



# MANGAL

CREDIT & FINCORP LIMITED

**Date:** 30.08.2023

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

**Scrip Code:** 505850  
**Scrip Id:** MANCREDIT

Dear Sir/ Madam,

**Sub.:** Notice convening 61<sup>st</sup> Annual General Meeting along with the Annual Report for the financial year 2022-23

**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 61<sup>st</sup> Annual General Meeting of the Company scheduled to be held on Friday, 22<sup>nd</sup> September, 2023 at 11:00 a.m. through Video Conferencing/ Other Audio Visual Means; and
2. The Annual Report of the Company for the financial year 2022-23;

The AGM Notice and Annual Report for the financial year 2022-23 are also available on the website of the Company at [www.mangalfincorp.com](http://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**

**MEGHRAJ** Digitally signed by  
MEGHRAJ  
**SOHANLA** SOHANLAL JAIN  
**L JAIN** Date: 2023.08.30  
09:49:30 +05'30'

**Meghraj Sohanlal Jain**  
**Chairman and Managing Director**  
**DIN:** 01311041  
**Place:** Mumbai



**MANGAL**  
CREDIT & FINCORP LIMITED

**GROWTH**  
— & —  
**EXPANSION**

2022-2023

**ANNUAL REPORT**

# EXPANSION





# Contents

## Company Overview

Growth & Expansion	<b>3</b>
MCFL at a Glance	<b>4</b>
Core Value	<b>4</b>
Business in Numbers	<b>6</b>
Product Offerings	<b>7-9</b>
Progressive Numbers	<b>10-11</b>
Creating Sustainable Value	<b>12-16</b>
Chairman's Message	<b>17-18</b>
Management Team	<b>19-21</b>
Corporate Social Responsibility	<b>22</b>
The year of Pride	<b>23</b>
Corporate Information	<b>24-25</b>

## Statutory Report

<b>26-35</b>	Management Discussion and Analysis
<b>36-79</b>	Directors' Report

## Financial Statement

Independent Auditors' Report	<b>80-93</b>
Balance Sheet	<b>94</b>
Statement of Profit and Loss	<b>95</b>
Statement of Cash Flows	<b>96</b>
Statement of Changes in Equity	<b>97</b>
Notes to Financial Statements	<b>98-146</b>
Notice of AGM	<b>147-173</b>



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

## Abbreviations

Term	Description
Act or Companies Act	The Companies Act, 2013 to the extent in force as on the date hereof and as amended, modified or re-enacted from time to time
AC	Audit Committee
AGM	Annual General Meeting
ALCO	Asset and Liability Management Committee
ALM	Asset and Liability Management
AOA	Articles of association of the Company
AUM	Asset Under Management
Board/BOD	The board of directors of the Company
BL	Business Loan
Bps	Basic Points
BSE	Bombay Stock Exchange
CAR	Capital Adequacy Ratio
CARO	Companies Auditor Report Order
CDSL	Central Depository Services (India) Limited
CIC	Central Information Commission
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRAR	Capital to risk weighted asset ratio
CS	Company Secretary
CSR	Corporate Social Responsibility
CWIP	Capital Work in Progress
DIN	Director Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
ECLGS	Emergency Credit Line Guarantee Scheme
EIR	Effective Interest Rate
EPS	Earnings Per Share
ESPs	E-Voting Service Providers
FY	Financial year commencing from April 1 and ending on March 31 of that particular year
GAAP	Generally accepted accounting principles
GDP	Gross Domestic Product
GNPA	Gross non-performing assets
GST	Goods and Services Tax
HO	Head Office
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IMF	International Monetary Fund
IND AS	Indian Accounting Standards
INR	Indian Rupees
IT	Information Technology

<b>Abbreviations</b>	
Term	Description
KMP	Key Managerial Personnel
Know Your Customer	Know Your Customer
LAP	Loan Against Property
MCA	Ministry of Corporate Affairs
MCFL	Mangal Credit and Fincorp Limited
MDA	Management Discussion and Analysis
MOA	Memorandum of association of the Company.
MSME	Micro Small and Medium Enterprises
N.A.	Not applicable.
NBFC	Non-banking financial company as defined under Section 45-IA of the RBI Act, 1934
NCD	Non-Convertible Debentures
NII	Net Interest Income
NNPA	Net Non-Performing Assets
NPA	Non-Performing Assets
NRC	Nomination and Remuneration Committee
NSDL	National Securities Depository Limited
NSND NBFC	Non-Systematic Non Deposit taking NBFC
OAVM	Other Audio Visual Means
OCI	Other Comprehensive Income
PAT	Profit after Tax
PBT	Profit before Tax
PL	Personal Loan
PPE	Property Plant Equipment
PSUs	Public Sector Undertakings
PIT	Prohibition of Insider Trading
ROA	Return on Assets
ROC	Registrar of Companies
ROI	Return of Interest
RMC	Risk Management Committee
RPTs	Related Party Transactions
RTA	Registrar and Transfer Agent
SBR	Scale Based Regulation
SEBI	Securities Exchange Board of India
SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
SME	small and medium-sized enterprises
SRC	Stakeholders Relationship Committee
SS	Secretarial Standard
URL	Uniform Resource Locator
VC	Video Conferencing
WEO	World Economic Outlook
Y-O-Y	Year over Year

# GROWTH & EXPANSION

- With the pandemic behind us, new learnings and a focus on impactful performance are guiding our journey of staying true to our promise to stakeholders. Every crisis and transition bring with it new opportunities for development and a fresh outlook. The current circumstances demand caution and appropriate action, we ensure the business's adaptability and enable it to sail into the future by prioritising business growth and positive social impact in equal measure.
- 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. Our endeavor remains to build a sustainable business model which can aid our customer for a longer term. The swift operationalisation of new branches and corresponding increase in human capital, was particularly effective in ensuring performance acceleration in terms of growth in AUM, share of certain segments and customer relationships. 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.



## 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 a decade of its presence, MCFL has emerged as a trusted partner of prosperity among its growing customer bases & offers a comprehensive product portfolio in high-growth financial segments.

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 12 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 MISSION

Our mission is to revolutionize the way credit works in India with our flexible loans. We deliver credit to a wide spectrum of MSMEs and individuals with limited credit history to drive a financial and social impact for our customers and society at large.



### OUR VISION

Our vision is to address the needs of the underserved by deploying capital that facilitates a change for good.



# CORE VALUES

## TRANSPARENCY

Company's products and processes are transparent to its clients such that the information communicated to them is clear, sufficient and in a timely manner and language which clients can understand, so that the clients can make informed decisions. It is also transparent in its communication to, and transactions with all other stakeholders, and employees.



## EXCELLENCE

Company treats its employees as a major stakeholder and hence its processes and systems are designed to ensure employee satisfaction, development and high morale. We each have a unique role to play as we work towards delivering opportunities for change.



## HONESTY AND INTEGRITY

Led by exemplary governance, Company maintains high integrity in its delivery, products and processes. Company has zero tolerance for unethical practices. It strives to behave with honesty and integrity in all its internal and external communication, and dealings with all stakeholders.



## INNOVATION

Company strives to maintain a creative culture in the organisation, where employees are encouraged to learn and innovate in their day-to-day work, while adhering to Company's standards of business and conduct. Also, product, process and business model innovation are integral to Company.

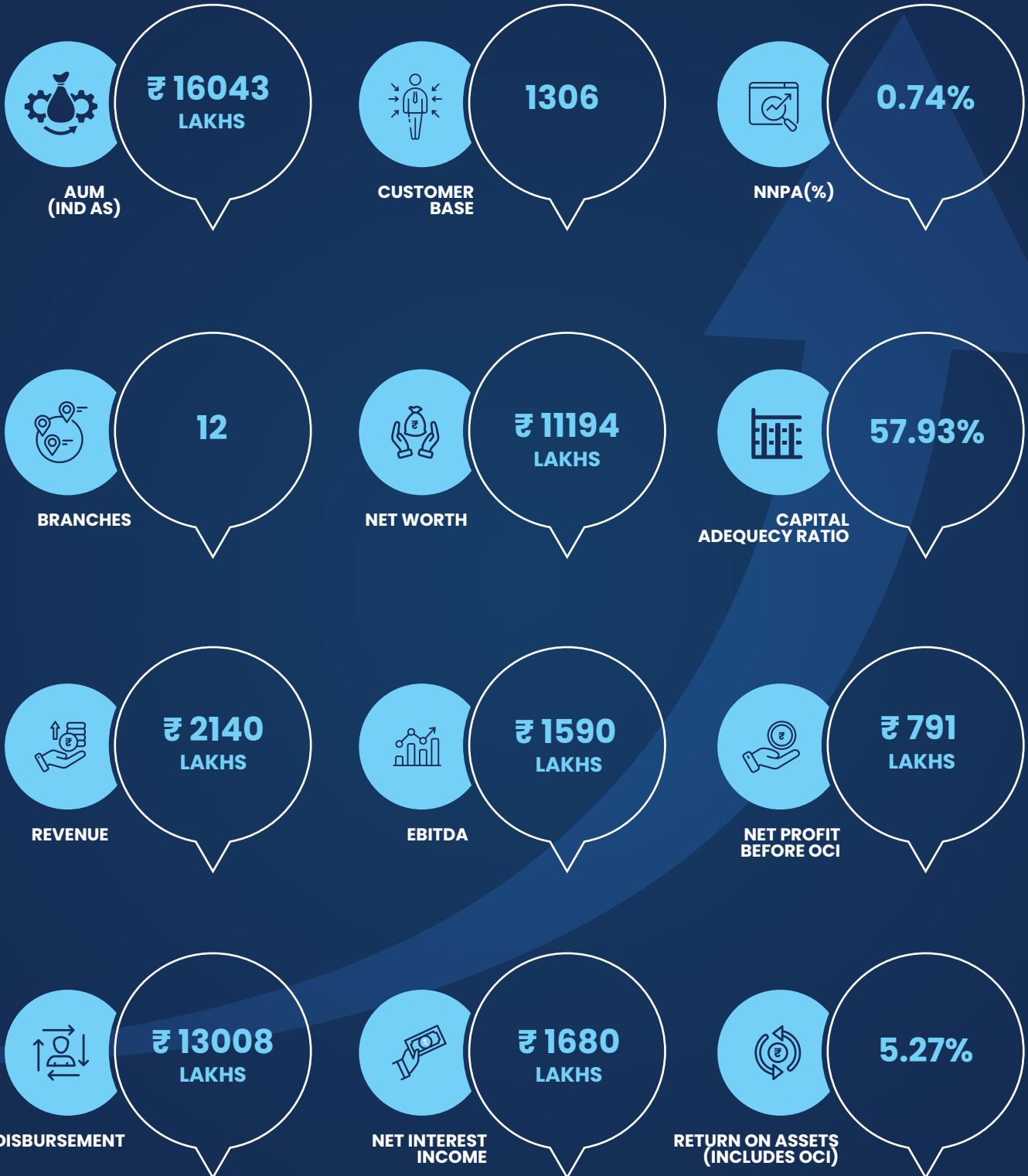


## CUSTOMER CENTRICITY

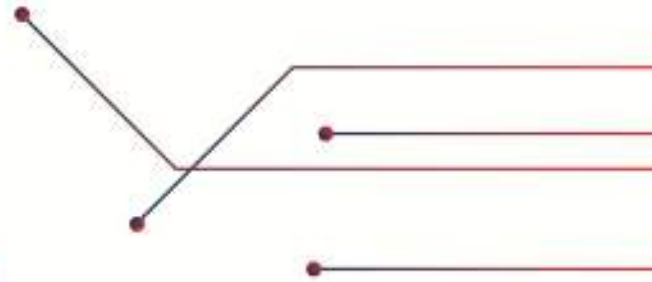
Since customers are considered important stakeholders, Company's products and processes are designed keeping customer needs and realities in mind. Company strives to serve customer needs in an effective and efficient manner and always behave in a dignified and respectful manner with its customers.



# BUSINESS IN NUMBERS



# PRODUCT OFFERINGS



**PERSONAL  
LOANS**

**SMALL  
MEDIUM  
ENTERPRISES  
(SME)  
LOANS**

**LOAN  
AGAINST  
PROPERTY  
(LAP)**

**GOLD  
LOANS**



# SMALL MEDIUM ENTERPRISES (SME) LOANS

The Company provides business loans that can be processed with a simple application process and a few documents and also provides flexible repayment options.

Portfolio O/s as on March 31, 2023

**₹ 78.03 Crores**

GNPA / NNPA as on March 31, 2023

**0.61% / 0.14%**



# LOAN AGAINST PROPERTY (LAP)

LAP 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.

Portfolio O/s as on March 31, 2023

**₹ 38.44 Crores**

GNPA / NNPA as on March 31, 2023

**NIL**





# GOLD LOANS

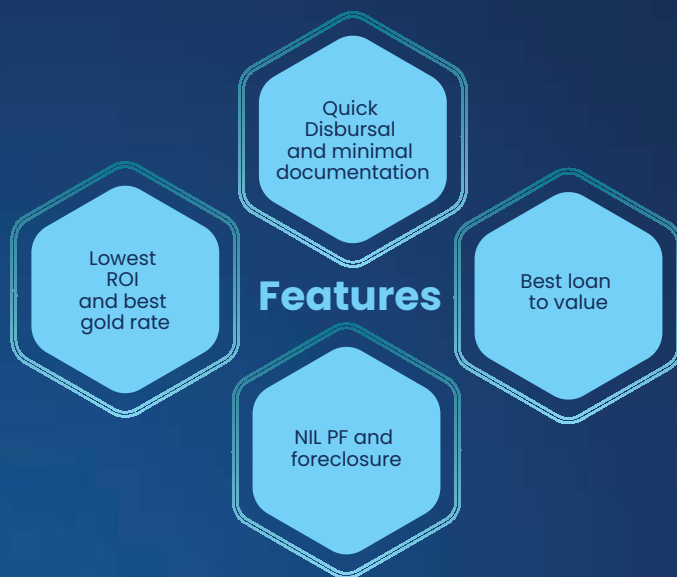
The Company's gold loan provides its customers to access funds in lieu of gold jewellery. Our competitive interest rates help ease the burden of the borrowers. The Company ensures safety of the customers' gold.

Portfolio O/s as on March 31, 2023

**₹ 40.54 Crores**

GNPA / NNPA as on March 31, 2023

**0.63% / 0.57%**



# PERSONAL LOANS

The Company's offers personal loan with minimal documentation and speedy approval. This is a passive product and we consider borrowers who approach us from time to time for short-term funding.

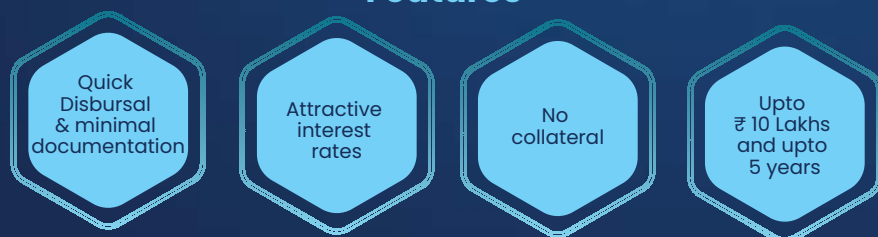
Portfolio O/s as on March 31, 2023

**₹ 3.42 Crores**

GNPA / NNPA as on March 31, 2023

**0.05% / 0.03%**

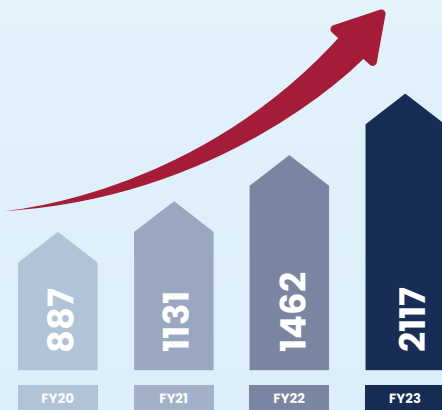
## Features





# PROGRESSIVE NUMBERS

Revenue from Operations (₹ In Lakhs)



Assets under management (₹ In Lakhs)



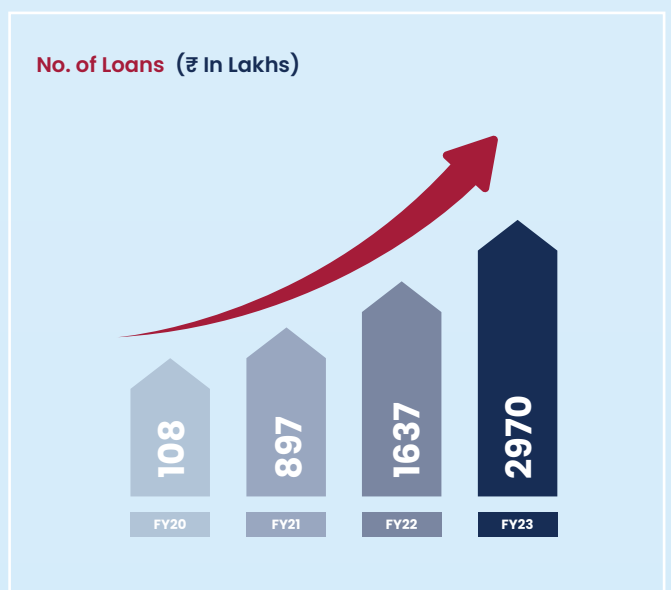
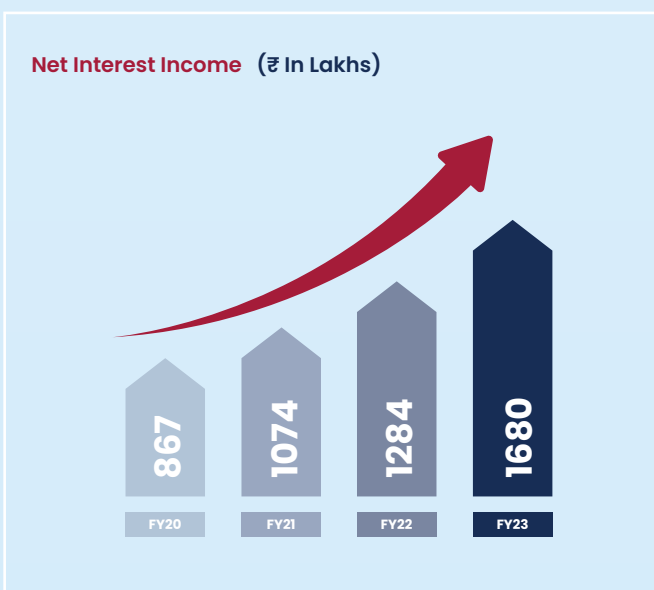
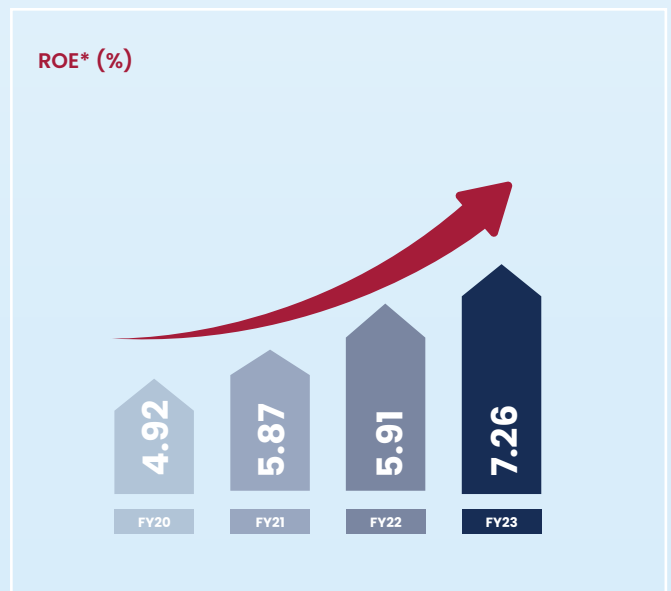
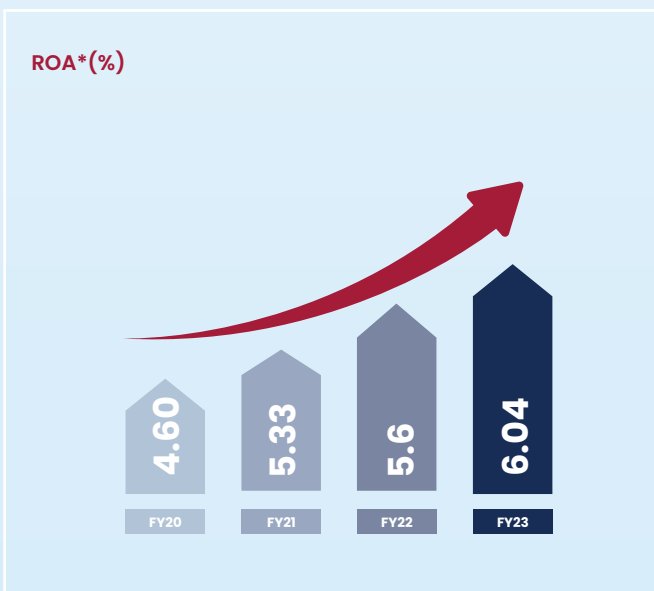
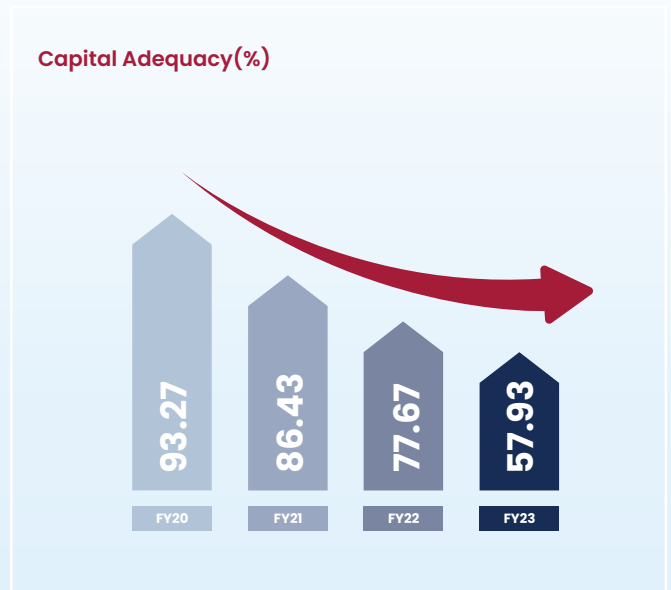
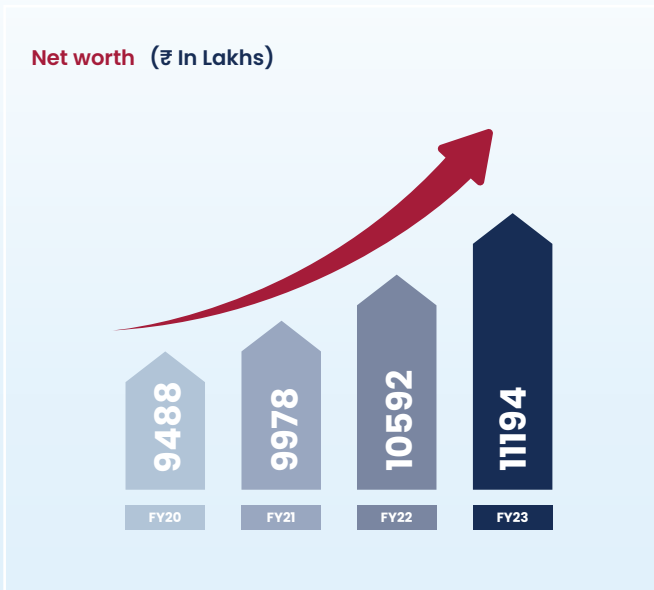
Operating EBITDA\* (₹ In Lakhs)



Operating PAT\* (₹ In Lakhs)



\* For FY20 Figure are excluding exceptional item



\* For FY20 Figure are excluding exceptional item

## MCFL – Creating sustainable Value and unfolding growth

Strong Capitalisation provide base for



### Low leverage

MCFL's capital structure remains comfortable marked by low gearing ratio of 0.77x as on March 31, 2023. The Net worth of the company stood at Rs. 111.94 crores as on March 31, 2023.

### Healthy CRAR

MCFL's capital adequacy ratio (CAR) remained healthy at 57.93% as on March 31, 2023.



### Opportunity to leverage thus provides base for robust growth

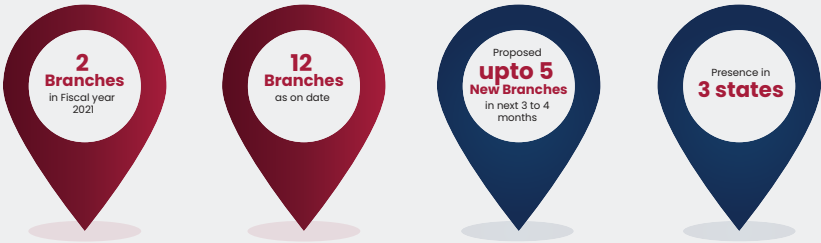
The Company, currently, has low leverage which allows to raise additional debt and leverage.

### Abundant Liquidity

The Company's robust liquidity management framework ensured that it had enough liquidity throughout FY2023 to meet its debt service obligations and balance sheet growth. MCFL has maintained a positive asset liability management. The overall ALM position of the company is satisfactory and sufficient in line with its growth projections. The cash position of the company is Rs 1132 Lakhs which is 7% of total AUM Rs. 16043 Lakhs as on March 31, 2023.



