21/2021 dated December 14, 2021, Circular No.2/2022 dated May 5, 2022 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "Circulars") permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio-Visual Means ("VC / OAVM"), without physical presence of the 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 60th Annual General Meeting of the Company ("AGM") is being conducted through VC / OAVM, which does not require physical presence of the Members at a common venue. The Registered Office of the Company shall deemed to be the venue for the AGM.

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

1. 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. 5 as set out in the Notice convening the AGM ("AGM Notice") is annexed hereto;
2. Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI"), information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished as an Annexure I to the Notice;
3. 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 60th Annual General Meeting of the Company, therefore the Proxy Form and Attendance Slip are not annexed to this Notice;
4. 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. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are requested to send the scanned copy (PDF/JPG format) of its relevant Board Resolution / Authority letter authorizing its representatives to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting to Scrutinizer by email through its registered email address to csvijaytiwari@gmail.com with a copy marked to compliance@mangalfincorp.com;
5. In case of Joint holders, only such joint holder who is highest in the order of names as per the Register of Members or in the Register of Beneficial Owners maintained by the depositories of the Company, will be entitled to vote at the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th September, 2022 to Friday, 30th September, 2022, both days inclusive. Transfer received during the book closure will be considered only after reopening of the Register of Members.
7. Members can join the AGM through VC / OAVM, 15 minutes before and after the scheduled time of commencement of AGM and during the AGM, by following the procedure mentioned in the AGM Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Members on a first-come-first-served basis. Large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson(s) of the Audit Committee, the Nomination & Remuneration Committee and the Stakeholders Relationship Committee, Auditors etc. are allowed to attend the AGM without restriction on account of first-come-first-served principle;

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013;
9. In compliance with the aforesaid MCA and SEBI Circulars the AGM Notice along with the Annual Report for the financial year 2021-22 ("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 and AGM Notice are requested to write us at compliance@mangalfincorp.com 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 form SH-13 can be obtained from the Registrar and Share Transfer Agents of the Company. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, Link Intime India Private Limited, in case the shares are held in physical form.
14. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid on and before Friday, October 29, 2022, to those Members whose names stand registered on the Company's Register of Members.
15. Pursuant to Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. April 1, 2020. For the prescribed rates for various categories, the shareholders are requested to refer to the Income Tax Act, 1961 and amendments thereof.
16. A resident individual shareholder with PAN and who is not liable to pay income tax can submit a declaration in Form No. 15G/15H/Declaration for Insurance Cos, Mutual Funds, AIFs and ReIT/InvIT (which can be downloaded from Registrar's website), to avail the benefit of non-deduction of tax at source, by uploading the Form on the Registrar's website - www.linkintime.co.in or by e-mailing the same to rnt.helpdesk@linkintime.co.in latest by 11:59 p.m. IST on 19th September, 2022. Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%.
17. Pursuant to the introduction of Section 206AB of the Income Tax Act, 1961, with effect from 1st July 2021, resident individual shareholders who are receiving dividend in excess of ₹ 5,000/- and have not submitted Form 15G/15H, are required to furnish certain information with regard to their Income Tax Return filing for the past two years, on the Registrar's mail id: rnt.helpdesk@linkintime.co.in to be eligible for

deduction of tax at source at the normal rate.

18. Non-resident shareholders can avail beneficial rates under the Tax Treaty between India and their country of residence, subject to providing necessary documents, i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the Tax Treaty benefits, by uploading the Form on the Registrar's website - www.linkintime.co.in or by e-mailing the same to rnt.helpdesk@linkintime.co.in. The aforesaid declarations and documents should be submitted by the shareholders latest by 11:59 P.M. IST on 19th September 2022.
19. 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, may claim the same by making online application to the IEPF authority in web form no.IEPF-5 available on www.iepf.gov.in. 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 Compliance Officer, at the Company's Registered Office;
20. 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
21. 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;
22. Since the AGM will be held through Video Conferencing, the Route Map is not annexed to this Notice;

23. 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 with aforesaid MCA Circulars the Company is providing facility of remote e-voting to its Members with respect to the business to be transacted at the 60th Annual General Meeting. 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 INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

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

- i. The remote e- voting period begins from 09:00 A.M. on Tuesday, 27th September, 2022 and ends on Thursday, 29th September, 2022 at 05:00 P.M. and at the end of the remote e-voting period, the facility shall forthwith be blocked. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form and whose name recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday, 21st September, 2022 shall be entitled to avail the facility of remote e-voting as well as e-voting in the general meeting. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Any person who is not a member on the cut-off date should treat this notice for information purposes only.
- iii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

- iv. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a

single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- v. In terms of SEBI circular no. No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi (Electronic Access to Securities Information) / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> <hr/> <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important Note:

- Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.
- Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

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

- vi. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com
 - 2) Click on "Shareholders" module.
 - 3) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - 6) If you are a first time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
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.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. 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.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN "210825037" of the Company on which you choose to vote.
- xi. 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.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. 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.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. 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.
- xvii. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address compliance@mangalfincorp.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**
- i. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.

- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
 - iii. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
 - iv. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
 - v. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - vi. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - vii. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending specific request in advance at least 7 days prior to AGM from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at compliance@mangalfincorp.com.
 - viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
 - ix. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions proposed in the AGM Notice through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 - x. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- C. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
- i. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to compliance@mangalfincorp.com ;
 - ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
 - iii. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
24. 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 on 1800225533.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior 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 1800225533.
25. 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.
26. The scrutinizer will immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company

and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who will countersign the same.

27. The result of the e-voting will be declared not later than 48 hours of conclusion of the AGM along with the

Scrutinizer's report and same will 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 , Mr. Nilesh Jain (DIN: 08788781) appointed as an Additional Executive Director on the Board of the Company pursuant to the provisions of Sections 149, 152, 161(1) and other applicable provisions, if any, of the Act read with the applicable Rules framed thereunder including the Companies (Appointment and Qualifications of Directors) Rules, 2014 by circular resolution passed by Board on 30th October, 2021 to hold office up to the date of next Annual General Meeting i.e. 30th September, 2022, subject to consent of the Members of the Company at the ensuing AGM.

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

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

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

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

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

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

ANNEXURE I

Details of Directors seeking fixation of appointment/re-appointment at the forthcoming AGM 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 the Director	Mr. Meghraj Jain	Mr. Sujan Sinha
DIN	01311041	02033322
Date of Birth	25/06/1970	12/11/1958
Age	52	64
Date of appointment on the Board	14/08/2013	30/12/2020
Designation	Chairman and Managing Director	Non-Executive Non Independent Director
Qualifications	Graduate	B. Sc. (Hons - Geology)
Brief resume, Experience and Nature of his expertise in functional areas	<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 26 years of experience in Jewellery business. 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. He was also the director of Mangal Buildhome, which has worked on several construction projects across Maharashtra. With his ultimate marketing skills and strategic thinking he has established a renowned name in the industry. He is also the trustee of Mangal Charitable trust. MCT actively conducts charitable activities like providing food, clothing, and 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. 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. 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 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. 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>

		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.
No. of Board Meetings attended during the year 2021-22	4	4
Directorships held in other Companies	None	1. Transcorp International Ltd. 2. Mindex Fincap Private Limited 3. Stragility Consulting Private Limited 4. Sms Vans Skilling And Advisory Private Limited
Membership/ Chairmanship of Committees of other Board	None	None
No. of Equity shares held in the Company as on 31/03/2022	45,62,731 equity shares	None
Disclosure of relationships between directors inter-se	None	None
Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	As per resolution passed by the Members at the 56 th Annual General Meeting held on 29 th 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. The details of remuneration paid to Mr. Meghraj Jain are provided in the Corporate Governance Report.	As per resolution passed by the Members at the 58 th Annual General Meeting held on 30 th December, 2020 read with explanatory statement thereto, Mr. Sujan Sinha was appointed as Non- Executive Non Independent Director of the Company, liable to retire by rotation, who retires by rotation at this AGM and, being eligible, offers himself for reappointment. The details of the sitting fees paid to Mr. Sujan Sinha are provided in the Corporate Governance Report.
Name of Director	Mr. Nilesh Jain	
DIN	08788781	
Date of Birth	16/01/1988	
Age	34	
Date of appointment on the Board	30/10/2021	
Designation	Executive Director	
Qualification	MBA in Finance and Marketing	
Brief Resume, Experience and Nature of his expertise in functional areas	Mr. Nilesh Jain has 10 years of experience in the financial sector with in-depth knowledge of Gold Loan, Housing Loan, Mortgages and Construction Finance. His area of expertise includes sales, marketing & Strategic planning.	

No. of Board Meetings attended during the year 2021-22	2
Directorships held in other Companies	1
Membership/ Chairmanship of Committees of other Board	None
No. of Equity shares held in the Company as on 31/03/2022	None
Disclosure of relationships between directors inter-se	Not related
Terms and Condition of appointment and re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Mr. Nilesh Jain does not receive any remuneration from the Company.

By the Order of the Board

Place: Mumbai
Date: 25th July, 2022

Meghraj Jain
Chairman & Managing Director
DIN: 01311041

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