Geographical Branch expansion



Technology & digitization:

Company is investing significantly in Technology which will further enhance its operational efficiency and controls.

- The company is working with **Nelito** (subsidiary of DTS Company Japan) to implement LOS & LMS Fincraft systems fully customized to MCFL’s requirements.



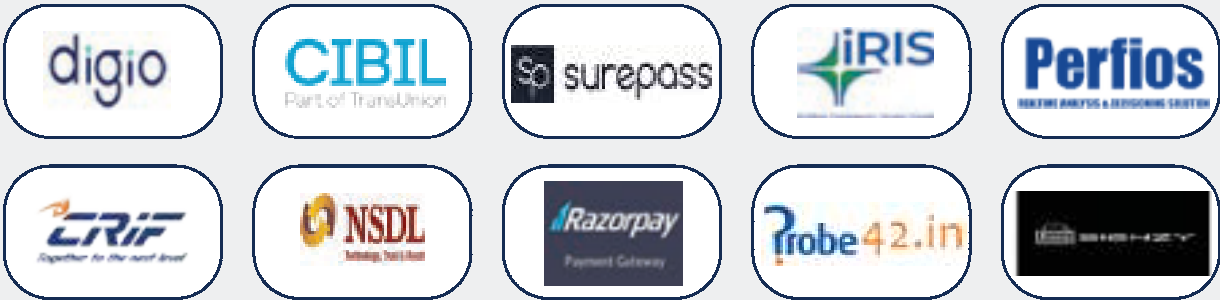
- The company has launched its own **application** on google play store “Mangal Credit & Fincorp”. The app currently allows to perform loan enquiry across various product, door to door gold loan processing, and host of other features are under development.



- We have deployed customized (CRM) via **lead squared** for customer service and lead management.



- The company is also dealing with **various digital/technology vendors** to extract information from source and heading towards digital SME underwriting in the next 6 to 9 months.



### Simplified but Robust business model

- **Segment:** The company is focusing on two simple target markets - MSME and Gold Loan these are the two largest credit segments in the country and thus provide a large opportunity for the company to grow.



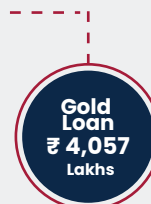
**MSMEs**



**Gold Loan**

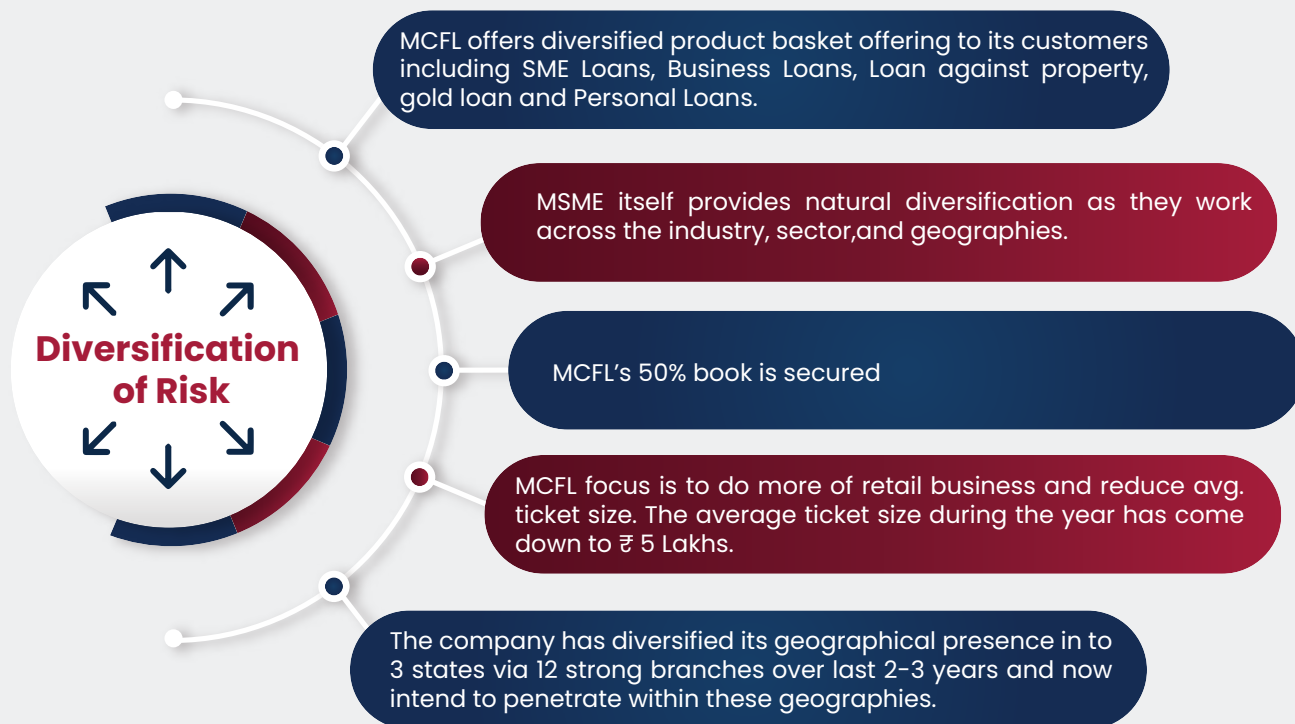
The sector contributes about one-third of the country's GDP and about half of the country's exports. MSMEs operate in myriad sectors: from food processing to drones; From Khadi to trendy apparel, from coir to testing lab. Out of over 64 million MSMEs in India, it is said that only 14 per cent have access to credit.

**Gold Loan** - The gold loan disbursements have almost doubled from ₹ 46791 Cr in September 2020 to ₹ 80617 Cr in September 2022. The organized gold loan market size is estimated at Rs. 6 lakh crore which is just 35% of overall Gold Loan market.

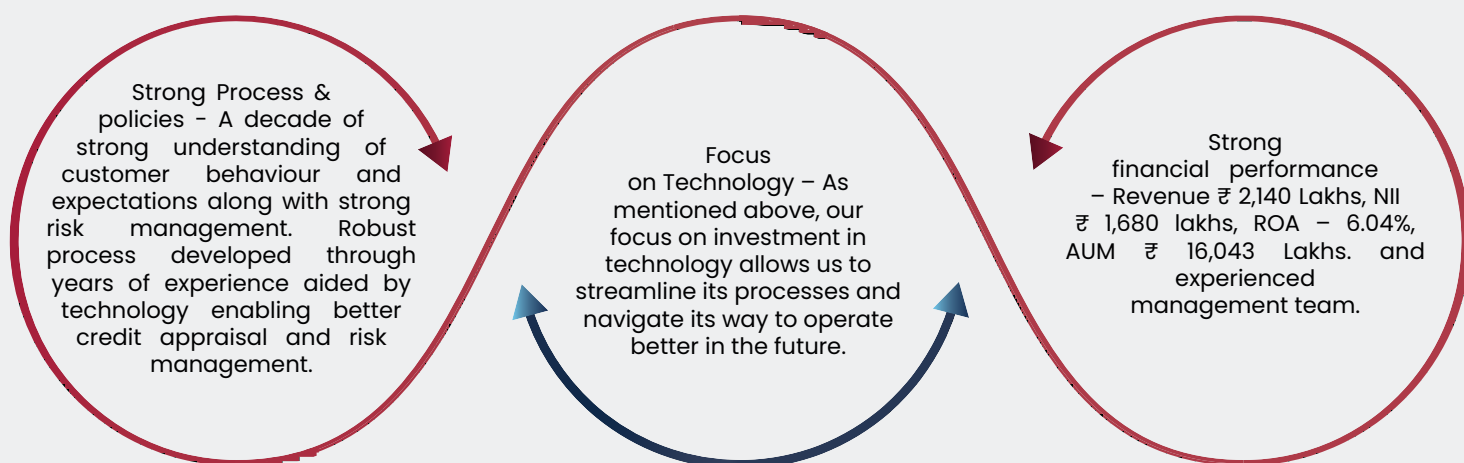




● **Diversification of Risk**



● **Operation excellence**



### Stakeholder relationships



#### **Trust**

As we render our time into building trust - the very foundation of every relationship. In the last one decade, we have been successful in building strong brand trust across different regions. We encourage our employees to manifest this trust through absolute transparency with our stakeholders and clients.



#### **Transparency**

Our priority has always been to be transparent with our customers, provide them loan at competitive rates, easy documentation with zero hidden costs.



#### **Human Capital**

Strong team of experienced professional engagement interventions across identified key themes were undertaken to increase employee morale and the initiatives focused on key aspects such as physical and mental wellness, celebrations, leadership engagement sessions, fitness, and sports.



#### **Customer first**

Customer Centricity is one of the Core Values of the Company, guiding its processes and innovations towards enhanced customer experience. The Company continues to have a sharp focus on meeting the various credit requirements of its customers, while also protecting their interest.



# CHAIRMAN'S MESSAGE

I am delighted to connect with you through the Annual Report of Mangal credit and Fincorp Limited. As economies across the globe grapple with geopolitical tensions, high inflationary environment and monetary tightening, the India story is one of resilience, backed by strong macro fundamentals and prudence governance. The Indian economy exhibited robust resilience in 2022-23 amidst a global turmoil following the war in Ukraine and recorded a growth of 7.00%. Now, India is fastest growing economy in the world among large economies. Today, India ranks as the 5th largest economy in the world according to the World GDP Rankings 2023.

On India's 75th Independence Day, our Honourable Prime Minister Shri Narendra Modi introduced the concept of "Amrit Kaal" to the nation. Amrit Kaal represents the Prime Minister's vision for a "New India" by 2047, which aims to fulfil the nation's aspirations. The vision encompasses rapid and profitable economic growth, improved living conditions for all citizens, advancements in infrastructure and technology, and restoring global confidence in India.

Today, NBFC are stronger, more resilient, and well placed to tap growth opportunities. NBFCs' AUM grew from just ₹ 3.6 lakh crore in March 2008 to almost ₹ 27 lakh crore in March 2022, and expected to increase further, indicates the importance of the sector to overall credit delivery in the economy. NBFCs are stronger and more resilient today, and better positioned in almost all operationally critical parameters. NBFC sector is expected to expand 13-14% in fiscal 2024. Growth will likely be relatively broad-based across retail segments, although the share of non-traditional segments such as unsecured loans and MSME finance is expected to increase in incremental disbursements.

The micro, small and medium enterprises (MSMEs) segment, which contributes about one-third of the country's GDP and about half of the country's exports and employs more than 111 million people across different geographies. Out of over 64 million MSMEs in India, it is said that only 14 per cent have access to credit. As per various research suggest huge gap in credit availability to MSME and is estimated at \$530 Billion provide a large whitespace for lenders in this segment. The overall portfolio performance of sector and overall delinquency are lowest in last 3 to 4 years.



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. It also states that India owns more than 27000 tonnes (14% of the world's gold) of which, around 5,300 tonnes is pledged. The organized gold loan market is estimated to ₹ 6 lakh crore industry, which is just 35% of overall Gold Loan market. The gold loan disbursals have almost doubled from ₹ 46,791 Cr in September 2020 to ₹ 80,617 Cr in September 2022 and is expected to touch one lakh crore rupees this year. Growth in bank AUM is expected to be driven by their lower interest rates while NBFCs are expected to propel their growth through expansions of their branch network in areas of low gold loan penetration and through more investments in their digital products such as online and doorstep gold loan.

The Company is concentrating its efforts on the MSME and gold loan financing. Despite the development of strong global headwinds, we persisted in delivering reliable performance and well-capitalized to explore expansion prospects due to strong capital adequacy ratio and a positive asset liability management. During the year under review, we are having healthy capital adequacy ratio at 57.93% and capital structure remains comfortable marked by a low gearing ratio of 0.77x. Our gross loan AUM increased by 53% to ₹ 16,043 Lakhs from ₹ 10,482 Lakhs in the year prior. Our average ticket size during the year decreased to Rs 5 Lakhs. Our gold loan portfolio grew by 82%, reaching ₹ 4057 Lakhs from ₹ 2225 Lakhs in the year prior. We look forward to building a retail and granular book. During the year under review, total GNPA is 1.29% down from 1.31 % from the last year, in which SME GNPA is 0.66% and Gold GNPA is 0.63%. In contrast to the previous financial year, Total revenue for the year increased by 44% and profit after tax increased by 30%.

The company's geographic presence increased to 3 States via 12 strong branch network and counting. Other developments include reducing average ticket size, increasing business diversification, receiving additional loan approvals from the bankers and investment in technology and digitalization. We also made significant progress in digitalising our operations, which has enabled us to serve our customers more efficiently. We have also expanded our team of experienced professionals, who bring their expertise to bear on our operations in order to enhance our capacity to serve our customers better.

Finally, on behalf of the Board of Directors, I would like to express my gratitude to all our stakeholders, customers, employees and shareholders for their continued support and encouragement. It is their commitment and support that have made our journey successful. We will continue to work towards our goal of uplifting the underprivileged section of society and providing them with financial assistance.

With regards,

**Meghraj Sohanlal Jain**

Chairman and Managing Director



## MANAGEMENT TEAM

“ We have a strategically sorted governance framework in place, primarily comprising our independent Board of Directors and the constitution of the committees of the Board of Directors, as required under applicable laws. We strive to ensure that we maintain the highest levels of transparency, accountability, awareness and equity in all aspects of operations. The Board has diverse skills in areas including banking, finance, taxation, marketing, corporate law and business operations among others ”

### Mr. Meghraj Sohanlal Jain | Chairman and Managing Director

- Mr. Meghraj Sohanlal Jain, Chairman and Managing Director, is an entrepreneur and businessman. He is the founder and the promoter of MCFL. He has more than 3 decades of experience in leasing, finance, lending, jewellery, real estate 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, real estate, 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 18 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 and profitable/growing businesses, creating teams, developing credit risk policies processes and products, credit monitoring framework and portfolio management.
- He also possess strong experience in delinquency management and Collections, Investor relationship and Fund Raising through debt and equity.
- He managed cumulative portfolio of more than \$ 3 Billion.



**Mr. Nilesh Jain | Executive Director and Chief Financial Officer**

- Mr. Nilesh Jain has 10+ years of professional experience in the financial sector with indepth knowledge of Gold Loan, Housing Loan, Mortgages and Construction Finance.
- His area of expertise includes sales, marketing and Strategic planning.
- He has done MBA in Finance and Marketing.

**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.

**Mr. Subramanyam Ganesh | Non-Executive Independent Director**

- Mr. Subramanyam Ganesh brings over 25 years of rich experience in Loan Syndication and arranging of funds from FI for Corporate borrowers, private placement of Equities and Debt with FI's and 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.

**Ms. Nirupama Charuhas Khandke | Non-Executive Independent Director**

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

### **Mr. Ramanathan Annamalai | Non-Executive Independent Director**

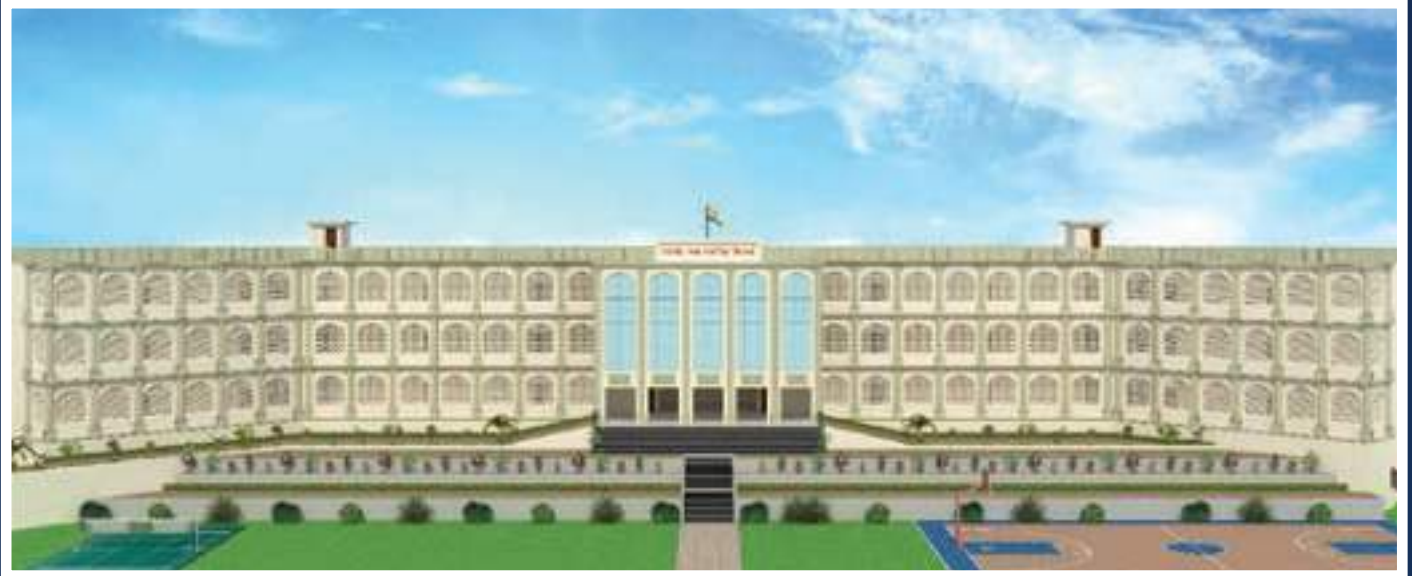
- Mr. Ramanathan Annamalai brings over 4 decades of experience in Management of Rural Financial Institutions, Micro Finance Institutions, Training organizations and Business Schools.
- Mr. Ramanathan has been associated with NABARD since 1979. Presently he is on the Boards of six MFIs and one NBFC as Independent Director.
- Mr. Ramanathan, has done MBA from PSG College of Technology (University of Madras) and has done PG from Institute of Development Policy and Management, University of Manchester, UK.

### **Mr. Sriram Sankaranarayanan | Non-Executive Independent Director**

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



# Corporate Social Responsibility



## Developing School in Shishoda, Rajasthan



# THE YEAR OF PRIDE



**MOST ICONIC ENTREPRENEUR OF THE YEAR  
PRESENTED BY NITIN GADKARI  
AT INDIAN ACHIEVERS AWARDS 2022**



**UPCOMING LENDING NBFC  
OF THE YEAR  
AWARDED AT INDIA NBFC  
SUMMIT & AWARDS 2022**




**INDIA'S FASTEST GROWING  
BRANDS 2023  
AWARDED BY ASIA ONE**



**MOST INFLUENTIAL LEADERS  
UNDER 40 OF THE YEAR  
AWARDED BY ASIA ONE**

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Meghraj Sohanlal Jain**    
Chairman and Managing Director  
DIN: 01311041

**Mr. Nilesh Jain**  
Executive Director and Chief Financial Officer  
DIN: 08788781

**Mr. Sujan Sinha**  
Non-Executive Non-Independent Director  
DIN: 02033322

**Mr. Subramanyam Ganesh**      
Independent Director  
DIN: 01718431

**Mr. Ramanathan Annamalai**    
Independent Director  
DIN: 02645247

**Ms. Nirupama Charuhas Khandke**      
Independent Director  
DIN: 01605060

**Mr. Sriram Sankarnarayanan**  
Independent Director  
DIN: 00146563

## STATUTORY AUDITORS

M/S. MGB & CO. LLP, Chartered Accountants

## SECRETARIAL AUDITORS

M/S. Vijay S Tiwari and Associates, PCS

## BANKERS

State Bank of India  
HDFC Bank  
Federal Bank  
Bharat Bank  
South Indian Bank  
City Union Bank

## KEY MANAGERIAL PERSONNEL

**Mr. Meghraj Sohanlal Jain**  
Chairman and Managing Director

**Mr. Manish Rathi**  
Chief Executive Officer (w.e.f. April 1, 2022)

**Mr. Nilesh Jain**  
Chief Financial Officer (w.e.f. September 2, 2022)

**Ms. Supriya Agarwal**  
Company Secretary & Compliance Officer  
(resigned w.e.f. May 31, 2022)

**Ms. Bhavika Mehta**  
Company Secretary & Compliance Officer  
(w.e.f. July 25, 2022)

## LISTING ON THE STOCK EXCHANGE

Bombay Stock Exchange (BSE)



## REGISTRAR AND SHARE TRANSFER AGENT

### Link Intime India Private Limited

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](mailto:rnt.helpdesk@linkintime.co.in)

## CREDIT RATING AGENCY

### CRISIL Ratings Limited

CRISIL House, Central Avenue,  
Hiranandani Business Park, Powai,  
Mumbai- 400076  
Contact no. +91 022 3342 3000  
Email: [CRISILratinghelpdesk@crsil.com](mailto:CRISILratinghelpdesk@crsil.com)

## DEBENTURE TRUSTEE

### Catalyst Trusteeship Limited

Windsor, 6th Floor, office no. 604, C.S.T. Road,  
Kalina, Santacruz East, Mumbai - 400098  
Tel No. +91 022 4922 0555  
Email ID: [ComplianceCTL-Mumbai@ctltrustee.com](mailto:ComplianceCTL-Mumbai@ctltrustee.com)  
SEBI Registration Number: IND000000034

## REGISTERED & CORPORATE OFFICE

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

## COMMITTEES

- A** Audit Committee
- N** Nomination and Remuneration Committee
- S** Stakeholders Relationship Committee
- C** Corporate Social Responsibility Committee

# MANAGEMENT DISCUSSION AND ANALYSIS

MCFL has a diversified portfolio across MSME, SME, Small Business, Individual and Retail customers. The company specializes in SME lending both secured and unsecured, Loan Against Property, Gold Loan and Personal loan. The total Asset Under Management for Financial Year 2022 stood at 16,043 Lakhs and CRAR was of 57.93% as on March 31, 2022 which reflects the strong capitalization position of the company.

## Global Economy Scenario

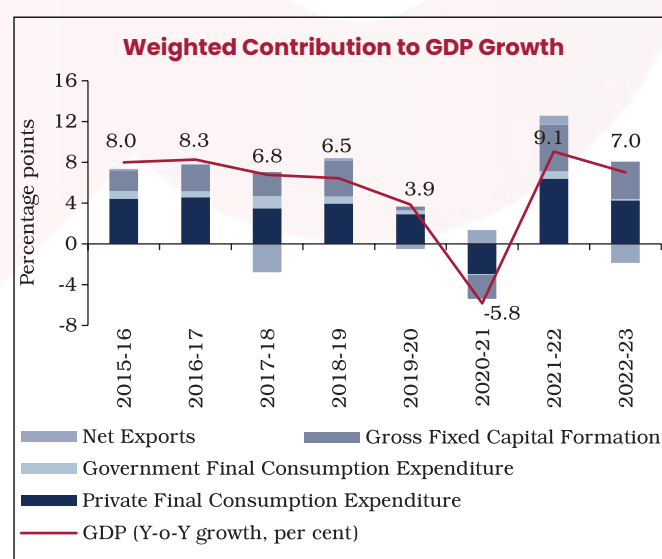
The global economy was recovering from the impact of successive waves of the COVID-19 pandemic by early 2022, aided by large policy stimulus and expanding coverage of vaccination, when the war in Ukraine jolted the upturn. The gains achieved through concerted fiscal and monetary policy interventions during the pandemic period (2020 and 2021) were undermined by the impact of the war. A generalised surge in global inflation triggered monetary policy actions by central banks in the form of successive interest rate increases and the pulling back of liquidity, leading to tightening of financial conditions and together with other factors, a toll on growth which slowed from 6.2 per cent in 2021 to 3.4 per cent in 2022, according to the International Monetary Fund (IMF). By the end of the year, the global economy regained poise global inflation surged to 8.7 per cent from 4.7 per cent in 2021, overshooting targets in the majority of countries through the year.

Global growth is expected to slow down in 2023 and may remain subdued in the medium run shadowed by high inflation, the adverse effects of geo-economic fragmentation operating through restrictions on movements of trade, labour, capital and diffusion of technology, and potential amplification of financial sector vulnerabilities. As per the IMF's World Economic Outlook (WEO) released in April 2023, global growth for 2023 at 2.8 per cent

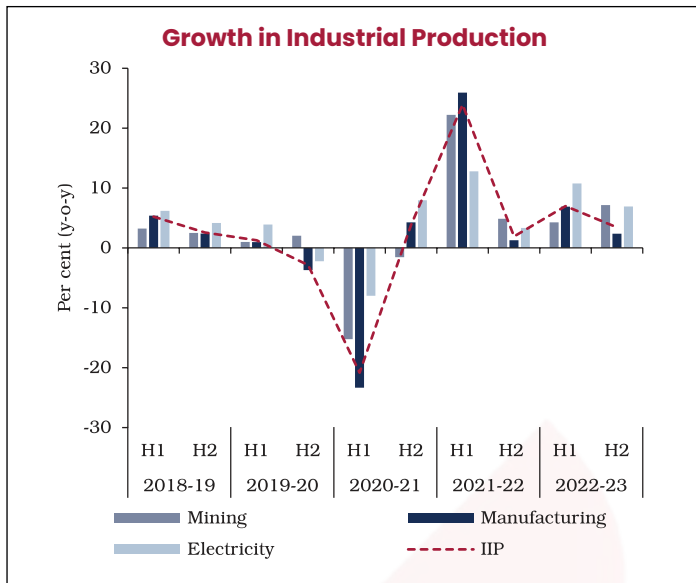
is likely to be followed by the medium-term growth plateauing at 3.0 per cent.

## Domestic Economy Scenario

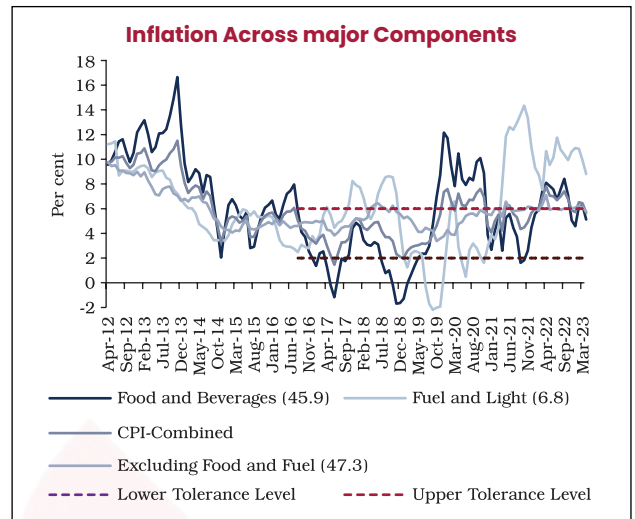
The Indian economy exhibited robust resilience in 2022-23 amidst a global turmoil following the war in Ukraine, and recorded a growth of 7.0 per cent, the highest among major economies in the world. A sustained recovery in discretionary spending, particularly in contact intensive services, restoration of consumer confidence, high festival season spending after two consecutive years of COVID-19 induced isolation and the government's thrust on capex provided impetus to the growth momentum. In the second half of the year, however, the pace of year-on-year growth moderated because of unfavourable base effects, weakening private consumption demand caused by high inflation, slowdown in export growth and sustained input cost pressures. Sound macroeconomic fundamentals, a resilient financial system reflected in healthy balance sheets of banks and non-banking financial companies (NBFCs), and a deleveraged corporate sector imparted resilience to counter the adverse global spillovers.



Source: NSO and RBI report dated on May 29, 2023.



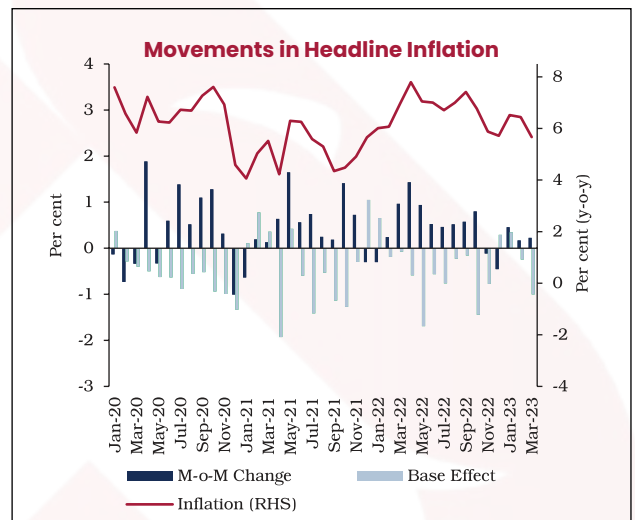
Source: Ministry of Statistics and Programme Implementation (MOSPI), GoI. and RBI report dated on May 29, 2023.



Source: RBI report dated on May 29, 2023.

### Inflation in India

CPI headline inflation in India remained above the upper tolerance level of 6 per cent for 10 successive months since January 2022, before moderating during November–December on seasonal easing in food prices. Inflation picked up again in January–February 2023 before easing to 5.7 per cent in March 2023. The pick-up in headline inflation during the year was broad-based resulting from pass-through of higher global commodity prices (crude oil, metals and food prices) and adverse domestic weather conditions. After reaching a peak in April 2022 following the war in Ukraine, inflation eased with gradual improvement in global supply conditions, record domestic food production, targeted supply side measures undertaken by the government including excise duty cuts on petrol and diesel along with lower import duties and imposition of export restrictions on some inflation sensitive agricultural items. Cumulative tightening of policy repo rate by 250 basis points (bps) during May 2022– February 2023 also aided in containing price pressures in the second half of 2022–23. Government data showed that inflation surged sharply to 15-month high peak of 7.44% in July 2023, driven by high food and vegetable prices.



Source: RBI report dated on May 29, 2023.

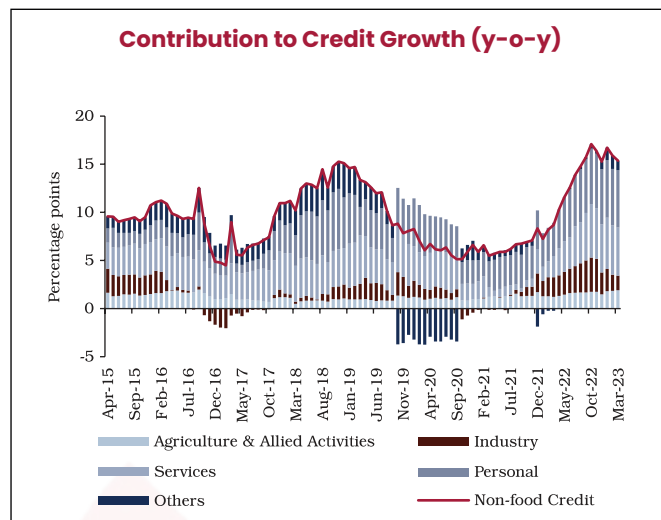
### India: GDP Expectation in FY 23-24

Domestic economic activity does face challenges from an uninspiring global outlook going forward, but resilient domestic macroeconomic and financial conditions, expected dividends from past reforms and new growth opportunities from global geo-economic shifts place India at an advantageous position. Taking into account softer global commodity and food prices, good rabi crop prospects, sustained buoyancy in contact-intensive services, the government’s continued thrust on capex, higher capacity utilisation in manufacturing, double digit credit growth, receding drag on purchasing power from high inflation and rising optimism among businesses and consumers, real GDP growth for 2023–24 is

projected at 6.5 per cent with risks evenly balanced

### Overall Credit Growth and NBFC Sector

The broad-based expansion in bank credit has been facilitated by healthier balance sheets of despite the increase in commodity prices and rise in interest rates, corporate investments have picked up in the recent period. The agriculture sector credit growth was supported by various measures taken by the government and the Reserve Bank. The micro and small industries/medium industries credit growth benefitted from the guarantee cover under the Emergency Credit Line Guarantee Scheme (ECLGS). Credit growth to large industries posted a turnaround during the year - led by capital-intensive industries such as infrastructure, supported by the government's higher capex spending. However, it moderated by the end of the year. The infrastructure credit growth was led by roads sector, which continued to post decent credit growth over a high base. Commodity-intensive industries such as metals recovered during the year. Within services, bank credit to non-banking financial companies (NBFCs) consolidated with increased credit offtake during 2022-23 whereas the trade sector credit growth reflected a return of positive sentiment in business activities. Retail loans posted a sustained rise, outperforming overall credit growth, aided by housing and vehicle loans. Further, the share of personal loans and services sector in the incremental non-food credit rose gradually during the year, indicating an improvement in credit demand conditions in these sectors. The credit-to-GDP gap narrowed considerably from its previous peak, reflecting the improved credit demand in the economy in the face of rising capacity utilisation in the manufacturing sector. increased credit offtake during 2022-23. Return of consumer optimism and improvement in business outlook during the year could help sustain credit growth ahead.

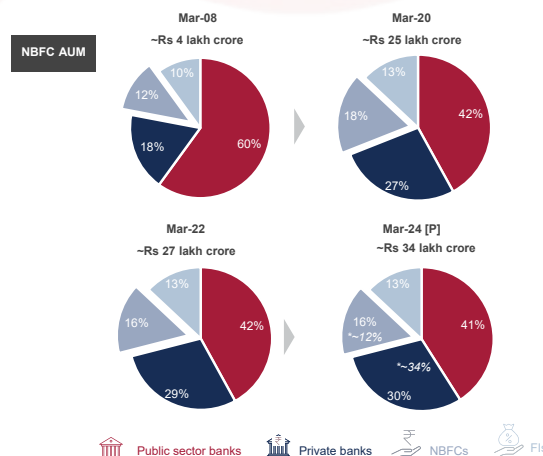


Source: RBI report dated on May 29, 2023.

### NBFCs: Stronger balance sheets, better asset quality underpins growth.

NBFCs have demonstrated an innovative and resilient streak over the years, adapting efficiently, even during the Covid-19 pandemic, to an evolving credit landscape. Today, they are stronger, more resilient, and well placed to tap growth opportunities. NBFCs had steadily increased their market share till recent years, with AUM accounting for as much as 18% of the overall credit pie in March 2019, up from 12% in March 2008. Several challenges over the past three fiscals lowered their share to 16% in fiscal 2022, with banks making bigger growth strides. However, NBFC growth is expected to pick up from here on, which should help sustain their ~16% AUM share. Increase in NBFCs' AUM from just ₹ 3.6 lakh crore in March 2008 to almost ₹ 27 lakh crore in March 2022, and expected to increase further, indicates the importance of the sector to overall credit delivery in the economy.

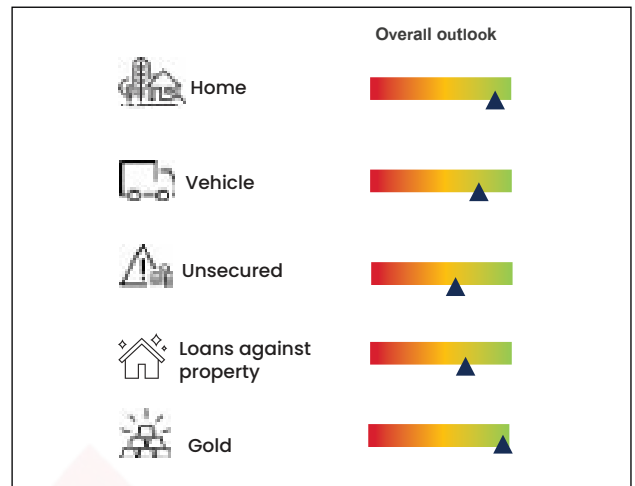
### Share of NBFCs in overall credit



Source: CRISIL Ratings ASSOCHAM Report



NBFCs are stronger and more resilient today, and better positioned in almost all operationally critical parameters. On the capital front, NBFCs have raised almost ₹ 70,000 crore of equity in the past 3.5 years, which has materially improved gearing. The subdued business landscape in the past three fiscals also contributed to the better gearing. Provisioning levels also increased in the past couple of years, as NBFCs created management overlays to provide for uncertainty pertaining to the pandemic. Overall, the sector has stronger balance sheets. The receding asset quality pressures are another positive. Asset quality metrics are expected to improve from here on across segments.

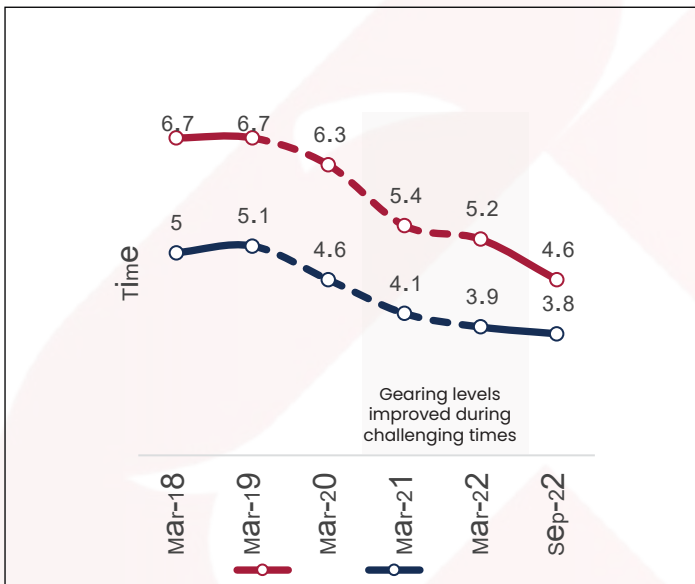


Source: CRISIL Ratings ASSOCHAM Report

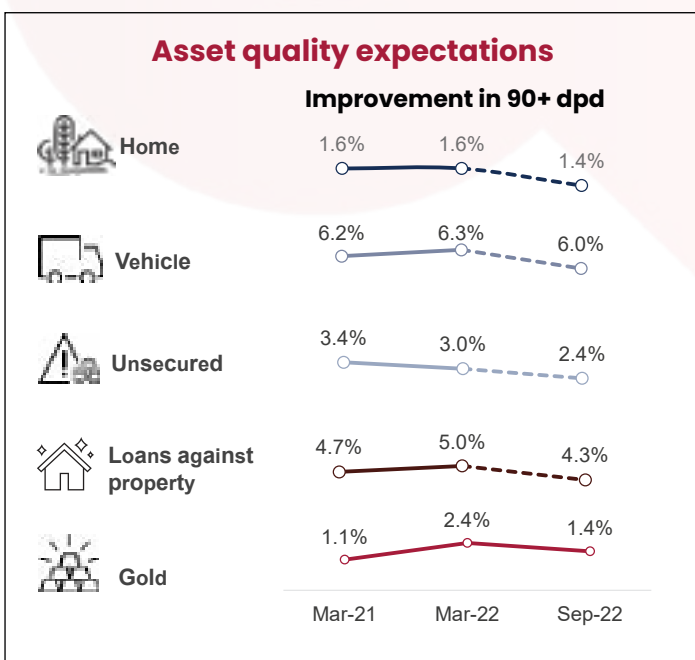
While NBFCs have seen decadal low growth in fiscals 2020 and 2021, they are expected to ride on the tailwinds of improved macroeconomic fundamentals and strengthened balance sheets and expand 13-14% in fiscal 2024. Growth will likely be relatively broad-based across retail segments, although the share of non-traditional segments such as unsecured loans and MSME finance is expected to increase in incremental disbursements. Nevertheless, competition from banks in the primary segments of home loans and vehicle finance remains intense, and NBFCs could concede share to banks, especially in the salaried home loans and new vehicle finance space. Indeed, the rising rate scenario is limiting the competitiveness for NBFCs in traditional segments. The improved balance sheets of NBFCs and abating of asset quality concerns will also support this growth trajectory.

## MSME/SME Sector

The MSME sector contributes about one-third of the country's GDP and about half of the country's exports. MSMEs are now spread all over the country and are playing a vital role in the manufacturing, trading, and services sectors. MSMEs operate in myriad sectors: from food processing to drones; From Khadi to trendy apparel, from coir to testing lab. MSME employees more than 111 million people across different geographies and sectors. Out of over 64 million MSMEs in India, it is said that only 14 per cent have access to credit.



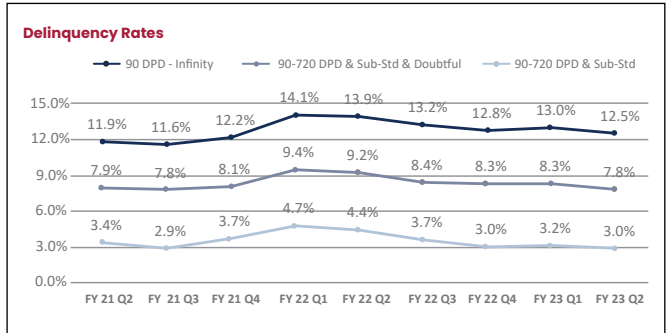
Source: CRISIL Ratings ASSOCHAM Report



Source: CRISIL Ratings ASSOCHAM Report



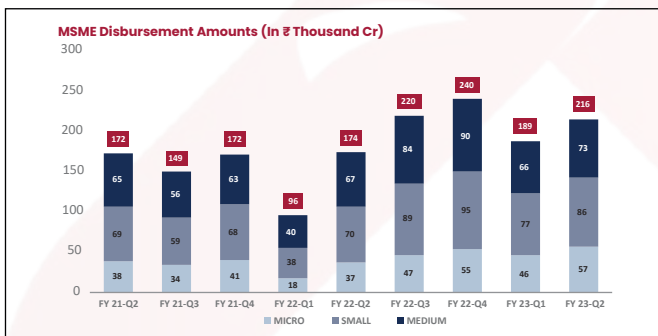
The total demand for debt-based finance by MSMEs was pegged was approximately \$1,544 billion. Overall, 47 per cent of the debt demand was estimated to be un-addressable as it comes from enterprises which are not financially viable or prefer financing from informal sources. The remaining debt demand was left to be \$819 million, of which only \$289 billion demand was currently fulfilled through formal credit lenders such as private banks, public banks, and non-banking financial companies (NBFCs). The remaining unfulfilled demand of \$530 billion “provides a large whitespace for lenders in this segment, of which \$120 billion demand belongs to small ticket loan segment with a ticket size of less than \$1 million.



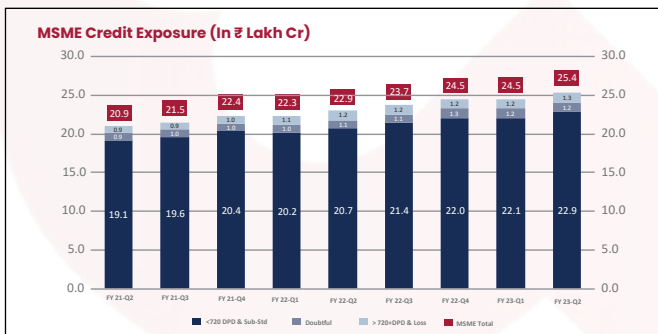
Source: SIDBI and TransUnion CIBIL Ltd. Report on MSME Pulse - March 2023

NBFC saw credit demand crossing 2x for the same period. This can be attributed to the efforts on the part of government and financial sector to develop and implement multiple support mechanisms, and an evolving digital public infrastructure for the MSME sector. MSME disbursements by amount in FY23-Q2 for PSB, PVT and NBFC grew by 21%, 25% and 34%, respectively compared to FY22-Q2.

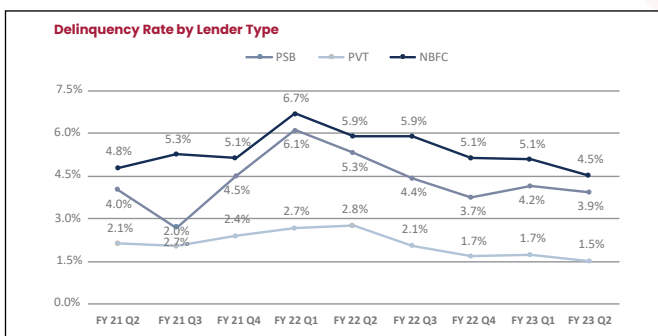
Total MSME credit exposure (excluding default cases ~ 1.2 Lakh Cr in doubtful category and ~ 1.3 Lakh Cr beyond 720 DPD/Loss category) was at 22.9 Lakh Cr as of Sep'22(FY23-Q2), reflecting a YOY growth rate of 10.6%. With this edition of Pulse, the new definition for Delinquency rates (90+ DPD) is being introduced and excludes legacy accounts with DPD beyond 720 days or reported as loss/doubtful. Delinquency Rate was 3.0% for Sep '22 (FY23-Q2), down from 4.4% same time last year (FY22-Q2). Delinquency rates dropped YoY across all the three lender categories (PSBs, PVT and NBFCs); the highest drop in PVT Segment (i.e., from 2.8% in FY 22-Q2 to 1.5% in FY 23-Q2).



Source: SIDBI and TransUnion CIBIL Ltd. Report on MSME Pulse - March 2023



Source: SIDBI and TransUnion CIBIL Ltd. Report on MSME Pulse - March 2023



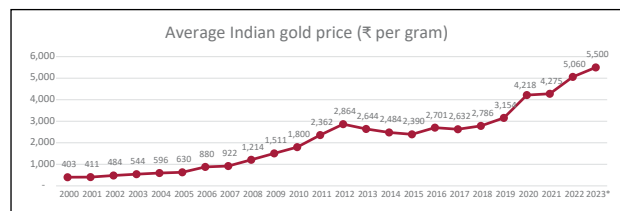
Source: SIDBI and TransUnion CIBIL Ltd. Report on MSME Pulse - March 2023

### Gold Loan Sector in India

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. 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 gold loan disbursements have almost doubled from ₹ 46791 Cr in September 2020 to ₹ 80617 Cr in September 2022. This figure is expected to touch one lakh crore rupees this year. It also states that India owns more than 27000 tonnes (14% of the world’s gold) of which, around 5,300 tonnes is pledged. The organized gold loan market size is estimated at ₹ 6 lakh crore industry, out of which there is an 80:20 split between banks and NBFCs. Further, organized market is estimated to just 35% of overall Gold Loan market the remaining 65% is dominated by local jewellers, pawn dealers and money lenders (unorganised Market). As unorganized players occupy a large chunk of the market i.e., 65%, and the remaining 35% is banks and NBFCs (organized market). Customers residing in rural parts of the country are gradually switching to these NBFCs, owing to quick loan processing, systematic gold valuation, auctioning and safe keeping.

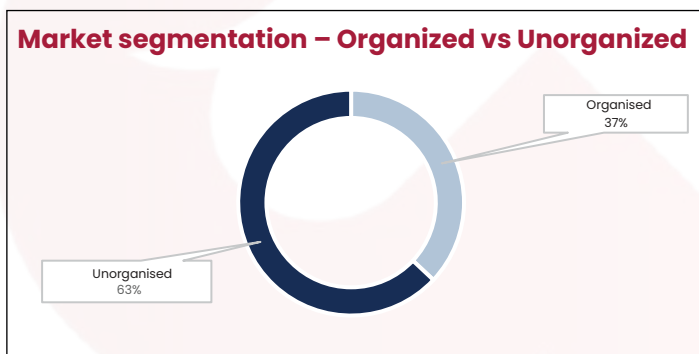


Source: World Bank and Kerala Government data

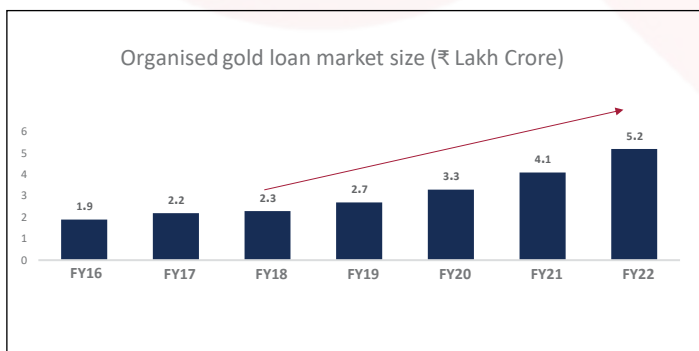
During the past two decades, gold prices in India has increased at a staggering rate. The average price per gram of gold during the year 2000 was ₹403 as compared to ₹5,500 during March 2023. Increase in gold prices, thus incentivized customers to avail gold loans since they would be receiving more credit value for their gold than before. This period also saw a rapid phase of network expansion by gold loan NBFCs particularly in rural regions, to cater to the demand.

### Future of gold loans market in India

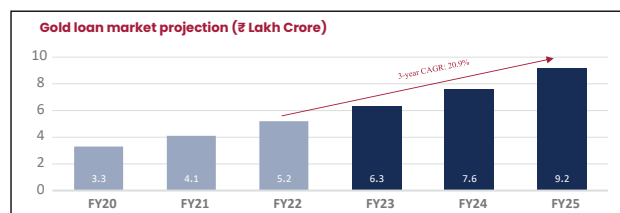
The organized gold loan market was valued at ₹5.2 lakh crore in FY2022 and is projected to grow at 3-year CAGR of 20.9% to reach ₹9.2 lakh crore by FY2025. During the last financial year, gold loan companies propelled the growth in their gold loan portfolio by focusing heavily on their existing branch network and catering to the pent-up credit demand that was created as a result of the financial uncertainty post Covid. The growth in the gold loan market is expected to be propelled both by Banks and NBFCs. Growth in bank AUM is expected to be driven by their lower interest rates while NBFCs are expected to propel their growth through expansions of their branch network in areas of low gold loan penetration and through more investments in their digital products such as online and doorstep gold loan.



Source: GT research



Source: GT research



Source: GT research

## Financial Performance

Financial performance highlights of FY 2022-23 are, as under

Particulars (₹ In Lakhs)	2023	2022
Total Revenue from Operation	2,140	1,482
Interest Income	1,987	1,304
Interest Expense	436	178
Total Operating Expenditure	515	299
Profit Before Tax	1,101	868
Net profit after tax before OCI	791	608
Total PAT Inclusive OCI & Exceptional Item	699	711
EPS (In ₹)	4.10	3.15
Earnings per share (Face Value ₹ 10/- each)	11,194	10,592
Networth	1,131	141
Cash and Cash Equivalents	16,043	10,482
AUM	57.93%	77.67%
CRAR	0.77X	0.19X
Interest Income to Average Loan assets	15.17%	14.01%
Total Operating Expenditure to Average AUM	3.88%	3.16%
ROA	6.04%	5.60%
GNPA	1.29%	1.31%
NNPA	0.74%	1.31%
Provision Coverage Ratio (PCR) includes *Management Provision	80.07%	97.46%*

### Gold Loan Sector in India

Being a NBFC, MCFL aims to operate within an effective risk management framework to actively manage all the material risks faced by the organization and make it resilient to shocks in a rapidly changing environment. It aims to establish a consistent approach in management of risks and strive to reach the efficient frontier of risk and return for the organization and its shareholders.

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 the years, sustained efforts to strengthen its risk framework have resulted in

stable risk metrics and financial position of MCFL.

### 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.

### 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.

### **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.

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. 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.

### **Operational 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. Most 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 unfavourable fair value change.

### **Interest 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 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 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 have 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 CRISIL Ratings Limited. The long-term credit rating of the company is CRISIL BBB / Stable on July 7, 2023 for the proposed long-term facilities which reflects the continued sound financial performance of the company.

Facility	Rating Agency	Amount	Rating	Issued on
Long Term Bank Facilities*	CRISIL Ratings	75 Crores	CRISIL BBB /Stable	July 7, 2023
NCD	CRISIL Ratings	25 Crores	CRISIL BBB /Stable	July 7, 2023

\* Previously, Long term bank facilities were IVR BBB/stable (IVR Triple B with Stable Outlook) rated by Infomercs Valuation & Ratings Private Limited on May 9, 2022. However, effectively rating withdrawn from Infomercs Valuation & Ratings Private Limited on July 12, 2023

### Human Resources

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.

### 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 October 22, 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 December 14, 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.

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.

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

Key Regulatory Ratios	Actual as on March 31, 2023	As per RBI stipulation
CRAR – Tier I	57.93%	15%
CRAR overall	57.93%	15%
ALM (Cumulative)		
1-7 days	1,955.87%	(10%)
8-14 days	1,052.17%	(10%)
15-30 days	484.25%	(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

# DIRECTORS' REPORT

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

Your Directors are pleased to present the 61<sup>st</sup> Annual Report on the affairs of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2023.

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 Directors' Report is prepared based on the standalone financial statements of the Company for the year under review.

## 1. FINANCIAL HIGHLIGHTS

(₹ In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total income	2139.98	1481.57
Total expenditure	1039.19	613.32
Profit before taxation	1100.79	868.25
Less: Provision for Taxation		
- Current tax	295.98	235.22
- Deferred tax asset	(15.19)	(13.11)
-Tax in respect of Earlier Year	28.65	38.00
Net profit after taxes	791.35	608.14
Earnings per share (Face Value ₹ 10/- each)		
Basic	4.10	3.15
Diluted	4.10	3.15

## 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 March 31, 2023. 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 ₹ 158.27/- Lakhs (previous year ended March 31, 2022 was ₹ 121.63/- 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 to ₹ 2139.98 Lakhs in FY23 compared to ₹ 1481.57 Lakhs in FY22
- Interest Income (NII) from operations grew to ₹ 1987.14 Lakhs in FY23 compared to ₹ 1303.89 Lakhs in FY22
- Profit after tax (PAT) before OCI increased to ₹ 791.35 Lakhs in FY23 compared to ₹ 608.14 Lakhs in FY22
- Loan assets under management (AUM) grew by 53% y-o-y to ₹ 16043 Lakhs in FY23 compared to ₹ 10482 Lakhs in FY22
- Net Interest Margin (NIM) grew by 39% to ₹ 1647.01 Lakhs in FY23 compared to ₹ 1186.71 Lakhs in FY22
- GNPA reduced to 1.29% in FY23 compared to 1.31% in FY22
- NNPA significantly improved to 0.74% in FY23 compared 1.12% in FY22.

#### 5. CAPITAL ADEQUACY RATIO

Your Company's Capital Adequacy Ratio, as of March 31, 2023, stood at 57.93 % (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. ISSUANCE OF NON CONVERTIBLE DEBENTURES

During the financial year 2022-23, your Company have issued 140 Nos. (One Hundred and Forty) Senior, Secured, Unlisted, Redeemable, Non-Convertible Debentures each having a face value of ₹ 500000/- (Rupees Five Lakhs ) by way of Private Placement in dematerialised form to Identified Investors. NCDs were issued in two series i.e. 12 months with the maturity dated February 25, 2024 and 24 months with the maturity dated February 23, 2025.

#### 8. CREDIT RATING

Your Company's financial discipline and prudence is reflected in the strong credit rating ascribed by CRISIL Ratings Limited. CRISIL Ratings has assigned a CRISIL BBB/Stable (pronounced as CRISIL triple B rating with stable outlook) as stated below:

(₹ In Lakhs)

Particulars/ Rating Agencies	Date	Amount	Rating
Long term bank Facilities*	Jul 7, 23	7500	CRISIL BBB/ Stable
NCDs	Jul 7, 23	2500	CRISIL BBB/ Stable

\* Previously, Long term bank facilities were IVR BBB/stable (IVR Triple B with Stable Outlook) rated by Infomerics Valuation and Ratings Private Limited on May 9, 2022. However, effectively rating withdrawn from Infomerics Valuation and Ratings Private Limited on July 12, 2023

#### 9. SHARE CAPITAL

During the financial year under review, the issued, subscribed and paid-up share capital of the Company as at March 31, 2023 was ₹ 19,31,39,860/- divided into 1,93,13,986 equity shares of face value of ₹ 10/- each.

#### 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 2022-23.

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 Nomination and 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 Nomination and 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-a-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 March 31, 2023, the Board of Directors of your Company comprises of 7 (Seven) Directors out 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 Directors' Report.

Consequently, the Board underwent the following changes:

#### **A. Change in Directorship**

Appointment of Director:

All appointments of Directors are made in accordance with the relevant provisions of the Act, the 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 re-appointed as an Executive Director with effect from September 30, 2022 in the 60<sup>th</sup> Annual General Meeting of the Company.

### Retirement by Rotation of the Directors:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 Mr. Meghraj Sohanlal Jain (DIN: 01311041) Chairman and Managing Director and Mr. Nilesh Jain (DIN: 08788781) Executive Director and Chief Financial Officer of the Company 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 Sohanlal Jain and Mr. Nilesh Jain has been included in the Notice convening the ensuing Annual General Meeting.

### Changes in KMP:

Appointment of Mr. Manish Rathi as a Chief Executive Officer of the Company with effect from April 01, 2022.

Cessation of Ms. Supriya Agarwal from the position of Whole Time Company Secretary and Compliance Officer of the Company with effect from May 31, 2022.

Further appointment of Ms. Bhavika Mehta as a Whole Time Company Secretary and Compliance Officer of the Company with effect from July 25, 2022.

Appointment of Mr. Nilesh Jain, Executive Director of your Company as a Chief Financial Officer of the Company with effect from September 02, 2022.

### 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 March 31, 2023 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 Directors' 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 22<sup>nd</sup> October, 2019, regarding the requirement relating to enrolment 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 Declaration duly signed by the Executive Chairman and Managing Director is given under Corporate Governance Report as a separate section in this Annual Report. The Code of Conduct for Board of Directors and Senior Management Personnel is also posted on the website of the Company.



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

The Declaration duly signed by the Executive Chairman and Managing Director is given under Corporate Governance Report as a separate section in this Annual Report. The Code of Conduct for Board of Directors and Senior Management Personnel is also posted on the website of the Company.

### 16. ANNUAL RETURN

The Annual Return of the Company as on March 31, 2023 is available on the Company's website and can be accessed at [www.mangalfincorp.com](http://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, 6 (Six) meetings of the Board of Directors were held as per the details below:

Sr. No	Date of Board Meeting
1	May 02, 2022
2	July 25, 2022
3	September 01, 2022
4	October 18, 2022
5	November 25, 2022
6	February 14, 2023

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

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

### 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 and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

Details with respect to the composition, terms of reference, number of meeting(s) held and attended by respective member(s) 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 SEBI 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 May 02, 2022 to inter-alia review the performance of the Non-Independent Directors including the Chairman and the Board as a collective entity.

## **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. Sharma & Goyal, Chartered Accountants were appointed as internal auditors 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 Auditor of the Company for a term of 4 (Four) consecutive years, from the conclusion of 57<sup>th</sup> Annual General Meeting till the conclusion of 61<sup>st</sup> Annual General Meeting of the Company at the Annual General Meeting held on September 30, 2019.

M/s. MGB & Co. LLP, Statutory Auditors in their report(s) on the audited financial statements of your Company for the financial year ended March 31, 2023, 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 A** to this Board's Report.

A certificate from M/s. Vijay S. Tiwari & Associates, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as prescribed under the SEBI Listing Regulations is annexed to the Corporate Governance Report.

### 25. SECRETARIAL AUDITOR

The Company has appointed M/s. Vijay S. Tiwari & Associates, Practicing Company Secretaries as a Secretarial Auditor of the Company, according to the provision of section 204 of the Companies, Act 2013 read with rules for conducting Secretarial Audit of Company for the financial year 2022-23. The Report of the Secretarial Audit and Annual Secretarial Compliance pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 is annexed herewith as **Annexure B** and **Annexure C**.

### 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

Your Company is registered with RBI as non-systematic 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 D** 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 Directors' 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 2022-23 your Company have not offered any Employee Stock Options scheme to Employees. Hence, relevant provisions of the Act and 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 December 13, 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 October 18, 2022 which lays down the principles and mechanism for undertaking various projects / programs as part of Company's CSR activities.



In terms of the CSR Policy, Company's CSR activities are focused in the fields of education, women empowerment, environment, sanitation & water, healthcare and humanitarian relief.

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

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

#### **41. DETAILS AND STATUS OF ACQUISITION, MERGER AND MODERNIZATION AND DIVERSIFICATION**

During the financial year 2022-23 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 ₹ 90035/- 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**

During the financial year under review, 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](http://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 is any proceeding pending under the Insolvency and Bankruptcy Code, 2016 against the Company.
- During financial year 2022-23, 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.

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

**Sd/-**  
**Meghraj Sohanlal Jain**  
**Chairman and Managing Director**  
**DIN: 01311041**  
**Place: Mumbai**  
**Date: July 27, 2023**

## **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.

**Sd/-**  
**Nilesh Jain**  
**Executive Director and Chief Financial Officer**  
**DIN: 08788781**  
**Place: Mumbai**  
**Date: July 27, 2023**

## Annexure A to the Directors' Report

### CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2022-23 (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 2022-23

##### 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 March 31, 2023 comprises 7 (Seven) Directors out 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 ("SEBI 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 March 31, 2023 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 **	
			Member	Chairman
Mr. Meghraj Sohanlal Jain	Chairman & Managing Director	0	-	-
Mr. Nilesh Jain	Executive Director & CFO	0	-	-
Ms. Nirupama Charuhas Khandke	Independent Director	1	-	-
Mr. Ramanathan Annamalai	Independent Director	3	1	-
Mr. Ganesh Subramanyam	Independent Director	0	-	-
Mr. Sriram Sankaranarayanan	Independent Director	0	-	-
Mr. Sujan Sinha	Non-Executive Director	1	1	-

\*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 March 31, 2023 have been debarred or disqualified from being appointed or continuing as

Director on the Board of the Company by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such statutory authority, is annexed to this Corporate Governance Report.

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

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

The schedule of the Board / Committee meetings to be held in a financial year is circulated in advance to enable the Directors / Committee Members to plan their schedule and ensure their highest participation at Board / Committee meetings.

The agenda 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, 6 (six) 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
	02.05.2022	25.07.2022	01.09.2022	18.10.2022	25.11.2022	14.02.2023	30.09.2022
Mr. Meghraj Sohanlal Jain	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ganesh Subramanyam	No	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Nirupama Charuhas Khandke	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ramanathan Annamalai	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Sriram Sankaranarayanan	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sujan Sinha	No	Yes	Yes	Yes	Yes	No	Yes

### 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 March 31, 2023 comprises of Mr. Subramanyam Ganesh, Ms. Nirupama Charuhas Khandke 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 5 (Five) times. The required quorum was present at all the meetings. As prescribed under the Act, the Chairman of the Audit Committee who is an Independent Director was present at the last Annual General Meeting of the Company held on September 30, 2022.

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				
		02.05.2022	25.07.2022	01.09.2022	18.10.2022	14.02.2023
Mr. Ganesh Subramanyam	Chairperson	No	Yes	Yes	Yes	Yes
Mr. Ramanathan Annamalai	Member	Yes	Yes	Yes	Yes	Yes
Ms. Nirupama Charuhas Khandke	Member	Yes	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 July 25, 2022. The ALCO comprises of the following Members:

1. Meghraj Sohanlal Jain- Chairperson
2. Manish Rathi- Member
3. Ankita Taparia rathi- Member

### 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 March 31, 2023 comprises of Mr. Ramanathan Annamalai, Ms. Nirupama Charuhas Khandke 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 5 (Five) 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				
		02.05.2022	25.07.2022	01.09.2022	18.10.2022	14.02.2023
Mr. Ramanathan Annamalai	Chairperson	Yes	Yes	Yes	Yes	Yes
Ms. Nirupama Charuhas Khandke	Member	Yes	Yes	Yes	Yes	Yes
Mr. Subramanyam Ganesh	Member	No	Yes	Yes	Yes	Yes

**Terms of Reference**

The terms of reference of the NRC inter-alia includes: identifying personnel qualified to be appointed as Directors or in the senior management of the Company, formulating criteria for determining qualification, positive attributes, 'fit and proper' person status of Directors / senior management personnel, independence of Directors, deciding on specific remuneration packages and recommending policy on remuneration of the Executive Directors, the Non-Executive Directors (including the Independent Directors) and senior level employees to the Board of Directors, formulate criteria for evaluation of Directors, the Board and its Committee(s).

**Stakeholders Relationship Committee ("SRC")**

The Stakeholders Relationship Committee as on March 31, 2023 comprises of Ms. Nirupama Charuhas Khandke, Mr. Meghraj Sohanlal 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. 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 Stakeholders Relationship Committee Meeting Held on			
		02.05.2022	25.07.2022	18.10.2022	14.02.2023
Ms. Nirupama Charuhas Khandke	Chairperson	Yes	Yes	Yes	Yes
Mr. Subramanyam Ganesh	Member	No	Yes	Yes	Yes
Mr. Meghraj Sohanlal Jain	Member	Yes	No	No	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 March 31, 2023.

**Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee as on March 31, 2023 comprises of Ms. Nirupama Charuhas Khandke, Mr. Meghraj Sohanlal 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 Member	Category	Attendance at the Nomination and Remuneration Committee Meeting Held on	
		25.07.2022	14.02.2023
Ms. Nirupama Charuhas Khandke	Chairperson	Yes	Yes
Mr. Subramanyam Ganesh	Member	Yes	Yes
Mr. Meghraj Sohanlal 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](http://www.mangalfincorp.com).

### Other Committee

#### Internal Complaints Committee

The Company is committed to provide conducive environment in which all individuals are treated with respect and dignity and promote a gender sensitive and safe work environment.

Accordingly, the Board of Directors adopted a 'Policy for prevention of Sexual Harassment at workplace' and also constituted an Internal Complaints Committee, in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Internal Complaint Committee comprises of the following Members:

- i) Ms. Ankita Taparia Rathi- Presiding Officer
- ii) Mr. Hiren Upadhyay – External Member
- iii) Ms. Bhavika Mehta – Member
- iv) Mrs. Swati Tak – External Member

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

### Terms of Reference

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



### **Independent Directors**

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

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

Pursuant to PART C(2)(i) of Schedule V of Securities and Exchange Board of India (Listing Regulations & Disclosure Requirements) Regulations, 2015 (“the Regulations”) in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management of the Company.

### **Independent Directors Meeting**

In terms of Schedule IV of the Act, a meeting of the Non-Executive Independent Directors was held on October 18, 2022 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 Listing Regulations and as an initiative towards setting out a good corporate governance structure within the organization, the Board of Directors adopted a comprehensive 'Code of Conduct for Board of Directors and Senior Management Personnel' which is applicable to all the Directors, including Non-Executive and Independent Directors and employees of the Company to the extent of their role and responsibilities in the Company. The code provides guidance to the Directors and employees to conduct their business affairs ethically and in full compliance with applicable laws, rules and regulations. The Code is reviewed from time to time by the Board.

Declaration by the Managing Director of the Company pursuant to Regulation 34(3) read with paragraph D of Schedule V of the Listing Regulations, is enclosed herein and forms an integral part of this Corporate Governance Report.

### **Fair Practices Code**

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

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

In terms of the Master Direction – Information Technology Framework for the NBFC Sector issued by the Reserve Bank of India,

the Board of Director adopted various policies 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**

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

to the Audit Committee. The Whistle Blower Policy / Vigil Mechanism is available on the website of the Company.

### **Related Party Transaction Policy**

In term of the provisions of the Listing Regulations, the Act and RBI Directions, the Board of Directors adopted a 'Related Party Transaction Policy' to ensure proper approval and reporting of transactions between the Company and its related parties. The Related Party Transaction Policy inter-alia sets out criteria for identifying material related party transactions and includes the process and manner of approval of transactions with related parties, identification of related parties and identification of potential related party transactions. In terms of the Related Party Transaction Policy of the Company, any transaction with any related parties shall be considered to be appropriate only if it is in the best interests of the Company and its shareholders. The Related Party Transaction Policy is available on the website of the Company at [www.mangalfincorp.com](http://www.mangalfincorp.com).

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

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

### **Performance Evaluation Policy**

In terms of the provisions of the Listing Regulations and the Act, the Board of Directors adopted a 'Board Performance Evaluation Policy' to set out a formal mechanism for evaluating performance of

the Board, that of its Committee(s) and individual Directors including the Chairman. The manner in which formal annual evaluation of the performance of the Board, its Committees and individual Directors including Chairman is conducted is given below:

A structured questionnaire prepared in accordance with the Performance Evaluation Policy and Performance Evaluation Process, inter-alia setting out criteria for evaluation of performance of the Board collectively, individual directors and the Chairperson, is circulated to the Directors. Performance ratings are given by the Directors on the questionnaire circulated for each category to be evaluated.

Based on Independent Director's feedback on the questionnaires, the Independent Directors, at their separate meeting, evaluate the performance of Non-Independent Directors, the Board as a whole and the Chairman;

Further, based on evaluation by Independent Directors, feedback on questionnaire by other Directors and in light of the criteria prescribed in the Performance Evaluation Process, the Board analyses its own performance, that of its Committees and each Director including the Chairman.

### **Certification on Corporate Governance Compliances**

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

### Remuneration of the Managing Director and Whole-time Directors for the financial year 2022-23

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

### Remuneration of the Non-Executive Directors for the financial year 2022-23

Name of the Director	Sitting Fees	Others	Total
Mr. Sujan Sinha	50,000	-	50,000
Mr. Ramanathan Annamalai	1,00,000	-	1,00,000
Ms. Nirupama Charuhas Khandke	1,00,000	-	1,00,000
Mr. Subramanayam Ganesh	75,000	-	75,000
Mr. Sriram Sankarnarayanan	1,00,000	-	1,00,000
Total	4,25,000	-	4,25,000

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

### General Body Meeting

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

Financial Year	Day and Date	Venue	Time	Special Resolutions Passed
2019-20	Wednesday, 30.12.2020	1701/1702, 17th 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, 17th 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 Pratakal Marathi and News Hub respectively;
- The Financial Statements are also displayed on the website of the Company **[www.mangalfincorp.com](http://www.mangalfincorp.com)**;
- The Management Discussion and Analysis Report forms a part of this Annual report;
- The Company informs the Stock Exchange all price sensitive matters or such other matters which are material and of relevance to the shareholders;
- No presentations were made to institutional investors or to analysts during the year;
- BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on the Listing Centre;
- The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized 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 2022-23	61 <sup>st</sup> Annual General Meeting Date: September 22, 2023 Day: Friday Time: 11:00 A.M. Mode of conducting the meeting: Video conferencing / other audio visual means
Financial year	April 1, 2022 to March 31, 2023
Date of book closure	Thursday, September 14, 2023 to Friday, September 22, 2023
Dividend payment date	Final Dividend for financial year 2022-23, if approved by the shareholders of the Company will be paid on or before October 22, 2023
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 2023-24 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	<p>Link Intime India Pvt. Ltd.          Add.: C 101, 247 Park, L.B.S. Marg, Vikhroli (West),          Mumbai – 400083          Tel.: 022-4918 6000 Fax: 022-4918 6060          Email id: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></p>
Share Transfer System	In terms of the Listing Regulations w.e.f April 01, 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.
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	<p>Ms. Bhavika Mehta          Company Secretary &amp; Compliance Officer          1701/1702, 'A' Wing, Lotus Corporate Park,          Off Western Express Highway, Goregaon (E), Mumbai-400063,          Maharashtra, India          Tel.: 022-42461300;          Email: <a href="mailto:compliance@mangalfincorp.com">compliance@mangalfincorp.com</a></p>
Credit Rating	<p>CRISIL Ratings Limited          Ratings: CRISIL BBB/Stable (Triple B rating with Stable Outlook)</p>

**Distribution of shareholding (Shares)**

Sr No	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	3533	81.2184	640767	3.3176
2	501 to 1000	408	9.3793	313529	1.6233
3	1001 to 2000	155	3.5632	227563	1.1782
4	2001 to 3000	69	1.5862	178711	0.9253
5	3001 to 4000	29	0.6667	103653	0.5367
6	4001 to 5000	29	0.6667	135049	0.6992
7	5001 to 10000	38	0.8736	290484	1.5040
8	10001 to 9999999999	89	2.046	17424230	90.2156
<b>TOTAL :</b>		<b>4350</b>	<b>100</b>	<b>19313986</b>	<b>100</b>

**Shareholding Pattern as on March 31, 2023**

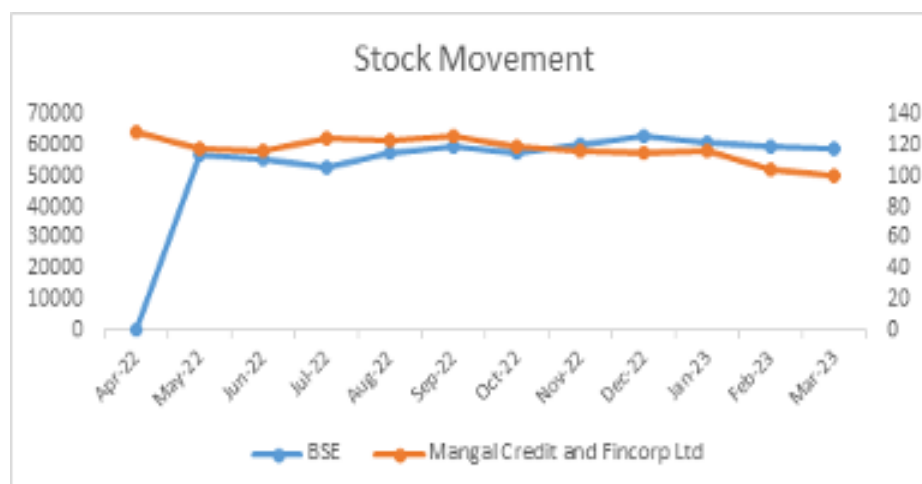
Sr. No.	Category of shareholder	Number of shareholders	Total number of shares	Percentage of the Total
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	9	10693060	55.36
(2)	Foreign	0	0	0
	Total Shareholding of Promoter and Promoter Group	9	10693060	55.36
(B)	Public Shareholding	4284	8620926	44.64
(1)	Institutions	95	2157871	11.17
(2)	Central Government/ State Government(s)/ President of India	0	0	0
(2)	Non Institutions	4189	6463055	33.46
	Total Public Shareholding	4284	8620926	44.64
(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
<b>Total (A) + (B) + (C)</b>		<b>4293</b>	<b>19313986</b>	<b>100</b>

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	Deliverable Quantity	% Deli. Qty to Traded Qty	Spread High-Low	Spread Close-Open
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
Aug-22	124.95	133.5	115	123.45	428585	1296	52778743	257173	60.01	18.5	-1.5
Sep-22	124	139	120.6	126.4	630316	1557	80522949	413145	65.55	18.4	2.4
Oct-22	127	132.85	113.6	119.45	682004	1289	85639218	503098	73.77	19.25	-7.55
Nov-22	120.5	125.9	113.5	116.9	313276	1170	37016444	182251	58.18	12.4	-3.6
Dec-22	118.5	119.8	112.5	115.3	338053	972	39209881	199433	58.99	7.3	-3.2
Jan-23	115	119.5	111.25	117.35	180360	557	20837747	51433	28.52	8.25	2.35
Feb-23	118.2	135.85	95.1	105.1	785923	1783	91157323	374856	47.7	40.75	-13.1
Mar-23	104	108.6	95.3	100.55	399661	1210	40727842	189686	47.46	13.3	-3.45
Apr-23	100.6	127	99	111.75	409973	1043	46740432	215339	52.53	28	11.15
May-23	109.55	117.95	105.25	108.25	388063	1129	44162048	193262	49.8	12.7	-1.3
Jun-23	112	122.5	102.05	103.95	861111	2506	96396338	558824	64.9	20.45	-8.05
Jul-23	105.45	110	95.35	103.2	481480	1593	49467940	219849	45.66	14.65	-2.25



## Monthly high and low prices of equity shares of the Company during the financial year ended March 31, 2023

### 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, 2023 is unqualified.

## Annexure A to 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** having CIN L65990MH1961PLC012227 and having registered office at 1701/1702,17<sup>th</sup> Floor, 'A' Wing, Lotus Corporate Park, Off Western Express Highway, Goregaon East, Mumbai- 400063 for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for financial year ended March 31, 2023

In our opinion and to the best of our knowledge, based on the information furnished to us by the Company and the Directors of the Company and based on necessary verification by us, we hereby certify that none of the following Directors, who were on the Board of Directors of the Company as on March 31, 2023 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. Nilesh Jain	08788781	30/09/2022
3.	Mr. Sujan Sinha	02033322	11/11/2020
4.	Mr. Subramanayam Ganesh	01718431	14/11/2018
5.	Mr. Ramanathan Annamalai	02645247	06/07/2018
6.	Ms. Nirupama Charuhas Khandke	01605060	12/06/2018
7.	Mr. Sriram Sankarnarayan	00146563	11/11/2020

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

**Sd/-  
Vijay Kumar Tiwari  
ACS No: 33084  
COP No: 12220  
UDIN: A033084E000657268  
Peer Review Certificate No: 1679/2022**

**Place:** Mumbai  
**Date:** 27.07.2023

## Annexure B to 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**, for the year ended on March 31, 2023, 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 March 31, 2023.

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

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

**Sd/-  
Vijay Kumar Tiwari  
ACS No: 33084  
COP No: 12220  
UDIN: A033084E000657721  
Peer Review Certificate No: 1679/2022  
Place: Mumbai  
Date: July 27, 2023**

## Annexure B – to the Directors’s Report

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**  
**[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, A Wing, Lotus Corporate Park,  
 Off 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.

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 31<sup>st</sup> March, 2023 (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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):



**a.** The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**b.** The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

**c.** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

**d.** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(vi) Based on the representations made by the Company and its officers and my verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance with the following laws applicable specifically to the Company:

**a.** The Reserve Bank of India Act, 1934, as applicable to Non- banking Financial Companies;

**b.** Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;

**c.** Master Direction – Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016;

**d.** Master Direction – Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016;

**e.** Master Direction – Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;

**f.** Master Direction – Information Technology Framework for the NBFC Sector;

**g.** Master Direction – Know Your Customer (KYC) Direction, 2016;

**h.** Prevention of Money Laundering Act, 2002 and the Rules made thereunder; and;

**i.** Various Circulars, Notifications, Directions, Guidelines, Master Circulars issued by the Reserve Bank of India from time to time in respect of Non-Systemically Important Non-Deposit taking Non-Banking Financial Company;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited.

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

Company has failed to file the board meeting intimation on time for the Board Meeting dated 25<sup>th</sup> July, 2022. There is a delay of One day to upload the intimation of Board Meeting to Stock Exchange as per regulation 29 of SEBI Listing Regulations and also company has paid penalty amount Rs. 11800/- to BSE

**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: During the Year Company has issued Unlisted Non-Convertible Debentures (NCDs) on Private Placement Basis.

**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: A03384E0000664616  
Date: July 27, 2023  
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 Secretarial Audit Report

The Members,  
**Mangal Credit and Fincorp Limited**  
1701/1702, A Wing, Lotus Corporate Park,  
off Western Express Highway,  
Goregaon (East), Mumbai-400063

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

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

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

**Sd/-  
Vijaykumar Tiwari  
Proprietor  
COP No. 12220  
M. No. 33084  
Peer Review Certificate No.: 1679/2022  
UDIN: A03384E0000664616  
Date: July 27, 2023  
Place: Mumbai**

## Annexure C to the Directors' Report

### Annual Secretarial Compliance Report of Mangal Credit and Fincorp Limited for the financial year ended March 31, 2023

#### We 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, 2023 ("Review Period") in respect of compliance with the provisions of:

**a.** the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

**b.** the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

**a.** Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**b.** Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

**c.** Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

**d.** The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

**e.** Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**

**f.** Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable**

**g.** Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**

**h.** Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable**

**i.** Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

**j.** (Other regulations as applicable) and circulars/ guidelines issued there under;



**I/We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:**

Sr. No.	Particulars	Compliance Status (Yes/ No/ NA)	Observations /Remarks by PCS*
1.	<p><b>Secretarial Standards:</b></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	The Listed entity has complied with all the applicable secretarial standards under companies act, 2013.
2.	<p><b>Adoption and timely updation of the Policies:</b></p> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/ circulars/guidelines issued by SEBI</li> </ul>	Yes	The Listed entity has adopted and updation of all the applicable policies as SEBI Regulations.
3.	<p><b>Maintenance and disclosures on Website:</b></p> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> <li>Timely dissemination of the documents/ information under a separate section on the website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul>		The Listed entity has maintained and disclose all the required details on Website as per Regulation 46 of SEBI Listing Regulations.
4.	<p><b>Disqualification of Director:</b></p> <p>None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.</p>	Yes	None of the Directors of the Listed entity is disqualified under Section 164 of the Companies Act, 2013.

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
5.	<p><b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b></p> <p><b>(a)</b> Identification of material subsidiary companies  <b>(b)</b> Disclosure requirement of material as well as other subsidiaries</p>	Not Applicable	The Listed entity does not have any subsidiary company.
6.	<p><b>Preservation of Documents:</b></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	The Listed entity has maintained proper records of all the documents as prescribed under SEBI Regulations.
7.	<p><b>Performance Evaluation:</b></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.</p>	Yes	Company has conducted the performance evaluation in the first meeting of Board of Directors dated May 02, 2022
8.	<p><b>Related Party Transactions:</b></p> <p><b>(a)</b> The listed entity has obtained prior approval of Audit Committee for all related party transactions; or  <b>(b)</b> The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved / ratified /rejected by the Audit Committee, in case no prior approval has been obtained.</p>	Yes	The Listed entity has obtained prior Approval of Audit committee for all related party transactions.
9.	<p><b>Disclosure of events or information:</b></p> <p>The listed entity has provided all the required</p>	Yes	

	disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	The listed entity has provided all the required disclosure(s) under Regulation 30 of SEBI Listing Regulations.
10.	<p><b>Prohibition of Insider Trading:</b></p> <p>The listed entity is in compliance with Regulation 3(5) &amp; 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	The Listed Entity is properly complied with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.
11.	<p><b>Actions taken by SEBI or Stock Exchange(s), if any:</b></p> <p>Action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Listing Regulations. and circulars / guidelines issued thereunder except as provided under separate paragraph herein (**).</p>	Yes	The Listed entity has failed to file the board intimation on time for the Board Meeting dated July 25, 2022.
12.	<p><b>Additional Non-compliances, if any:</b></p> <p>No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.</p>		

**Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019:**

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
<b>1.</b>	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>		
	<p><b>i.</b> If the auditor has re signed within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p><b>ii.</b> If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p><b>iii.</b> If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	Not Applicable	
<b>2.</b>	<b>Other conditions relating to resignation of statutory auditor</b>		
	<b>i.</b> Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	Not Applicable	

<p><b>a.</b> In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p>		
<p><b>b.</b> In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ Explanation sought and not provided by the management, as applicable.</p> <p><b>c.</b> The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p>	<p>Not Applicable</p>	
<p><b>ii.</b> Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>		
<p><b>3.</b> The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.</p>	<p>Not Applicable</p>	



\*Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA' (\*\*). The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Regulation 29	Regulation 29	Regulation 29 The listed entity has filed Board Meeting Intimation delayed by 1 day	BSE	Fine	Violation of Regulation 29 of SEBI LODR	11,800	The Management confirm that they will ensure timely filing next time.		

(a) The listed entity has taken the following actions to comply with the observations made in previous reports: **Not Applicable**

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks

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

Sd/-

**Vijay Kumar Tiwari**

Proprietor

Mem. No. 33084

CP No. 12220

UDIN: A033084E000283796

PR No: 1679/2022

Date: May 16, 2023

Place: Mumbai

## Annexure D 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 March 31, 2023:

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

- Mr. Meghraj Sohanlal Jain – 16x
- Mr. Nilesh Jain- 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 Sohanlal Jain (MD): Nil
- Mr. Nilesh Jain- (ED & CFO): Nil
- Ms. Manish Rathi (CEO): Nil
- Ms. Bhavika Mehta (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 decreased by 38% in the financial year.

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

There were 55 permanent employees on the rolls of the Company as on March 31, 2023.

**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 2021-2022 & 2022-2023 has been annualized for the purpose of comparison.

## Annexure E to the Directors' Report

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

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

The CSR Policy was approved by the Board of Directors at its Meeting held on October 18, 2022 and has been uploaded on the Company's website.

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

Name of the Member	Designation in Committee	Number of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
Ms. Nirupama Charuhas Khandke	Chairperson	2	2
Mr. Ganesh Subramanyam	Member	2	2
Mr. Meghraj Sohanlal 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](http://www.mangalfincorp.com)  
 CSR Policy and CSR Projects: [www.mangalfincorp.com](http://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: **₹. 78,472,045/-**

7. a) Two percent of average net profit of the company as per section 135(5): **₹. 1,569,441/-**  
 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): **₹. 1,569,441/-**

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).
1,569,441/-	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:

Sr. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs Local area or other Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: Direct Expenditure on projects or programs. Over-heads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency.
1	Promotion of Education	Education and Skill development	Contribution to Charitable Trust	1,569,441/-	1,569,441/-	1,569,441/-	Amount was spent Directly

(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): **₹. 1,569,441/-**

(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**

**Sd/-**  
**Meghraj Sohanlal Jain**  
**Chairman and Managing Director**  
**DIN: 01311041**  
**Place: Mumbai**  
**Date: July 27, 2023**

**Sd/-**  
**Nilesh Jain**  
**Executive Director and Chief Financial Officer**  
**DIN: 08788781**  
**Place: Mumbai**  
**Date: July 27, 2023**



## 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 Ind AS Financial Statements of **M/S Mangal Credit & Fincorp Limited** (the "Company") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and 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 (herein after referred to as "the standalone Ind AS financial statements").

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 Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other 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, 2023;
- 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 of the financial statements 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.

#### 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 were 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.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information.

The other information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis report but does not include the financial statements and our auditor's report thereon. The Director's report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report and Management Discussion and Analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### **Management's Responsibility for the Standalone Ind AS 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' Responsibilities for the Audit of the Financial Statements**

Our objective are 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 are 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:

(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.

B. 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 of the financial statements.

(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 (including Other Comprehensive Income), the Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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 32 to the financial statements.

(ii) The Company has made provision, as required under the applicable law or accounting standards and 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.

(iv) The management has represented that, to the best of its knowledge and belief :

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) No funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

In our opinion and based on the audit procedures, we have considered reasonable



and appropriate in the circumstances; nothing has come to our notice that has caused us

- Identify and assess the risks of material misstatement of the standalone Ind AS 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.

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.**

A. As required by Companies (Auditor's Report) Order, 2020 ("The Order"), as amended, issued by Central Government of India in terms of Sub Section

to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

(vi) Proviso to Rule 3(1) of Companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

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

**Place: Jaipur**  
**Date: May 24, 2023**  
**UDIN: 23078146BGWICV2233**



## Annexure A to the Auditors' Report

### The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2023, we report

- (i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- 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 and hence clause 3(i)(d) of the Order is not applicable.
- (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 and hence clause 3(i)(e) of the Order is not applicable.
- (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 on 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) As the company is a Non-Banking Finance company (NBFC) holding certificate of registration from Reserve Bank Of India and having its principal business to give loans and make investments, Hence clause iii(a) 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 guarantees and the terms and conditions in the nature of loans and guarantees provided are not prejudicial to the company's interest.

(c) 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 (Rs in Lakhs)
Business Loan	20	83.86
Loan against Property	4	1.57
Loan against Jewelry	439	245.95
Personal loan	15	12.79
Total	478	344.18

(d) According to the information and explanations given to us and based on examination of records of the company, there is no 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 (Rs in Lakhs)
Business Loan	12	80.45
Loan against Property	1	0.66
Loan against Jewelry	224	101.92
Personal Loan	8	11.71
Total	245	194.75

(e) 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.

(f) 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 2022-2023. 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, 2023 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, there are no dues of Goods and Service Tax, Provident Fund, employees' state insurance, income tax, sales tax, duty of excise, service tax and value added tax, on account of disputes, which have not been deposited by company.

(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 willful 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, the term loans have been applied for the purpose for which these were obtained by the company.

(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.

(xi) 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(xxi) of the order are not applicable.

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

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

**Place: Jaipur**  
**Date: May 24, 2023**  
**UDIN: 23078146BGWICV2233**



## 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 March 31, 2023 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.

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.

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

**Sandeep Jhanwar  
Partner  
M.No. 078146**

**Place: Jaipur  
Date: May 24, 2023**

**UDIN: 23078146BGWICV2233**

### **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 March 31, 2023, 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.

# 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 March 31, 2023 and related statement of profit and loss and the cash flow statement for the year ended on that date, issued our report dated May 24, 2023.

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 March 31, 2023 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**

#### **Report**

Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that:-

#### **(A) In the case of all Non-Banking Financial Companies**

**a.** The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration from the reserve bank of India dated 11/03/1998, which has been revised in the name of "Mangal Credit & Fincorp Ltd." and fresh certificate is reissued on May 3, 2016 in pursuance of section 45-IA, of the RBI Act, 1934.

**b.** The Company is entitled to continue to hold such certificate of registration in terms of its asset/income pattern as at March 31, 2023.

**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 September 01, 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 May 24, 2023 for non- acceptance of any public deposits.

**b.** The company has not accepted any public deposits during the year ended March 31, 2023.

**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 May 24, 2023 on additional matters as stated in directions to the RBI and may not be suitable for any other purpose. Accordingly, our report should not be quoted or referred to in any other document made available to any other person or persons without our prior written consent.

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

**Sd/-  
Sandeep Jhanwar  
Partner  
M.No. 078146  
Place: Jaipur  
Date: May 24, 2023  
UDIN: 23078146BGWICV2233**

**MANGAL CREDIT AND FINCORP LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2023**

(₹ In Lakhs)

Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
a) Cash and cash equivalents	4	1,131.12	140.91
b) Bank balances other than (a) above	5	18.76	15.64
c) Receivables			
i) Trade receivables		-	-
ii) Other receivables	6	28.40	29.50
d) Loans	7	15,879.51	10,350.02
e) Investments	8	1,560.36	1,680.70
f) Other financial assets	9	62.57	52.17
	<b>TOTAL</b>	<b>18,680.72</b>	<b>12,268.94</b>
<b>2. Non-Financial Assets</b>			
a) Income tax assets (net)	10	29.08	28.98
b) Deferred tax assets (net)	30	40.91	-
c) Investment property	11	1,316.11	1,316.11
d) Property, plant and equipment	12(A)	43.46	32.13
e) Intangible Asset under development	12(C)	3.00	-
f) Right of use asset	34	128.46	100.06
g) Intangible Assets	12(B)	2.36	2.49
h) Other non-financial assets	13	62.95	25.10
	<b>TOTAL</b>	<b>1,626.33</b>	<b>1,504.87</b>
	<b>TOTAL ASSETS</b>	<b>20,307.05</b>	<b>13,773.81</b>
<b>LIABILITIES AND EQUITY</b>			
<b>1. Financial Liabilities</b>			
a) Payables			
i) Trade payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues 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	48.56	24.63
b) Debt Securities	15	700.00	-
c) Borrowings (Other than debt securities)	16	7,885.15	2,826.16
d) Lease liability	34	138.93	106.37
e) Other financial liabilities	17	33.07	16.67
	<b>TOTAL</b>	<b>8,805.71</b>	<b>2,973.83</b>
<b>2. Non-Financial Liabilities</b>			
a) Current tax liabilities (net)	18	221.32	177.48
b) Deferred tax liabilities (net)	19	-	1.81
c) Other non-financial liabilities	20	85.69	28.34
	<b>TOTAL</b>	<b>307.01</b>	<b>207.63</b>
<b>3. Equity</b>			
a) Equity share capital	21(A)	1,931.40	1,931.40
b) Other equity	21(B)	9,262.93	8,660.95
	<b>TOTAL</b>	<b>11,194.33</b>	<b>10,592.35</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>20,307.05</b>	<b>13,773.81</b>

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: May 24, 2023

UDIN :23078146BGWICV2233

For and on behalf of the board of directors

**Mangal Credit & Fincorp Limited**

Sd/-

**Meghraj Sohanlal Jain**

Chairman &amp; Managing Director

DIN:- 01311041

Sd/-

**Nilesh Jain**

Director &amp; CFO

DIN:-08788781

Sd/-

**Bhavika Mehta**

Company Secretary

M. No. A64173



**MANGAL CREDIT AND FINCORP LIMITED****Statement of Profit And Loss For The Year Ended March 31, 2023**

₹. in Lakhs

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Revenue from Operations</b>			
Interest Income	22	1,987.14	1,303.89
Fees and commission income	23	96.14	60.68
Other Operating Revenue	24	33.25	97.00
<b>Total revenue from operations</b>		<b>2,116.53</b>	<b>1,461.57</b>
<b>Other Income</b>	25	23.45	20.00
<b>Total Income (I)</b>		<b>2,139.98</b>	<b>1,481.57</b>
<b>Expenses</b>			
Finance Costs	26	436.27	177.86
Impairment on financial instruments	27	34.99	96.65
Employee Benefits Expense	28	322.73	212.07
Depreciation and Amortization Expenses	12(A) & 12(B)	52.77	40.03
Other Expenses	29	192.43	86.71
<b>Total Expenses (II)</b>		<b>1,039.19</b>	<b>613.32</b>
<b>Profit Before Tax (I - II)</b>		<b>1,100.79</b>	<b>868.25</b>
<b>Tax Expense</b>			
Current Tax		295.98	235.22
Short / (Excess) provision for tax relating to prior years		-	-
Net Current Tax Expense	30	295.98	235.22
Deferred Tax	30	(15.19)	(13.11)
Tax in respect of Earlier Year		28.65	38.00
<b>Profit for the Year</b>		<b>791.34</b>	<b>608.14</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		(120.34)	133.49
Income tax relating to items that will not be reclassified to profit or loss		27.53	(30.54)
<b>Total Other Comprehensive Income</b>		<b>(92.81)</b>	<b>102.95</b>
<b>Total Comprehensive Income for the year</b>		<b>698.54</b>	<b>711.09</b>
Earning Per Equity Share	31		
Equity Shares of par value ₹10/- each			
(1) Basic (₹)		4.10	3.15
(2) Diluted (₹)		4.10	3.15
Nominal Value of each ordinary share is Rs.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

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

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

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

Sd/-  
**Nilesh Jain**  
 Director & CFO  
 DIN:- 08788781

Sd/-  
**Bhavika Mehta**  
 Company Secretary  
 M. No. A64173

Place: Mumbai  
 Date : May 24, 2023  
 UDIN :23078146BGWICV2233

**MANGAL CREDIT AND FINCORP LIMITED**  
**Statement of cash flows for the year ended March 31, 2023**

(₹ In Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flows from operating activities</b>		
Profit before tax	1,100.79	868.25
<b>Adjustments for:</b>		
Depreciation and amortisation	52.77	40.03
Finance cost	436.27	177.86
Impairment on financial instruments	34.99	193.65
Interest on Income Tax Refund	-	(3.55)
Interest on fixed deposit		
<b>Operating profit before working capital changes</b>	<b>1,620.39</b>	<b>1,275.84</b>
<b>Adjustment for working capital changes</b>		
(Increase)/ decrease in trade and other receivables	1.10	2.21
(Increase)/ decrease in loans	(5,564.47)	(2,161.44)
(Increase)/ decrease in other financial asset	(10.40)	(7.57)
(Increase)/ decrease in non- financial asset	(37.85)	11.53
Increase / (Decrease) in trade and other payables	23.92	(20.96)
Increase / (Decrease) in other financial liabilities	10.44	8.40
Increase / (Decrease) in non financial liabilities	57.36	(5.90)
<b>Cash flow from operating activities</b>	<b>(3,899.51)</b>	<b>( 897.89)</b>
Income taxes paid	(280.90)	(176.93)
<b>Net cash generated from operating activities (A)</b>	<b>(4,180.41)</b>	<b>(1,074.82)</b>
<b>B. Cash flows from investing activities</b>		
Payments for property, plant and equipment and capital advance	(29.96)	(9.42)
Purchase of investment property	-	-
Interest income from fixed deposit	4.42	0.40
Movement in earmarked balances with bank	(3.12)	(7.20)
<b>Net cash used in investing activities (B)</b>	<b>(28.65)</b>	<b>(16.22)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from borrowings	17,718.07	5,659.89
Proceeds from debt securities	7 00.00	-
Repayment of borrowings	(12,659.09)	(4,144.87)
Interest paid	(430.31)	(204.52)
Payment of lease liability	(32.84)	(21.94)
Dividend paid	(96.57)	(96.57)
<b>Net cash generated from financing activities (C)</b>	<b>5,199.27</b>	<b>1,191.99</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>990.21</b>	<b>100.95</b>
Cash and cash equivalents at the beginning of the year	140.91	39.96
Cash and cash equivalents at end of the year (refer note 4)	1,131.12	140.91

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  
Place: Mumbai  
Date : May 24, 2023  
UDIN :23078146BGWICV2233

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

Sd/-  
**Nilesh Jain**  
Director & CFO  
DIN:-08788781

Sd/-  
**Bhavika Mehta**  
Company Secretary  
M. No. A64173

**MANGAL CREDIT AND FINCORP LIMITED**  
**Notes forming part of financial statement for the year ended March 31, 2023**  
**Statement of changes in Equity**

**A. Equity share capital**

(₹ In Lakhs)

<b>Balance as at March 31, 2021</b>	<b>1,931.40</b>
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	-
<b>Balance as at March 31, 2022</b>	<b>1,931.40</b>
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at April 01, 2022	-
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2023</b>	<b>1,931.40</b>

**B. Other equity**

(₹ In Lakhs)

Particulars	Reserves and Surplus						Retained earnings	Other Comprehensive Income*	Total Other Equity
	Capital reserve	Security Premium	General reserve	Statutory Reserve Fund	Contingency Reserve	Investment Reserve			
<b>Balance as at April 1, 2021</b>	150.46	3,588.19	365.00	899.98	25.00	7.00	2,974.46	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
- Dividends**							(96.57)		(96.57)
Tranfered to Statutory Reserve Fund				121.63			(121.63)		-
<b>Balance as at March 31, 2022</b>	150.46	3,588.19	365.00	1,021.61	25.00	7.00	3,364.40	139.32	8,660.95
Profit for the year							791.34		791.34
Other comprehensive income for the year, net of income tax								(92.81)	(92.81)
Transactions with owners in their capacity as owners									
- Dividends**							(96.57)		(96.57)
Tranfered to Statutory Reserve Fund				158.27			(158.27)		-
<b>Balance as at March 31, 2023</b>	150.46	3,588.19	365.00	1,179.87	25.00	7.00	3,900.90	46.51	9,262.93

\* Other comprehensive income includes valuation of investment.

\*\* During the FY 2022-23 the company has paid dividend of Rs. 96,56,993/- at Rs. 0.5 per equity shares (on face value of Rs. 10/- equity shares) approved in its Annual General Meeting held on September 30, 2022.

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

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 : May 24, 2023  
UDIN :23078146BGWICV2233

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

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

Sd/-  
**Nilesh Jain**  
Director & CFO  
DIN:-08788781

Sd/-  
**Bhavika Mehta**  
Company Secretary  
M. No. A64173

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended ended March 31, 2023****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 L65990MH-1961PLC012227. 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 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. 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. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

### **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.

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.

- **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 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 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.

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:**

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

Ministry of Corporate Affairs (MCA), vide notification dated 31 March 2023, has made the following amendments to Ind AS which are effective April 1, 2023. 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 2023 being the effective date of the amendments:

**Amendments to Ind AS 1:-** Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

**Amendments to Ind AS 8 :-** Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by definition of 'accounting estimate'.

**Amendments to Ind AS 12:-** Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.



## MANGAL CREDIT AND FINCORP LIMITED

Notes forming part of financial statement for the year ended March 31, 2023

₹ in Lakhs

Particulars	As at March 31,2023	As at March 31, 2022
<b>Note '4' – CASH AND CASH EQUIVALENTS</b>		
Cash in hand	50.98	67.80
Balance with banks – in current accounts	645.14	73.11
Cheques on Hand	435.00	-
<b>Total</b>	<b>1131.12</b>	<b>140.91</b>
<b>Note '5' – BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Earmarked balances with banks – in unpaid dividend account	18.76	15.64
<b>Total</b>	<b>18.76</b>	<b>18.76</b>
<b>Note '6' – RECEIVABLES</b>		
<b>Other receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	28.40	29.50
Other receivables which have significant increase in credit risk	-	-
Other receivables- credit impaired	-	-
<b>Total</b>	<b>28.40</b>	<b>29.50</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Other receivables which have significant increase in credit Risk	-	-
Other receivables- credit impaired	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>28.40</b>	<b>29.50</b>

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. 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 March 31, 2023

₹ 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	28.40	-	-	-	-	28.40
Undisputed Other receivables– which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Other receivables– credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>28.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.40</b>

## As at March 31, 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	-	-	-	-	-	-
Disputed Other receivables– credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>29.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.50</b>

**Footnotes:**

- 1) The average credit period is 45-60 days from the date of invoice.
- 2) The Company has used a practical expedient by computing the expected credit loss allowance for Other receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.
- 3) Movement in allowance for credit loss during the year was as follows;

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at beginning of the year</b>	-	-
<b>Movement in expected credit loss allowance on</b>	-	-
<b>Balance at end of the year</b>	-	-

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Note '7' - LOANS</b>		
Loans at Amortised cost		
<b>(A) (i) Term loans</b>	<b>16,043.07</b>	<b>10,482.44</b>
<b>Total A (Gross)</b>	<b>16,043.07</b>	<b>10,482.44</b>
Less: Impairment loss allowance	(163.56)	(132.42)
<b>Total A (Net)</b>	<b>15,879.51</b>	<b>10,350.02</b>
<b>(B) (i) Secured by tangible asset</b>	7,918.42	3,953.54
(ii) Unsecured	8,124.66	6,528.90
<b>Total B (Gross)</b>	<b>16,043.07</b>	<b>10,482.44</b>
Less: Impairment loss allowance	(163.56)	(132.42)
<b>Total B (Net)</b>	<b>15,879.51</b>	<b>10,350.02</b>
<b>(C) (i) Loans in India</b>		
- Public sector		
- Others	16,043.07	10,482.44
<b>Total C (i) (Gross)</b>	<b>16,043.07</b>	<b>16,043.07</b>
Less: Impairment loss allowance	(163.56)	(132.42)
<b>Total C (i) (Net)</b>	<b>15,879.51</b>	<b>10,350.02</b>
(ii) Loans outside India	-	-
Less: Impairment loss allowance	-	-
<b>Total C (ii) (Net)</b>	<b>-</b>	<b>-</b>
<b>Total C (i+ii) (Net)</b>	<b>15,879.51</b>	<b>15,879.51</b>
<b>Note '8' - INVESTMENTS</b>		
<b>Investment in unquoted equity instruments of other entities at FVTOCI</b>		
- Unquoted Equity Shares	1,560.36	1,680.70
<b>Total</b>	<b>1,560.36</b>	
<b>Note '9' - OTHER FINANCIAL ASSET</b>		
Security Deposits	54.60	44.20
Deposit- Others	7.96	7.96
<b>Total</b>	<b>62.57</b>	<b>52.17</b>

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Note '10' - INCOME TAX ASSETS (NET)</b>		
Advance tax	29.08	28.98
<b>Total</b>	<b>29.08</b>	<b>28.98</b>
<b>Note 11 - Investment Property</b>		
Carried at cost		
Investment in property	1,316.11	1,316.11
<b>Total</b>	<b>1,316.11</b>	<b>1,316.11</b>
*Fair Market Value	1479.76	1433.80

**Note 12(A) - Property, plant and equipment**

Description of assets	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments/ Computer Peripherals	Total
<b>I. Cost</b>					
<b>Balance as at April 01, 2021</b>	<b>29.99</b>	<b>159.53</b>	<b>0.60</b>	<b>67.04</b>	<b>257.16</b>
Additions	0.60	4.61		4.05	9.26
Additions on Acquisition	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>30.59</b>	<b>164.14</b>	<b>0.60</b>	<b>71.09</b>	<b>266.42</b>
Additions	1.61	7.35		16.80	25.76
Additions on Acquisition					-
Disposals					-
<b>Balance as at March 31, 2023</b>	<b>32.18</b>	<b>171.49</b>	<b>0.60</b>	<b>87.91</b>	<b>292.18</b>
<b>II. Accumulated depreciation/impairment</b>					
<b>Balance as at April 01, 2021</b>	<b>21.81</b>	<b>142.50</b>	<b>0.57</b>	<b>57.79</b>	<b>222.69</b>
Depreciation for the year	1.59	5.16	-	4.86	11.61
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>23.40</b>	<b>147.66</b>	<b>0.57</b>	<b>62.65</b>	<b>234.29</b>
Depreciation for the year	1.59	1.59	1.59	1.59	1.59
Disposals					-
<b>Balance as at March 31, 2023</b>	<b>24.91</b>	<b>152.73</b>	<b>0.57</b>	<b>70.49</b>	<b>248.72</b>
<b>Net block (I-II)</b>					
<b>Balance as at March 31, 2023</b>	<b>7.27</b>	<b>18.75</b>	<b>0.03</b>	<b>17.41</b>	<b>43.46</b>
<b>Balance as at March 31, 2022</b>	<b>7.19</b>	<b>16.48</b>	<b>0.03</b>	<b>8.44</b>	<b>32.13</b>

**Note 12(B) - Intangible assets**

Description of assets	Intangible Assets
<b>I. Cost</b>	
<b>Balance as at April 01, 2021</b>	<b>10.14</b>
Additions	0.16
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>10.30</b>

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023**

₹ in Lakhs

Description of assets	Intangible Assets
Additions	1.20
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>11.50</b>
<b>II. Accumulated impairment losses</b>	
<b>Balance as at April 01, 2021</b>	<b>5.79</b>
Amortization for the year	2.02
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>7.81</b>
Amortization for the year	1.33
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>9.14</b>
<b>Net block (I-II)</b>	
<b>Balance as at March 31, 2023</b>	<b>2.36</b>
<b>Balance as at March 31, 2022</b>	<b>2.49</b>

**Note 12(c) - Intangible assets under Development**

Description of assets	As at March 31, 2023	As at March 31, 2022
Software	3.00	-
<b>Total</b>	<b>3.00</b>	<b>-</b>

The ageing for Intangible assets under development as on March 31, 2023 is as follows

Description of assets	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	3.00	-	-	-	3.00
<b>Total</b>	<b>3.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.00</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Note '13' - OTHER NON FINANCIAL ASSET</b>		
Prepaid Expenses	55.79	24.82
Other advances	7.16	0.28
<b>Total</b>	<b>62.95</b>	<b>25.10</b>
<b>Note'14' - PAYABLES</b>		
<b>Trade Payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
<b>Other payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	48.56	24.63

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023****Ageing Schedule  
As at March 31, 2023**

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	Total
Total outstanding dues of micro enterprises and small	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	48.56	-	-	48.56
Disputed dues of micro enterprises and small enterprises	-	-	-	-
Disputed dues of creditors other than micro enterprises	-	-	-	-
<b>Total</b>	<b>48.56</b>	<b>-</b>	<b>-</b>	<b>48.56</b>

**As at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	Total
Total outstanding dues of micro enterprises and small	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	24.63	-	-	24.63
Disputed dues of micro enterprises and small enterprises	-	-	-	-
Disputed dues of creditors other than micro enterprises	-	-	-	-
<b>Total</b>	<b>24.63</b>	<b>-</b>	<b>-</b>	<b>24.63</b>

**Note '15' - DEBT SECURITIES (at amortised cost)****Secured**

Redeemable Non-Convertible Debentures	700.00	-
<b>Total</b>	<b>700.00</b>	<b>-</b>
(i) Debt securities in India	700.00	-
(ii) Debt securities outside India	-	-
<b>Total</b>	<b>700.00</b>	<b>-</b>

**Terms of repayment, nature of security & rate of interest in case of Non Convertible Debentures**

- (i) The secured debt securities are secured by exclusive charge on receivables under financing activities to the extent of 110% of outstanding amount.  
(ii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on March 31, 2023

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2023	As at March 31, 2022
Series II	25-02-2024	Bullet payment on maturity	10.00%	475.00	-
Series IV	23-02-2025	Bullet payment on maturity	10.60%	225.00	-
<b>Total</b>				<b>700.00</b>	<b>-</b>



**MANGAL CREDIT AND FINCORP LIMITED**

Notes forming part of financial statement for the year ended ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Note'16' – BORROWINGS (OTHER THAN DEBT SECURITIES)–At amortised cost</b>		
<b>Secured Loan</b>		
(i) Term Loan		
-State Bank of India	2,679.24	-
-Federal Bank	999.09	487.65
(ii) Loan repayable on demand		
-South Indian Bank	1,478.42	927.57
-City Union Bank	939.39	535.94
<b>Unsecured Loan</b>		
Loan repayable on demand		
-Inter-Corporate Loans		-
-Loan from Directors	1,789.00	775.00
<b>Total</b>	<b>7,885.15</b>	<b>2826.16</b>

**Note:**

Nature of Facility of Secured Loan	Maturity Range	Interest Range	As at March 31, 2023	As at March 31, 2022
Term Loan	Upto 3 Years	8%-10%	3,678.33	487.65
Loan repayable on demand	Upto 1 Year	8%-11%	2,417.81	2,417.81
<b>Total</b>			<b>6,096.15</b>	<b>1,951.15</b>

**Security**

- (i) Above borrowings other than unsecured loans are secured by book receivables under financing activities.
- (ii) Out of above secured borrowings, Loans repayable on demand are secured by collateral security which is repledge of gold ornaments by obligors
- (iii) Out of above borrowings, ₹3618.63 Lakhs (Previous Year ₹535.94 Lakhs) is guaranteed by directors.
- (iv) Out of above borrowings, ₹2679.24 Lakhs is having collateral security of director property.

**Unsecured loan:**

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Note'17' – OTHER FINANCIAL LIABILITIES</b>		
Unpaid Dividends	18.82	15.44
Auction Surplus Refundable	1.26	1.20
Provision for Employee Benefit (refer note 17A - "Gratuity")	7.00	-
Interest Accrued on Debt Securities	5.99	0.03
<b>Total</b>	<b>33.07</b>	<b>16.67</b>

**Note '17A' – Gratuity**

Principal assumptions used for the actuarial valuations	
<b>Expected Return on Plan Assets</b>	N.A.
Rate of Discounting	7.35%
Rate of Salary Increase	8.00%
Rate of Employee Turnover	For service 4 years and below 20.00% p.a. For service 5 years and above 10.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended ended March 31, 2023****Note '17A' – Gratuity**

(₹ In Lakhs)

Movement in the Present Value of Defined Benefit Obligation	
Benefit Obligation at the Beginning of the Period	-
Interest Cost	-
Current Service Cost	4.10
Past Service Cost	-
Benefit Obligation at the End of the Period	4.10

(₹ In Lakhs)

Movement in the Fair Value of Plan Assets	
Fair Value of Plan Assets at the Beginning of the Period	-
Fair Value of Plan Assets at the End of the Period	-

(₹ In Lakhs)

Amount included in the Balance Sheet arising from the company's obligation in respect of its defined benefit plans* (Refer to note 5 below)	
Benefit Obligation at the end of the Period	(4.10)
Net (Liability) Recognized in the Balance Sheet	(7.00)

(₹ In Lakhs)

Net Interest Cost for Current Period	
Net Interest Cost for Current Period	-

(₹ In Lakhs)

Expenses Recognized in the Statement of Profit or Loss for Current Period* (Refer to note 5 below)	
Current Service Cost	4.10
Expenses Recognized	7.00

(₹ In Lakhs)

Maturity Analysis of the Benefit Payments	
Projected Benefits Payable in Future Years From the Date of Reporting	
1st Following Year	0.01
2nd Following Year	0.01
3rd Following Year	0.06
4th Following Year	0.26
5th Following Year	0.49
Sum of Years 6 To 10	2.27
Sum of Years 11 and above	7.37

Note 1. Assumption regarding future mortality experience are set in accordance with the published statistics by the life insurance Corporation on India.

Note 2. The discount rate is based on the government securities yield.

Note 3. The estimates of future salary increase considered in actuarial valuation, take account in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 4. As the liability is non funded, company bears all the risk and rewards.

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended ended March 31, 2023**

(₹ In Lakhs)

Sensitivity Analysis	
Defined Benefit Obligation on Current Assumptions	4.10
Delta Effect of +1% Change in Rate of Discounting	(0.40)
Delta Effect of -1% Change in Rate of Discounting	0.46
Delta Effect of +1% Change in Rate of Salary Increase	0.46
Delta Effect of -1% Change in Rate of Salary Increase	(0.40)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.18)
Delta Effect of -1% Change in Rate of Employee Turnover	0.19
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.	
The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.	
Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.	

**MANGAL CREDIT AND FINCORP LIMITED**

Notes forming part of financial statement for the year ended ended March 31, 2023

(₹ In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Note'18'</b>		
<b>CURRENT TAX LIABILITY</b>		
Provision for tax	221.32	177.48
<b>Total</b>	<b>221.32</b>	<b>177.48</b>
<b>Note'20'</b>		
<b>OTHER NON FINANCIAL LIABILITIES</b>		
Unearned interest income	63.85	12.75
Other Payables	5.73	1.17
Statutory dues	16.11	14.43
<b>Total</b>	<b>85.69</b>	<b>28.34</b>

**Note '21A' - EQUITY SHARE CAPITAL**

Particulars	March 31, 2023		March 31, 2022	
	Number of Shares	Amount in Lakhs	Number of Shares	Amount in Lakhs
<b>(a) Authorised</b>				
Equity Shares of Rs.10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
<b>Total</b>	<b>2,50,00,000</b>	<b>2,500.00</b>	<b>2,50,00,000</b>	<b>2,500.00</b>
<b>(b) Issued, Subscribed and Paid up</b>				
Equity Shares of Rs.10/- each	1,93,13,986	1,931.40	1,93,13,986	1,931.40
<b>Total</b>	<b>1,93,13,986</b>	<b>1,931.40</b>	<b>1,93,13,986</b>	<b>1,931.40</b>

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

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

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

**(c) Reconciliation of the number of shares outstanding at the beginning and at the end of F.Y. 2022-23**

Particulars	March 31, 2023		March 31, 2022	
	Number of Shares	Amount in Lakhs	Number of Shares	Amount in Lakhs
At the beginning of the year	1,93,13,986	1,931.40	1,93,13,986	1,931.40
Issued during the year	-	-	-	-
- on account of equity shares to the promoters/ non-promoters against share warrants	-	-	-	-

**(d) Rights attached to equity**

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

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023****Note '21A' – EQUITY SHARE CAPITAL****(e) Details of shares held by each shareholder holding more than 5% equity shares**

Particulars	March 31, 2023		March 31, 2022	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Meghraj S Jain	47,86,565	24.78	45,62,731	23.62
Ajit S Jain HUF	24,84,240	12.86	24,84,240	12.86
M/s E-ally Consulting (I) Pvt. Ltd	16,79,700	8.70	16,79,700	8.70
M/s Dhakad Properties and Financial Services Pvt Ltd	12,59,205	6.52	12,59,205	6.52
Chandanmal Hasmukh	12,50,000	6.47	10,00,000	5.18

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

**(g) Split of shares:-**

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

Particulars	Authorised Share Capital		Paid up Share Capital	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Pre Stock Split	25000000	2,500.00	16112038	1,611.20
Post stock Split	250000000	2,500.00	161120380	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 Rs. 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:



**MANGAL CREDIT AND FINCORP LIMITED**  
**Notes Forming Part of Financial Statement**

Particulars	Authorised Share Capital		Paid up Share Capital	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Pre Stock Consolidation	250000000	2,500.00	193139860	1,931.40
Post stock Consolidation	250000000	2,500.00	19313986	1,931.40

**\* 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 **September 29, 2018**.

**Note '21A' - EQUITY SHARE CAPITAL**

**(i) Details of shares held by promoters**

**March 31, 2023**

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	45,62,731	2,23,834	47,86,565	24.78%	4.91%
Ajit S Jain HUF	24,84,240	-	24,84,240	12.86%	0.00%
Ajit Sohanlal Jain	3,99,696	-	3,99,696	2.07%	0.00%
Hardik Meghraj Jain	5,77,394	-	5,77,394	2.99%	0.00%
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	1,05,626	1,06,626	0.55%	10562.60%
Dhakad Properties Private Limited	12,59,205	-	12,59,205	6.52%	0.00%
Shree Jaisal Electronics And Industries Limited*	9,29,400	-	9,29,400	4.81%	0.00%
<b>Total</b>	<b>1,03,63,600</b>	<b>3,29,460</b>	<b>1,06,93,060</b>	<b>0.00%</b>	<b>0.00%</b>

\* Company has already taken board approval for above reclassification from promotor category to public category and the same will be taken for shareholder meeting resolution

**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	44,70,342	92,389	45,62,731	23.62%	2.07%
Ajit S Jain HUF	24,84,240	-	24,84,240	12.86%	0.00%
Ajit Sohanlal Jain	3,99,696	-	3,99,696	2.07%	0.00%
Neeta Maloo*	600	-	600	0.00%	0.00%
Sandeep Maloo*	600	-	600	0.00%	0.00%
Hardik Meghraj Jain	5,61,280	16,114	5,77,394	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*	16,79,700	-	16,79,700	8.70%	0.00%
Dhakad Properties Private Limited	12,59,205	-	12,59,205	6.52%	0.00%
Shree Jaisal Electronics And Industries Limited	9,29,400	-	9,29,400	4.81%	0.00%
<b>Total</b>	<b>1,17,86,063</b>	<b>2,58,437</b>	<b>1,20,44,500</b>	<b>62.36%</b>	<b>0.00%</b>

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023****Note '21A' – EQUITY SHARE CAPITAL**

\*Following Shareholders is reclassified from promotor category to public category w.e.f. March 13, 2023

1. Neeta Maloo
2. Sandeep Maloo
3. E Ally Consulting India Private Limited

**Note '21B' – OTHER EQUITY**

Particulars	Amount in ₹ in Lakhs	
	March 31, 2023	March 31, 2022
(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	1,179.87	1,021.61
(e) Contingency reserve	25.00	25.00
(f) Investment reserve	7.00	7.00
(g) Retained earnings	3,900.90	3,364.40
(h) Other Comprehensive Income	46.51	139.32
Total	<b>9,262.93</b>	<b>8,660.95</b>

**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 (OCI)**

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

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended ended March 31, 2023****₹ In Lakhs**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Note '22'</b>		
<b>INTEREST INCOME</b>		
<b>On financial instruments measured at Amortised cost</b>		
Interest on loans	1,987.14	1,303.89
<b>Total</b>	<b>1,987.14</b>	<b>1,303.89</b>
<b>Note '23'</b>		
<b>FEES AND COMMISSION INCOME</b>		
Fees on corporate guarantee	3.66	3.66
Service charges and other fees on loan transaction	49.54	27.48
Loan Foreclosure Charges - Income	7.94	4.54
Financial Consultancy Fees	35.00	25.00
<b>Total</b>	<b>96.14</b>	<b>60.68</b>
<b>Note '24'</b>		
<b>OTHER OPERATING REVENUE</b>		
Bad Debts Recovered	33.25	97.00
<b>Total</b>	<b>33.25</b>	<b>97.00</b>
<b>Note '25'</b>		
<b>OTHER INCOME</b>		
Reimbursement of expenses	14.10	11.67
Interest income on fixed deposit	4.42	0.40
Interest income on security deposit discounting	4.93	4.38
Bad debts recovered	-	-
Interest on income tax refund	-	3.55
<b>Total</b>	<b>23.45</b>	<b>20.00</b>
<b>Note '26'</b>		
<b>FINANCE COSTS</b>		
<b>On financial liabilities measured at Amortised cost</b>		
Interest on inter corporate borrowings	10.10	-
Interest from bank and Financial Institutions	312.07	115.23
Interest on debt securities	7.24	-
Interest on other borrowings	68.01	44.62
Interest on lease liability	12.11	10.61
Other finance cost	26.75	7.40
<b>Total</b>	<b>436.27</b>	<b>177.86</b>
<b>Note '27'</b>		
<b>IMPAIRMENT ON FINANCIAL INSTRUMENT</b>		
<b>On financial instruments measured at Amortised cost</b>		
Loans	34.99	94.08
Bad debt and write offs	-	2.57
<b>Total</b>	<b>34.99</b>	<b>96.65</b>

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended ended March 31, 2023**

₹ In Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Note '28'</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Director's Remuneration	30.00	47.00
Directors Sitting Fees	4.25	2.65
Salaries, Bonus and Allowances	288.27	161.12
Staff Welfare Expenses	0.21	1.30
<b>Total</b>	<b>322.73</b>	<b>212.07</b>
<b>Note '29'</b>		
<b>OTHER EXPENSES</b>		
Valuation Expense	2.95	1.72
Credit Enquiry Expense	7.27	1.07
Commission Expense	42.09	3.40
Advertisement Expenses	4.24	1.13
Payment to Auditor		
- Statutory Audit Fees	2.50	2.50
- Tax Audit Fees	0.25	0.25
Internal Audit Fees	1.50	1.50
Secretarial Audit Fees	0.50	0.50
CDSL/NSDL custody fees	0.90	0.96
Office Expenses	3.64	2.25
Business promotion expenses	3.68	0.03
Electricity Charges	21.44	17.02
Legal & Professional Charges	32.65	10.42
CSR expense ( Note 36 )	15.69	14.28
Repair & Maintenance	0.32	0.18
Registration charges	0.43	0.31
Annual Maintenance Charges	0.54	0.17
Membership Fees	0.73	0.15
Listing Fees	3.00	3.00
GST Exp - Others	19.50	5.56
Software expense	4.38	1.62
Computer Expense	0.52	0.28
Postage, Courier & Telegrams	0.17	0.17
Printing & Stationery	2.09	2.33
Insurance premium	3.10	0.62
Rent, Rates and Taxes	7.63	7.63
ROC Filing Fee	0.28	0.12
Professional tax	0.03	0.08
Travelling Expenses	2.27	0.69
Telephone & Internet Charges	6.41	4.23
Website Hosting Expense	0.97	-
Miscellaneous Expenses	0.65	0.26
Over Due Charges Waived Off	-	0.19
Interest on TDS	-	0.25
Penalty	0.10	2.09
<b>Total</b>	<b>192.43</b>	<b>86.71</b>

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023****Note '30' – CURRENT TAX AND DEFERRED TAX****(A) Major Components of income tax expenses**

(₹ In Lakhs)

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
<b>(a) Statement of profit and loss:</b>		
(i) Current tax:		
- In respect of current year	295.98	235.22
- In respect of earlier year	28.65	38.00
(ii) Deferred tax:		
- Relating to origination and reversal of temporary differences	(15.19)	(13.11)
<b>Total tax expense recognised in statement of profit and loss</b>	<b>309.44</b>	<b>260.11</b>
<b>(b) Other comprehensive income</b>		
(i) Deferred tax impact	(27.53)	30.54
<b>Total tax expense recognised in total comprehensive loss</b>	<b>281.91</b>	<b>290.65</b>

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

(₹ In Lakhs)

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
<b>Profit before tax</b>	<b>1,100.79</b>	<b>868.25</b>
Applicable tax rate	<b>25.17%</b>	<b>25.17%</b>
Computed tax expense	277.05	218.54
Effect of expenses that is non-deductible in determining taxable profit / accounting profit	(23.78)	34.12
Exempted income	-	-
Adjustments in respect of current income tax of previous years	28.65	<b>38.00</b>
Effect of different tax rates (tax on capital gain)	-	-
<b>Income tax expense recognised in statement of profit and loss</b>	<b>281.91</b>	<b>290.65</b>
<b>Effect to tax rate</b>	<b>25.61%</b>	<b>33.48%</b>



**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023****(C)Deferred Tax**

(₹ In Lakhs)

Particulars	For the year ended March 31, 2023			
	As at April 01, 2022	Recognised in		As at March 31, 2023
		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	(1.27)	(15.73)		(17.00)
On Right to use assets	14.83	(9.32)		5.51
Lease accounting impact	-	-		-
Fair value of investment through OCI	-	-		-
(A)	<b>13.55</b>	<b>(25.04)</b>	-	<b>(11.49)</b>
Tax effect of items constituting deferred tax assets:				
Provision for impairment loss	11.30	(2.10)		9.20
Property, plant and equipment and intangible assets	12.83	0.51		13.34
Provision for CSR	-			-
Fair value of investment through OCI	(28.79)	27.53	-	(1.26)
Deferred tax asset on lease liability	16.41	(8.27)		8.15
(B)	<b>11.75</b>	<b>17.68</b>	-	<b>29.43</b>
Deferred tax assets have been restricted to the extent of deferred tax liabilities				
<b>Deferred tax liabilities/(assets) (net) (A-B)</b>	<b>1.81</b>	<b>(42.72)</b>	-	<b>(40.91)</b>

(₹ In Lakhs)

Particulars	For the year ended March 31, 2022			
	As at April 01, 2021	Recognised in		As at March 31, 2022
		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)	<b>20.60</b>	<b>(7.04)</b>	-	<b>13.55</b>
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	-		(28.79)
Deferred tax asset on lease liability	21.94	(5.52)	(30.54)	16.41
(B)	<b>36.23</b>	<b>6.07</b>	<b>(30.54)</b>	<b>11.75</b>
Deferred tax assets have been restricted to the extent of deferred tax liabilities				
<b>Deferred tax liabilities/(assets) (net) (A-B)</b>	<b>(15.63)</b>	<b>(13.11)</b>	<b>30.54</b>	<b>1.81</b>

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended ended March 31, 2023****Note '31' – EARNING PER SHARE**

₹ in Lakhs

Particulars	March 31, 2023	March 31, 2022
Profit after tax for the year attributable to the equity shareholders	791.34	608.14
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 Rs.)	10	10
Basic and diluted earnings per share (in Rs.)	4.10	3.15

**Note '32' – CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

Particulars	March 31, 2023	March 31, 2022
<b>(i) Contingent Liabilities</b>		
(a) Claims against company not acknowledged as debt*		59.83
(b) Guarantees- - Counter Guarantees Provided to Bank **	732.00	732.00
	<b>732.00</b>	<b>791.83</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Other commitments	-	-
	-	-

\*Claims against the company not acknowledged as debts for the year ended March 31, 2023 is NIL (₹ 59.83 Lakhs as on March 31, 2022).

Demand from the Income Tax Authorities for payment of tax of ₹ 59.83 Lakhs , upon completion of their tax assessment for Assessment Years 2017-18 against which company has already filled an appeal, Order received was in favour of company which specify the no Demand and till now department has not filled an appeal against the same.

\*\* current outstanding of counter guarantee is ₹ 633 Lacs as on March 31, 2023 (₹652 Lacs as on March 31, 2022).

**Note '33' – 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, 2023 together with interest paid /payable are required to be furnished.

#### Note 34- 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
<b>As at 1st April 2021</b>	<b>85.31</b>	<b>85.31</b>
Additions	41.15	41.15
Depreciation for the year	(26.40)	(26.40)
<b>As at 31st March 2022</b>	<b>100.06</b>	<b>100.06</b>
Additions	65.41	65.41
Depreciation for the year	(37.01)	(37.01)
<b>As at 31st March 2023</b>	<b>128.46</b>	<b>128.46</b>

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

₹ in Lakhs

Particulars	Year ended March 31 2023	Year ended March 31 2022
Office premises	37.01	26.40
<b>Total</b>	<b>37.01</b>	<b>26.40</b>

The total cash outflow for leases is ₹45 Lakhs for the year ended March 31, 2023.

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

₹ in Lakhs

Particulars	Office premises	Total
<b>As at 1st April 2021</b>	<b>87.16</b>	<b>87.16</b>
Additions	41.15	41.15
Accretion of interest	10.61	10.61
Payments	(32.55)	(32.55)
<b>As at 31st March 2022</b>	<b>106.37</b>	<b>106.37</b>
Additions	65.41	65.41
Accretion of interest	12.11	12.11
Payments	(44.96)	(44.96)
<b>As at 31st March 2023</b>	<b>138.93</b>	<b>138.93</b>

Particulars	Year ended March 31 2023	Year ended March 31 2022
Non- current Financial liability	95.10	78.60
Current Financial liability	41.15	41.15

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

Particulars	Year ended March 31 2023	Year ended March 31 2022
Depreciation expense of right-of-use assets	37.01	26.40
Interest expense on lease liabilities	12.11	10.61
<b>Total amount recognised in profit or loss</b>	<b>49.14</b>	<b>37.01</b>

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended**

**The table below provides details regarding the contractual maturities of lease liabilities under Ind AS 116 as at March 31, 2023, on an undiscounted basis:**

₹ in Lakhs

Tenure	March 31, 2023	March 31, 2022
Less than 1 year	43.83	27.77
1-5 years	95.10	78.60
More than 5 years	-	-

**Note '35' - 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 '36' - CORPORATE SOCIAL RESPONSIBILITY (CSR)****Details of CSR expenditure:**

₹ in Lakhs

Particulars	March 31, 2023	March 31, 2022
(a) Gross amount required to be spent by the Company during the year	15.69	14.28
(b) Amount approved by the Board to be spent during the year	15.69	14.28

₹ in Lakhs

(c) Amount spent during the year ending on March 31, 2023:	In Cash	Yet to be paid in Cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	15.69	-	15.69

₹ in Lakhs

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

₹ in Lakhs

Particulars	March 31, 2023	March 31, 2022
(i) Contribution to Public Trust	-	-
(ii) Contribution to Charitable Trust	15.69	14.28
(iii) Unspent amount in relation to:		
- ongoing project	-	-
- Other than ongoing project	-	-
	15.69	14.28

The Company has spent during the year ended March 31, 2023: Rs. 15.69 Lakhs (year ended March 31, 2022: Rs. 14.28 Lakhs) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

### **MANGAL CREDIT AND FINCORP LIMITED**

#### **Notes forming part of financial statement for the year ended March 31, 2023**

##### **Note '37' - CAPITAL MANAGEMENT**

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

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

The Company has complied in full with the capital requirements prescribed by RBI over the reported period. below given disclosure of capital adequacy as per applicable RBI regulations (Refer note no. 41).

##### **Note '38' - 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.

##### **(i) (a) Management 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.



**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023****Note '38' – FINANCIAL RISK MANAGEMENT FRAMEWORK**

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 lawa & regulations. The internal audit reports are reviewed by the Audit committee and also placed before the board.

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

**(i) (a)(i) 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, 2023	As at March 31, 2022
Trade receivable and other receivables	28.40	29.50
Loans (gross carrying amount)	16,043.07	10,482.44
Other financial assets	62.57	52.17
<b>Total</b>	<b>16,134.04</b>	<b>10,564.11</b>

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023****Note '38' - FINANCIAL RISK MANAGEMENT FRAMEWORK****(i) (a)(ii) Credit quality if the loan assets and provision against the same**

(₹ In Lakhs)

Particulars		Gross carrying amount	Provision	Net Carrying amount
<b>Performing Assets</b>				
Standard	Stage 1	15,336.64	64.46	15,272.18
	Stage 2	349.12	5.00	344.13
	Stage 3	137.82	3.65	134.17
<b>Subtotal</b>		-	-	-
		-	-	-
<b>Non-Performing Assets (NPA)</b>				
Substandard	Stage 3	136.42	14.04	122.38
Doubtful - Upto 1 year	Stage 3	-	-	-
1 to 3 years	Stage 3	11.68	5.02	6.66
More Than 3 Years	Stage 3	-	-	-
<b>Subtotal for Doubtful</b>	Stage 3	11.68	5.02	6.66
Loss		71.40	71.40	-
<b>Subtotal for Doubtful</b>				
Other items such as guarantees, loan, commitments, etc. which are in the	Stage 1	-	-	-
scope of Ind AS 109 but not covered under current Income Recognition,	Stage 2	-	-	-
under current Income Recognition, Asset Classification and Provisioning	Stage 3	-	-	-
(IRACP) norms				
<b>Subtotal</b>				
<b>Total</b>	<b>Stage 1</b>	<b>15,336.64</b>	<b>64.46</b>	<b>15,272.18</b>
	<b>Stage 2</b>	<b>349.12</b>	<b>5.00</b>	<b>344.13</b>
	<b>Stage 3</b>	<b>357.31</b>	<b>94.10</b>	<b>263.20</b>
	<b>Total</b>	<b>16,043.07</b>	<b>163.56</b>	<b>15,879.51</b>

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023****Note '38' - FINANCIAL RISK MANAGEMENT FRAMEWORK**

(₹ In Lakhs)

As at March 31, 2022

Particulars		Gross carrying amount	Provision	Net Carrying amount
<b>Performing Assets</b>				
Standard	Stage 1	9,751.03	2.98	9748.05
	Stage 2	463.04	24.05	438.99
	Stage 3	131.79	1.33	130.46
<b>Subtotal</b>		-	-	-
		-	-	-
<b>Non-Performing Assets (NPA)</b>				
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	-
<b>Subtotal for Doubtful</b>	Stage 3	-	-	-
Loss		-	-	-
<b>Subtotal for Doubtful</b>		-	-	-
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	-	-	-
<b>Subtotal</b>		-	-	-
<b>Total</b>	<b>Stage 1</b>	<b>9,751.03</b>	<b>2.98</b>	<b>9,748.05</b>
	<b>Stage 2</b>	<b>463.04</b>	<b>24.05</b>	<b>438.99</b>
	<b>Stage 3</b>	<b>268.37</b>	<b>90.04</b>	<b>178.33</b>
<b>Management provision</b>		-	<b>15.35</b>	<b>(15.35)</b>
	<b>Total</b>	<b>10,482.44</b>	<b>132.42</b>	<b>10,350.02</b>

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023****Note '38'- FINANCIAL RISK MANAGEMENT FRAMEWORK****(i) (a)(iii) 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

**Reconciliations of the provision for impairment of loans**

(₹ In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance at the beginning of the year	132.43	38.35
Addition/(reversal) during the year	34.99	94.08
Write offs during the year	3.86	-
<b>Closing balance at the end of the year</b>	<b>163.56</b>	<b>132.43</b>

**(ii) Operational Risk**

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

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended March 31, 2023****Note '38' – FINANCIAL RISK MANAGEMENT FRAMEWORK****(v) Liquidity Risk****(v) (a) 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
<b>As at March 31, 2023</b>				
Other payables and other financial liabilities	81.63	-	81.63	81.63
Debt securities	475.00	225.00	700.00	700.00
Borrowings (Other than debt securities)	4,424.91	3,460.24	7,885.15	7,885.15
Lease liability	43.83	95.10	138.93	138.93
<b>Total</b>	<b>5,025.37</b>	<b>3,780.34</b>	<b>8,805.71</b>	<b>8,805.71</b>
<b>As at March 31, 2022</b>				
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
<b>Total</b>	<b>2,120.23</b>	<b>853.60</b>	<b>2,973.83</b>	<b>2,973.83</b>



**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended ended March 31, 2023****Note '39'- FAIR VALUE MEASUREMENT****(a) Fair value hierarchy and Categories of financial instruments**

(₹ In Lakhs)

	Level	March 31, 2023		March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>A Financial assets</b>					
<b>i) Measured at cost</b>					
Investment in subsidiary		-	-	-	-
<b>ii) Measured at fair value through OCI</b>					
Investment	3	1,560.36	1,560.36	1,680.70	1,680.70
<b>iii) Measured at amortised cost</b>					
Cash and cash equivalents	1	1,131.12	1,131.12	140.91	140.91
Bank balances other than above	1	18.76	18.76	15.64	15.64
Loan	3	15,879.51	15,879.51	10,350.02	10,350.02
Other Receivables	3	28.40	28.40	29.50	29.50
Other financial assets	3	62.57	62.57	52.17	52.17
<b>Total</b>		<b>18,680.71</b>	<b>18,680.71</b>	<b>12,268.93</b>	<b>12,268.93</b>
<b>B Financial liabilities</b>					
<b>i) Measured at amortised cost</b>					
Borrowings	2	7,885.15	7,885.15	2,826.16	2,826.16
Other payables	3	48.56	48.56	24.63	24.63
Lease liabilities	3	138.93	138.93	106.37	106.37
Other financial liabilities	3	33.07	33.07	16.67	16.67
<b>Total</b>		<b>8,105.71</b>	<b>8,105.71</b>	<b>2,973.83</b>	<b>2,973.83</b>

**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.

Quantitative disclosure fair value measurement hierarchy:

₹ in Lakhs

Particulars	Fair value hierarchy	March 31, 2023	March 31, 2022
		Fair Value	Fair Value
Assets for which fair value is disclosed			
Investment in equity instruments - unquoted	Level 3	1,560.36	1,680.70

**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.

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended ended March 31, 2023****Note 40 – Change in liabilities arising from financing activities**

Particulars	As at April 1, 2022	Cash flows	Other	As at March 31, 2023
Debt Securities	-	700.00	-	700.00
Borrowings other than debt securities	2,826.16	5,058.99	-	7,885.15
<b>Total liabilities from financing activities</b>	<b>2,826.16</b>	<b>5,758.99</b>	<b>-</b>	<b>8,585.15</b>

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
<b>Total liabilities from financing activities</b>	<b>1,311.14</b>	<b>1,515.02</b>	<b>-</b>	<b>2,826.16</b>

**Note '41' – Disclosure under Prudential Norms & RBI guidelines****Note '41(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 '41(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 '41(iii)'**

Additional disclosures:

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

Particulars	March 31, 2023	March 31, 2022
CRAR (percent)	57.93%	77.67%
CRAR - Tier I Capital (percent)	57.93%	77.67%
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 '41(iv)'**

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

Particulars	March 31, 2023		
	Gross Loan Outstanding	Provision For Assets	Net Loan Outstanding
Standard Asset	15,838.80	39.06	15,799.73
Sub Standard Asset	129.26	12.93	116.33
Doubtful Asset	5.02	5.02	-
Loss Asset	70.00	70.00	-
<b>Total</b>	<b>16,043.07</b>	<b>16,043.07</b>	<b>15,916.07</b>

Particulars	March 31, 2022		
	Gross Loan Outstanding	Provision For Assets	Net Loan Outstanding
Standard Asset	10,346.22	25.59	10,320.63
Sub Standard Asset	61.22	6.12	55.10
Doubtful Asset	75.00	75.00	-
Loss Asset	-	-	-
<b>Total</b>	<b>10,482.44</b>	<b>106.71</b>	<b>10,375.73</b>

**Note '41(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 - NonSystemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016.

Particulars	March 31, 2023		March 31, 2022	
	Amount O/s	Amount Overdue	Amount O/s	Amount O/s
<b>Liability side:</b>				
<b>1. Loans and advances availed by the nonbanking financial company inclusive of interest accrued thereon but not paid:</b>				
(a) Debenture : Secured	705.99	-	-	-
Unsecured	-	-		
(Other than falling within the meaning of public deposits*)			-	-
(b) Deferred Credits		-		-
(c) Term Loans	3,678.33	-	487.65	-
(d) Inter-Corporate Loans and Borrowings	-	-	100.00	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits*	-	-	-	-
(g) Other Loans;				
- Working capital Demand Loan Facility	2,417.81	-	1,463.50	-
- Loan from Directors	1,789.00	-	775.00	-
*Please see <b>Note (a)</b> Below				-
<b>2. Break up of (1)(f) above (Outstanding Public Deposits inclusive of interest accrued thereon but not paid):</b>				
(a) In the form of Unsecured Debenture	-	-	-	-
(b) In the form of Partly Secured Debenture i.e. debenture where there is a shortfall in the value of securities.				
(c) Other Public Deposits*	-	-	-	-
*Please see <b>Note (a)</b> Below	-	-	-	-

**MANGAL CREDIT AND FINCORP LIMITED**

Notes forming part of financial statement for the year ended ended March 31, 2023

**Note '41' - Disclosure under Prudential Norms & RBI guidelines**

(₹ In Lakhs)

Particulars	March 31, 2023	March 31, 2022
	Amount O/s	Amount O/s
<b>Assets Side :</b>		
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below ] :		
(a) Secured	7,918.42	3,953.54
(b) Unsecured	8,124.66	6,528.90
<b>4. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :</b>		
<b>(i) Lease assets including lease rentals under sundry debtors:</b>		
(a) Financing Lease	-	-
(b) Operating Lease	-	-
<b>(ii) Stock on hire including hire charges under sundry debtors:</b>		
(a) Asset on hire	-	-
(b) Repossessed Asset	-	-
<b>(iii) Other loans counting towards AFC activities</b>		
(a) Loans where asset have been repossessed	-	-
(b) Loans other than (a) above	-	-

(₹ In Lakhs)

Particulars	March 31, 2023	March 31, 2022
	Amount O/s	Amount O/s
<b>5. Break-up of Investments :</b>		
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	-	-

Particulars	March 31, 2023	March 31, 2022
	Amount O/s	Amount O/s
<b>Long Term Investments :</b>		
1. Quoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares : (a) Equity	1,560.36	1,680.70
(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 refer sub note (b) below**

(₹ In Lakhs)

Category	March 31, 2023		
	Amount Net Of Provision as per Prudential Norms		
	Secured	Unsecured	TOTAL
<b>1. Related Parties</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	133.24	-	133.24
2. Other than related parties	7,821.12	7,961.71	15,782.83
<b>TOTAL</b>	<b>7,954.36</b>	<b>7,961.71</b>	<b>15,916.07</b>

Rs. in Lakhs

Category	March 31, 2023		
	Amount Net Of Provision as per Prudential Norms		
	Secured	Unsecured	TOTAL
<b>1. Related Parties</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	226.16	-	226.16
2. Other than related parties	3,713.53	6,436.04	10,149.57
<b>TOTAL</b>	<b>3,939.69</b>	<b>6,436.04</b>	<b>10,375.73</b>



**MANGAL CREDIT AND FINCORP LIMITED**  
**Notes forming part of financial statement for the year ended ended March 31, 2023**

**Note '41' - Disclosure under Prudential Norms & RBI guidelines**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :  
 Please refer sub note (c) below

(₹ In Lakhs)

Particulars	March 31, 2023		March 31, 2022	
	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)
<b>1. Related Parties</b>				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	1,560.36	1,560.36	1,680.70	1,680.70
<b>TOTAL</b>	<b>1,560.36</b>	<b>1,560.36</b>	<b>1,560.36</b>	<b>1,680.70</b>

**(8) Other Information:**

(₹ In Lakhs)

Particulars	March 31, 2023	March 31, 2022
	Amount	Amount
<b>(i) Gross Non-Performing Assets</b>		
(a) Related Parties	-	-
(b) Other than related parties	204.28	136.22
<b>(ii) Net Non-Performing Assets</b>		
(a) Related Parties	-	-
(b) Other than related parties	116.33	55.10
Assets acquired in satisfaction of debt	-	-

**(9) Movement of NPAs**

(₹ In Lakhs)

Particulars	March 31, 2023	March 31, 2022
	Amount	Amount
<b>Net NPA to Net Advances (%)</b>		
Movement of NPA(Gross)		
Opening Balance	136.22	110.09
Additions during the year	68.06	26.13
Reduction during the year (including loans written off)	-	-
Closing Balances	204.28	136.22
<b>Movement of NPA(Net)</b>		
Opening Balance	55.10	92.08
Additions during the year	61.23	(36.98)
Reduction during the year (including loans written off)	-	-
Closing Balances	116.33	55.10
<b>Movement of Provision for NPAs(excluding provision on standard assets)</b>		
Opening Balance	81.12	18.01
Additions during the year	6.82	63.11
Reduction during the year (including Reduction during the year (including	-	-
Closing Balances	87.94	81.12

\*\* Excluding write back of Rs. 33.25 Lakhs for the year ended on 31st March 2023 (Rs.97 Lakhs 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 41(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:  
(Reserve Bank) Directions, 2016.

**a. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31, 2023**

(₹ 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(ECL)	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)
<b>Performing Assets</b>						
	Stage 1	15,336.64	64.46	15,272.18	37.97	26.49
Standard	Stage 2	349.12	5.00	344.12	0.80	4.20
	Stage 3	137.82	3.65	134.17	0.30	3.35
<b>Subtotal</b>		<b>15,823.58</b>	<b>73.11</b>	<b>15,750.47</b>	<b>39.06</b>	<b>34.04</b>
<b>Non-Performing Assets (NPA)</b>						
	Stage 3	136.42	14.04	122.38	12.93	1.12
Doubtful - Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	11.68	5.02	6.66	5.02	-
More Than 3 Years	Stage 3	-	-	-	-	-
<b>Subtotal for Doubtful</b>		<b>11.68</b>	<b>5.02</b>	<b>6.66</b>	<b>5.02</b>	<b>-</b>
Loss	Stage 3	71.40	71.40	-	70.00	-
<b>Subtotal for NPA</b>		<b>219.50</b>	<b>90.46</b>	<b>129.04</b>	<b>87.94</b>	<b>1.12</b>
	Stage 1	-	-	-	-	-
Other items such as guarantees, loan, commitments,	Stage 2	-	-	-	-	-
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 3	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Stage 1	<b>15,336.64</b>	<b>64.46</b>	<b>15,272.18</b>	<b>37.97</b>	<b>26.49</b>
<b>Total</b>	Stage 2	<b>349.12</b>	<b>5.00</b>	<b>344.12</b>	<b>0.80</b>	<b>4.20</b>
	Stage 3	<b>357.31</b>	<b>94.11</b>	<b>263.21</b>	<b>88.24</b>	<b>4.47</b>
	<b>Total</b>	<b>16,043.07</b>	<b>163.57</b>	<b>15,879.52</b>	<b>127.01</b>	<b>35.16</b>

**b. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31, 2022**

(₹ 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(ECL)	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)
<b>Performing Assets</b>						
	Stage 1	9,751.03	2.98	9,748.05	24.20	(21.22)
Standard	Stage 2	463.04	24.05	438.99	1.09	22.96
	Stage 3	131.79	1.33	130.46	0.30	1.03
<b>Subtotal</b>		<b>10,345.86</b>	<b>28.37</b>	<b>10,317.49</b>	<b>25.59</b>	<b>2.78</b>
<b>Non-Performing Assets (NPA)</b>						
	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	-
<b>Subtotal for Doubtful</b>		<b>75.45</b>	<b>71.02</b>	<b>4.43</b>	<b>75.00</b>	<b>(3.97)</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>136.58</b>	<b>88.71</b>	<b>47.87</b>	<b>81.12</b>	<b>7.60</b>
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	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Stage 1	<b>9,751.03</b>	<b>2.98</b>	<b>9,748.05</b>	<b>24.20</b>	<b>(21.22)</b>
<b>Total</b>	Stage 2	<b>463.04</b>	<b>24.05</b>	<b>438.99</b>	<b>1.09</b>	<b>22.96</b>
	Stage 3	<b>268.37</b>	<b>90.05</b>	<b>178.33</b>	<b>81.42</b>	<b>8.63</b>
	<b>Total</b>	<b>10,482.44</b>	<b>117.08</b>	<b>10,365.37</b>	<b>106.71</b>	<b>10.37</b>

The aggregate impairment loss on application of expect credit loss method (ECL) as per Ind AS, as stated above, is more than the provisioning required under IRACP norms (including standard asset provisioning).

**MANGAL CREDIT AND FINCORP LIMITED****Notes forming part of financial statement for the year ended ended March 31, 2023**

Note 41(vii):- **Public Disclosure on Liquidity Risk for the year ended March 31, 2023 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, 2023	March 31, 2022
Number of Significant Counter parties	5	4
Amount (₹ in Lakhs)	7,885.15	2726.15
% of Total Deposits	NA	NA
% of Total Liabilities	86.53%	85.69%

**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.

**iii. Top 10 borrowings**

Particular	March 31, 2023	March 31, 2022
Amount (₹ Lakhs) of Borrowings from Top 10 Lenders	8585.15	2826.16
% of Total Borrowings	100%	100%

**iv. Funding Concentration based on significant instrument / product**

Name of Instrument / Product <sup>4</sup>	March 31, 2023		March 31, 2022	
	Amount(₹ lakhs)	% of Total Liabilities	Amount(₹ lakhs)	% of Total Liabilities
Loan from Bank	6,096.14	66.90%	1951.16	61.33%
Loan from Directors	1,789.00	19.63%	775	24.36%
Loans from NCD	700.00	7.68%	-	-
Loans from ICD	-	-	1	3.14%

**v. Stock Ratios**

Particulars	March 31, 2023			March 31, 2022		
	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	57.07%	53.77%	24.13%	72.58%	64.47%	14.89%

\*No Commercial Papers and NCD's with original Maturity not less than a year are not 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:**

1. The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2023.
2. Total liabilities refer to the aggregate of financial liabilities and non-financial liabilities.
3. Significant counterparty 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.
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 '42'- 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, 2023			March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>1 Financial Assets</b>						
a) Cash and cash equivalents	1,131.12	-	1,131.12	140.91	-	140.91
b) Bank balances other than (a) above	18.76	-	18.76	15.64	-	15.64
c) Receivables						
i) Trade receivables	-	-	-	-	-	-
ii) Other receivables	28.40	-	28.40	29.50	-	29.50
d) Loans	7,812.95	8,066.56	15,879.51	3,439.27	6,910.75	10,350.02
e) Investments	-	1,560.36	1,560.36	-	1,680.70	1,680.70
f) Other financial assets	-	62.57	62.57	-	52.17	52.17
<b>2 Non- Financial Assets</b>						
a) Income tax assets (net)	-	29.08	29.08	-	28.98	28.98
b) Deferred tax assets (net)	-	40.91	40.91	-	-	-
c) Investment property	-	1,316.11	1,316.11	-	1,316.11	1,316.11
d) Property, plant and equipment	-	43.46	43.46	-	32.13	32.13
e) Intangible Asset under development	3.00	-	3.00	-	-	-
f) Right of use asset	45.26	83.20	128.46	30.18	69.88	100.06
g) Intangible Assets	-	2.36	2.36	-	2.49	2.49
h) Other non-financial assets	53.49	9.46	62.95	5.40	19.70	25.10
<b>TOTAL ASSETS</b>	<b>9,092.98</b>	<b>11,214.05</b>	<b>20,307.05</b>	<b>3,660.90</b>	<b>10,112.90</b>	<b>13,773.81</b>
<b>LIABILITIES</b>						
<b>1 Financial Liabilities</b>						
a) Payables						
i) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises	48.56	-	48.56	24.63	-	24.63
b) Debt Securities	475.00	225.00	700.00	-	-	-
c) Borrowings(Other than debt securities)	4,424.91	3,460.24	7,885.15	2,051.16	775.00	2,826.16
d) Lease liability	43.83	95.10	138.93	27.77	78.60	106.37
e) Other financial liabilities	33.07	-	33.07	16.67	-	16.67
<b>2 Non-Financial Liabilities</b>						
a) Current tax liabilities (net)	221.32	-	221.32	177.48	-	177.48
b) Deferred tax liabilities (net)	-	-	-	1.81	-	1.81
c) Other non- financial liabilities	85.69	-	85.69	28.34	-	28.34
<b>TOTAL LIABILITIES</b>	<b>5,332.39</b>	<b>3,780.34</b>	<b>9,112.72</b>	<b>2,327.86</b>	<b>853.60</b>	<b>3,181.46</b>
<b>NET</b>	<b>3,760.60</b>	<b>7,433.72</b>	<b>11,194.33</b>	<b>1,333.05</b>	<b>9259.30</b>	<b>10,592.35</b>

**MANGAL CREDIT AND FINCORP LIMITED**  
**Notes forming part of financial statement for the year ended ended March 31, 2023**

**Note '43'- 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	Chakshu Realtors Private Limited	
4	Mangal Buildhome Private Limited	
5	Shree Mangal Jewels Private Limited	
6	Shree Ratna Mangal Jewels Private Limited	
7	Swarna Bhavya Mangal Jewels private Limited	
8	Dhakad Properties Private Limited	
9	Digital Edge Technology	
10	Mangal Charitable trust	

(c) Key Managerial Personnel

S.no	Name	Designation	Status
1	Meghraj Sohanlal Jain	Chairman & Managing Director	
2	Manish Rathi	Chief Executive Office	appointed w.e.f. April 01,2022
3	Naval KamalKishor Maniyar	Executive Director and CFO	resigned w.e.f. March 05,2022
4	Nilesh Jain	Executive Director and CFO	appointed as CFO w.e.f. September 02,2022 and Executive Director w.e.f September 30, 2022
5	Sujan Sinha	Non Executive Non Independent Director	
6	Nirupama Charuhas Khandke	Independent Director	
7	Subramanyam Ganesh	Independent Director	
8	Ramanathan Annamalai	Independent Director	
9	Sriram Sankaranarayanan	Independent Director	
10	Supriya Rajkumar Agarwal	Company Secretary	resigned w.e.f. May 31,2022
11	Bhavika Mehta	Company Secretary	appointed w.e.f. July 25,2022

(d) Relative of Key Managerial Personnel

S.no	Name of related party	Status
1	Hardiik Meghraj Jain	

**MANGAL CREDIT AND FINCORP LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**Note '43.1'- RELATED PARTY DISCLOSURE (CONTINUED)**

(₹ In Lakhs)

S.No	Particular	Year ended March 31, 2023	Year ended March 31, 2022
<b>1</b>	<b>Purchase of Fixed Asset</b>		
	Mangal Compusolution Pvt Ltd	3.13	0.04
		<b>3.13</b>	<b>0.04</b>
<b>2</b>	<b>Guarantee Commission income</b>		
	Mangal Compusolution Pvt Ltd	3.66	3.66
		<b>3.66</b>	<b>3.66</b>
<b>3</b>	<b>Loan Repayment Received</b>		
	Mangal Buildhome Pvt Ltd	-	31.25
	Shree Mangal Jewels Pvt Ltd	20.00	20.00
	Shree Ratna Mangal Jewels Pvt Ltd	20.00	20.00
	Swarna Bhavya Mangal Jewels Pvt Ltd	20.00	20.00
	Mangal Royal Jewels Pvt Ltd	32.50	10.00
		<b>92.50</b>	<b>101.25</b>
<b>4</b>	<b>Reimbursement of expenses</b>		
	Mangal Buildhome Pvt Ltd	4.72	4.34
	Chakshu Realtors Private Limited	4.10	3.58
	Digital Edge Technology	1.17	0.55
		<b>9.99</b>	<b>8.46</b>
<b>5</b>	<b>Interest Income</b>		
	Mangal Buildhome Pvt Ltd	-	2.41
	Mangal Royal Jewels Pvt Ltd	3.88	5.73
	Shree Mangal Jewels Pvt Ltd	8.11	11.09
	Shree Ratna Mangal Jewels Pvt Ltd	8.49	11.46
	Swarna Bhavya Mangal Jewels Pvt Ltd	8.49	11.46
		28.98	42.17
<b>6</b>	<b>Rent expense</b>		
	Chakshu Realtors Private Limited	9.00	9.00
		9.00	9.00
<b>7</b>	<b>Loans Taken</b>		
	Meghraj Jain	5,319.10	3,808.85
	Naval Maniyar	-	17.00
		5,319.10	3,825.85
<b>8</b>	<b>Repayment of loans taken</b>		
	Meghraj Jain	4,305.10	3,398.62
	Naval Maniyar	-	38.75
		4,305.10	3,437.37

**MANGAL CREDIT AND FINCORP LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**Note '43.1'- RELATED PARTY DISCLOSURE (CONTINUED)**

(₹ In Lakhs)

S.No	Particular	Year ended March 31, 2023	Year ended March 31, 2022
<b>9</b>	<b>Website Design Charges</b>		
	Digital Edge Technology	0.50	-
		<b>0.50</b>	-
<b>10</b>	<b>Business Promotion Expenses</b>		
	Mangal Royal Jewels Pvt. Ltd.	3.60	-
		3.60	-
<b>11</b>	<b>Remuneration</b>		
	Meghraj Sohanlal Jain	30.00	30.00
	Naval Maniyar	-	17.00
	Manish Rathi	47.54	-
	Nilesh Jain	10.50	-
	Bhavika Mehta	3.62	-
	Supriya Agarwal	0.70	4.27
		<b>92.36</b>	<b>51.27</b>
<b>12</b>	<b>Interest on Loans taken</b>		
	Meghraj Sohanlal Jain	68.01	41.56
	Naval Maniyar	-	1.52
		<b>68.01</b>	<b>43.07</b>
<b>13</b>	<b>Reimbursement of expense- paid</b>		
	Naval Maniyar	-	0.55
		-	0.55
<b>14</b>	<b>Computer Rental Expense</b>		
	Mangal Compusolution Pvt. Ltd.	0.29	0.20
		<b>0.29</b>	<b>0.20</b>
<b>15</b>	<b>Computer Repair Expense</b>		
	Mangal Compusolution Pvt. Ltd.	0.04	0.02
		0.04	0.02
<b>16</b>	<b>Professional Fees</b>		
	Sujan Sinha	4.20	4.70
		<b>4.20</b>	<b>4.70</b>
<b>17</b>	<b>Director Sitting Fees</b>		
	Nirupama Charuhas Khandke	1.00	0.55
	Subramanyam Ganesh	0.75	0.55
	Ramanathan Annamalai	1.00	0.45
	Sujan Sinha	0.50	0.55
	Sriram Sankaranarayanan	1.00	0.55
		4.25	2.65

**MANGAL CREDIT AND FINCORP LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**Note '43.1'- RELATED PARTY DISCLOSURE (CONTINUED)**

(₹ In Lakhs)

S.No	Particular	Year ended March 31, 2023	Year ended March 31, 2022
<b>18</b>	<b>CSR Expense</b>		
	Mangal Charitable Trust	15.69	14.28
		<b>15.69</b>	<b>14.28</b>
<b>19</b>	<b>Investment in Debt Securities</b>		
	Hardik Meghraj Jain	160.00	-
	Manish Rathi	10.00	-
		170.00	-
<b>20</b>	<b>Interest on Debt Securities</b>		
	Hardik Meghraj Jain	1.72	-
	Manish Rathi	0.10	-
		1.82	-
	<b>Balance payable at the end of the year</b>		
	Other payables		
	Manish Rathi	3.32	-
	Nilesh Jain	1.40	-
	Bhavika Mehta	0.40	-
	Supriya Agarwal	-	0.33
		<b>5.12</b>	<b>0.33</b>
	<b>Loans Taken</b>		
	Meghraj Sohanlal Jain	<b>1,789.00</b>	<b>775.00</b>
		1,789.00	775.00
	<b>Debt Securities</b>		
	Hardik Meghraj Jain	160.00	-
	Manish Rathi	10.00	-
		170.00	-
	<b>Other financial liability- Interest Payable</b>		
	Hardik Meghraj Jain	1.44	-
	Manish Rathi	0.85	-
		2.29	-
	<b>Balance receivable at the end of the year</b>		
	<b>Loans Given to related parties</b>		
	Mangal Royal Jewels Pvt Ltd	-	32.50
	Shree Mangal Jewels Pvt Ltd	42.50	62.50
	Shree Ratna Mangal Jewels Pvt Ltd	45.00	65.00
	Swarna Bhavya Mangal Jewels Pvt Ltd	45.00	65.00
		132.50	225.00
	<b>Percentage to total loans and advances in the nature of Loans</b>	<b>0.84%</b>	<b>2.17%</b>



**MANGAL CREDIT AND FINCORP LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note '43.1'- RELATED PARTY DISCLOSURE (CONTINUED)**

(₹ In Lakhs)

S.No	Particular	Year ended March 31, 2023	Year ended March 31, 2022
<b>Loan- Interest and fees receivable</b>			
	Mangal Royal Jewels Pvt Ltd	-	0.25
	Shree Mangal Jewels Pvt Ltd	0.34	0.48
	Shree Ratna Mangal Jewels Pvt Ltd	0.36	0.50
	Swarna Bhavya Mangal Jewels Pvt Ltd	0.36	0.50
		<b>1.07</b>	<b>1.72</b>
<b>Other receivable/ advance for expenditure</b>			
	Mangal Buildhome Pvt Ltd	0.42	-
	Digital Edge Technology	0.07	-
	Mangal Compusolution Pvt. Ltd	1.03	-
	KMP	7.00	-
		<b>8.52</b>	<b>-</b>
<b>Off balance sheet item- Contingent liability at the end of the year</b>			
	Mangal Compusolution Pvt Ltd *	732.00	732.00
		732.00	732.00

\* current outstanding of counter guarantee is ₹633.29 Lakhs as on March 31, 2023 (₹652.56 Lakhs as on March 31, 2022)

**Note '43.2' - Disclosures Required as per Clause 32 of the Listing Agreement :**

(₹ In Lakhs)

Name of Company	Loans & Advances		Loans & Advances	
	Amount O/s as on March 31, 2023	Maximum Balance O/s March 31, 2023	Amount O/s as on March 31, 2023	Maximum Balance O/s March 31, 2023
<b>Companies Under Common Control</b>				
Mangal Buildhome Pvt Ltd	-	-	-	31.25
Shree Mangal Jewels Pvt Ltd	42.00	62.50	62.50	82.50
Shree Ratna Mangal Jewels Pvt Ltd	45.00	65.00	65.00	85.00
Swarna Bhavya Mangal Jewels Pvt Ltd	45.00	65.00	65.00	85.00
<b>Total</b>	<b>132.50</b>	<b>192.50</b>	<b>192.50</b>	<b>283.76</b>

**Note 44 - 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
- (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) Intangible under development ageing schedule:-

Particulars	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Software	3.00	-	-	-	3.00
<b>Total</b>	<b>3.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.00</b>

- (vii) 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.
- (viii) 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.
- (ix) Wilful Defaulter - The Company has not declared as wilful defaulter by any bank or financial institution or other lender.
- (x) Relationship with Struck off Companies - During the year, the company has not entered into any transaction with struck off companies.
- (xi) 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.
- (xii) Compliance with number of layers of companies - The Company has complied with the requirements of number of layers.
- (xiii) Analytical Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance (if above 25%)
(a) Capital to risk-weighted assets ratio (CRAR)	Total Capital Funds	Total risk weighted assets/ exposures	57.93%	77.67%	19.74%	NA
(b) Tier I CRAR	Net Owned Fund	Total risk weighted assets/ exposures	57.93%	77.67%	19.74%	NA
(c) Tier II CRAR	Aggregate Tier II Capital	Total risk weighted assets/ exposures	0%	0%	0%	NA

- (xiv) 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.
- (xv) There is no undisclosed income during the year in the tax assessments under the Income Tax Act 1961
- (xvi) 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 '45'**

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

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

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

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

**Sd/-**  
**Nilesh Jain**  
Director & CFO  
DIN-08788781

**Sd/-**  
**Bhavika Mehta**  
Company Secretary  
M. No. A64173

Place: Mumbai  
Date : May 24, 2023  
UDIN :23078146BGWICV2233

# NOTICE

**NOTICE** is hereby given that the 61<sup>st</sup> Annual General Meeting of the Members of **Mangal Credit and Fincorp Limited** is scheduled to be held on Friday, September 22, 2023 at 11:00 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the below mentioned businesses:

## Ordinary Business:

1. **To receive, consider and adopt the Annual Audited Financial Statements of the Company for the financial year ended March 31, 2023 along 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 Rs. 10/- each for the financial year ended March 31, 2023;**
3. **To appoint a Director in place of Mr. Meghraj Sohanlal Jain (DIN:01311041), who retires by rotation and being eligible, offers himself for re-appointment;**
4. **To appoint a Director in place of Mr. Nilesh Jain (DIN: 08788781), who is eligible for re- appointment retires by rotation and being eligible, offers himself for re-appointment;**
5. **To approve, confirm and ratify the appointment of Statutory Auditors of the Company and 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 Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014 and guidelines and circulars issued by the Reserve Bank of India ("RBI") in this regard and from time to time, including any amendments, modifications, variations or re-enactments thereof, for the time being in force, consent of the Members

of the Company be and is hereby accorded for the appointment of M/s. Bhagwagar Dalal & Doshi, Chartered Accountants (Firm Registration Number: 128093W) Statutory Auditor of the Company to hold office from the conclusion of the 61<sup>st</sup> Annual General Meeting until the conclusion of the 66<sup>th</sup> Annual General Meeting of the Company at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors for the purpose of the audit of the Company's standalone and consolidated financial statements for the financial years 2023-24 to 2027-28.

**RESOLVED FURTHER THAT** the Board, including the Audit Committee of the Board or any other person(s) authorized by the Board or Audit Committee in this regard, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for such purpose and with the power to the Board to settle all questions, difficulties or doubts that may arise in the regard to the implementation of the resolution, including but not limited to determination of roles and responsibilities / scope of work of the respective Joint Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing the terms of appointment, including any contract or document in this regard and to alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendment in Accounting Standards or regulations and such other requirements resulting in the change in scope of work, etc. without being required to seek any further consent or approval of the Members of the Company.

**RESOLVED FURTHER THAT** Mr. Meghraj Sohanlal Jain, Chairman and Managing Director, Mr. Nilesh Jain, Executive Director and Chief Financial Officer of the Company be and are hereby authorised to do all such acts, deeds, and things as may be required to give effect to the resolution including filing of requisite e forms with the Registrar of Companies."

**Special businesses:****6. To re-appointment Ms. Nirupama Charuhas Khandke, as an Independent Director of the Company**

To re-appoint Ms. Nirupama Charuhas Khandke (DIN: 01605060) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Nirupama Charuhas Khandke (DIN: 01605060), be and is hereby reappointed as an Independent Director of the Company to hold office for a second consecutive term of five years from this Annual General Meeting till September 21, 2028.

**7. To re-appointment Mr. Subramanyam Ganesh, as an Independent Director of the Company**

To re-appoint Mr. Subramanyam Ganesh (DIN: 01718431) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Subramanyam Ganesh (DIN: 01718431), be and is hereby reappointed as an Independent Director of the Company to hold office for a second consecutive term of five years from this Annual General Meeting till September 21, 2028.

**8. To re-appointment Mr. Ramanathan Annamalai, as an Independent Director of the Company**

Pursuant to Regulation 17(IA) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 “No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.” Mr. Ramanathan Annamalai (DIN: 02645247), Independent Director of the Company has attained the age of seventy five years, hence required members approval through special resolution for his re appointment. Further explanatory statement is annexed to this notice for such motion which indicates the justification for appointing him on Board of the Company.

To re-appoint Mr. Ramanathan Annamalai (DIN: 02645247) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ramanathan Annamalai (DIN: 02645247), be and is hereby reappointed as an Independent Director of the Company to hold office for a second consecutive term of five years from this Annual General Meeting till September 21, 2028.



**9. To approve to increase overall borrowing limit under section 180(1)(c) of Companies Act, 2013 from ₹ 500 Crores to 750 Crores or the aggregate of paid up capital and free reserves of the Company, whichever is higher**

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

**“RESOLVED THAT** in suppression to all the previous resolutions regarding Borrowing limit and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment(s) modification(s), variation(s) or re- enactment(s) thereof for the time being in force) (“the Act”), the provisions of the Memorandum of Association and Articles of Association of the Company, Circulars/ Notifications /Directions issued by Reserve Bank of India, from time to time, the consent of Shareholders of the Company be and is hereby accorded to borrow any sum or sums of money (exclusive of interest), from time to time, on such term and conditions as may be determined, in any form, from one or more companies, body corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension, provident funds, multilateral financial institutions, any entity/entities or authority and authorities, whether in India or abroad, and whether by way of cash credit, loans, advances or deposits, bill discounting, issue of debentures Non-Convertible Debentures through private placement or public offer or preferential allotment basis, commercial papers, long/short term loans, securitized instruments such as floating rate notes, fixed rate notes, syndicate loans, commercial borrowings, external Commercial

Borrowings, either in rupees and/or in such other foreign currencies as may be permitted by law, from time to time, and/or any other instruments/ securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of Companies assets, licenses and properties, whether immovable or movable and/or any of the undertaking of the Company notwithstanding that monies to be borrowed including monies already borrowed by the Company (including the temporary loans obtained/to be obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose so that the total amount up to which the monies may be borrowed by the Company and outstanding at any time shall not exceed the sum of ₹ 750 Crores (Rupees Seven Hundred and Fifty Crores Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution, without being required to seek any further consent or approval of the Members of the Company.”



**10. Authorization to sell, lease, charge and/or mortgage property of the Company under Section 180 (1)(a) of the Companies Act, 2013**

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

**“RESOLVED THAT** pursuant to the provisions of section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any or any other law for the time being in force, (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the Shareholders of the Company be and is hereby accorded to sell, dispose, mortgage and/ or charge, in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and/or immovable properties of the Company and/or the interest held by the Company in all or any of the movable or immovable properties, both present and future and/or the whole or any part of the undertaking(s) of the Company, together with the power to take over management of the business and concern of the Company in certain events of default, in favour of lender(s), agent(s), and trustee(s) for securing the borrowings of the Company availed/ to be availed by way of loan(s) (in foreign currency and/ or rupee currency) and securities (comprising fully/partly convertible debentures, Non-Convertible Debentures with or without detachable or non-detachable warrant, and/or secured premium notes and/ or floating rate notes/ bonds, (including without limitation, market linked debentures and covered bonds) and/or other debt instruments,

the Company, from time to time, subject to the limits approved under Section 180 (1) (c) of the Companies Act, 2013, from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium and prepayment, remuneration of the agent(s) and/or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in rates of exchange and all other monies payable by the Company in terms of the loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other agreement/ document, entered into/ to be entered into between the Company and lender(s)/ investor(s)/agent(s) and/or trustee(s) in respect of the said loans, borrowing/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of securities as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and/or trustee(s) from time to time for a sum of money which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding ₹ 750 Crores (Rupees Seven Hundred and Fifty Crores Only) at any point of time.

**RESOLVED FURTHER THAT** sale, lease, mortgage/ charge created /to be created and/or all agreements, documents executed, to be executed and all acts done in terms of the above resolution by and within the authority of the Board of Directors be and is hereby confirmed and ratified.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution, without being required to seek any further consent or approval of the Members of the Company.”

## 11. To consider and approve raising of funds for the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 23, 42 and 62 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (“the Act”), Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014 and the other related provisions made there under to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to and in accordance with any other applicable laws or regulation, in India or outside India, including without limitation, the regulations and provisions of Securities Exchange Board of India, as amended, the Foreign Exchange Management Act, 1999 (“FEMA”), as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and

clarifications issued thereon, from time to time, by Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India, the Registrar of Companies or any other relevant authority from time to time (“Regulatory Authorities”), to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be required from such Regulatory Authorities and subject to such conditions and modifications as may be prescribed, stipulated or imposed by such Regulatory Authorities while granting such approvals, consents, permissions and sanctions, the consent, events of default, in favour of lender(s), agent(s), and trustee(s) for securing the borrowings of the Company availed/ to be availed by way of loan(s) (in foreign currency and/ or rupee currency) and securities (comprising fully/partly convertible debentures Non-Convertible Debentures with or without detachable or non-detachable warrant, and/or secured premium notes and / or floating rate notes/ bonds, (including without limitation, market linked debentures and covered bonds) approval and sanction of the Company be and is hereby granted to the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) thereof constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution to the extent permitted by law) to create, offer, issue and allot, with or without a green shoe option, such number of equity shares of the Company with a face value of ₹ 10 (Rupees Ten) each (“Equity Shares”) and/or Equity Shares through convertible bonds (whether denominated in Indian rupees or foreign currency) and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities and/or securities linked to Equity Shares or other securities with or without warrants, which may either be detachable or linked, and which

warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and/ or warrants with an option exercisable by the warrant holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares (including the issue and allotment of Equity Shares pursuant to a green shoe option, if any), or any combination of securities convertible into or exchangeable for equity shares including without limitation through Global Depository Receipts (“GDRs”) and/or American Depository Receipts (“ADRs”) and/ or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/ or partly) and/or Commercial Papers and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with the Equity Shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds (“FCCBs”) and/ or Foreign Currency Exchangeable Bonds (“FCEBs”) and/or any other permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/ or securities linked to equity shares, in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency (all of which are hereinafter collectively referred to as “Securities”) or any combination of Securities, in one or more tranches, in India or in course of international offering(s) in one or more foreign markets, by way of one or more public, preferential allotment and/or private offerings, Qualified Institutions Placement (“Qualified Institutional Placement” or “QIP”) and/or on preferential allotment basis or any combination thereof, through issue of prospectus and/or placement document or other issued or to be issued

by permissible / requisite offer document or private placement offer document to any eligible person, including qualified institutional buyers (“QIBs”) in accordance with Chapter VI of the ICDR Regulations, (whether residents and/or non-residents and/ or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds (foreign or Indian) alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors and/or multi-lateral financial institutions, stabilizing agents and/ or any other eligible investors, and/or to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals and whether they be holders of the Equity Shares of the Company or not (collectively called the “Investors”) as may be decided by the Board in its absolute discretion and permitted under applicable laws and regulations, in consultation with the lead managers, advisors or other intermediaries for an aggregate amount not exceeding ₹ 100 Crores (Rupees One Hundred Crores Only) or its equivalent thereof, in one or more currencies if any, inclusive of such premium as may be fixed on the Securities by offering the Securities, at such price or prices, at a permissible discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer/issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors



and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) or intermediary (ies) appointed and / or to be appointed by the Company (the "Issue").

**RESOLVED FURTHER THAT** Mr. Meghraj Sohanlal Jain, Chairman and Managing Director and Mr. Nilesh Jain, Executive Director and Chief Financial Officer and designated Officers of the Company be and are hereby severally/ jointly authorised to make all filings including as regards the requisite listing application/prospectus/ offer document/ registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges (in India or abroad), the RBI, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolution above and the Common Seal of the Company be affixed wherever necessary.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize all the terms and conditions and the structure of the proposed Securities, take such steps and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings and accept any alterations or modification(s) as it may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the Securities (including in relation to the issue of such Securities in one or more tranches from time to time) and the utilization of the issue proceeds in such manner as may be determined by the Board, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or

desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the Board may suo moto decide in its absolute discretion in the best interests of the Company.

**RESOLVED FURTHER THAT** the Board / committee of directors be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the Issue, all such Equity Shares shall rank pari passu inter-se and with the existing Equity Shares of the Company in all respects, including dividend, which shall be subject to relevant provisions of the Memorandum and Articles of Association of the Company and the applicable laws and regulations including any rules and regulations of Stock Exchanges where the Company is listed.

**RESOLVED FURTHER THAT** the Board / committee of directors be and is hereby authorized to engage, appoint lead manager(s), underwriter(s), guarantor(s), depositories, custodian(s), registrar(s), stabilizing agent(s), trustee(s), banker(s), lawyer(s), advisor(s) and all such professionals or intermediaries or agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangement(s), memorandum(s), arrangement(s), placement agreement(s) / underwriting agreement(s) / deposit agreement(s) / trust deed(s) / subscription agreement/ payment and conversion agency agreement/ any other agreements or documents, etc., authorising any director(s) or any officer(s) of the Company to sign for and on behalf of the Company, the offer

document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board, where required in consultation with the merchant bankers/ lead managers and/or other advisors as mentioned above, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalize, approve and issue any document(s), including finalization and approval of the preliminary as well as final offer document(s), letter of offer, determining the form and manner of the Issue, including the selection of qualified institutional buyers and/or such Investors to whom the Securities are to be offered, issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, period of conversion or redemption, listing on one or more stock exchanges in India and/or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/

**RESOLVED FURTHER THAT** in case of any issue of Securities made by way of QIP, public issuance, private placement, preference allotment Basis in terms of the ICDR Regulations, the allotment of the Securities or any combination of Securities as may be decided by the Board shall be completed within 12 months from the date of this Resolution or such other time as may be allowed under the ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such other percentage as permitted under applicable law on price calculated in accordance with the pricing formula provided under ICDR Regulations.

**RESOLVED FURTHER THAT** the Board / committee of directors be and is hereby authorized to form a committee and/or delegate all or any of its power to any committee of directors (including any officer(s) of the Company) to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Equity Shares.

**RESOLVED FURTHER THAT** for the purpose aforesaid, Mr. Meghraj Sohanlal Jain, Chairman and Managing Director and Mr. Nilesh Jain, Executive Director and Chief Financial Officer of the Company be and are hereby severally/jointly authorized to sign all documents and settle all questions, difficulties, or doubts that may arise in regard to the issue, offer and allotment of the securities and utilization of the issue proceeds as it may in its absolute discretion deem fit."



## 12. Alteration of Memorandum of Association of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications thereof and consent of Members of the Company be and is hereby accorded subject to approval of Registrar of Companies, Maharashtra, Mumbai and such other authorities, as may be applicable in this regard, the object clause of the Memorandum of Association of the Company be and is hereby altered and new objects to be added in Clause III Part A after point 9 as under:

### **"Clause III**

#### **Part A**

10. Issuance of PPI (Prepaid Payment Instruments), offer simplified financial solutions by leveraging PPI, provide payment gateways, payment services through cards, Unified Payments Interface ("UPI") and other permitted modes, operate as Bharat Bill Payment Operating Unit, Payment Aggregator and Payment Gateway and obtain affiliation of authorized card networks and authorization to enable the Company to obtain necessary statutory approvals in this regard. To provide, promote, develop, design, establish, setup, maintain, organize, undertake, manage, operate, run, market, purchase, sell, distribute, resell, import, export and carry on the business of all types/ kinds of electronic and virtual payment systems services, e-wallets, mobile-wallets, cash card, credit cards, debit cards etc., payment gateways services, prepaid and postpaid payment instruments payment systems including open/ closed/ semi-closed systems payment instruments, in India and

abroad including all kinds of payment services in any manner whatsoever either in partnership or by self, subject to regulatory approvals. To provide services, management and consultancy in the field of prepaid and postpaid payment instruments services, electronic and virtual payment systems, transaction processing, and to act as dealers distributors, agents, representative of Indian and foreign concerns/ persons operating in the line of prepaid, postpaid and other payment system services, and allied activities related thereto.

11. To render services as brokers, commission agents, to carry on the business of retail and institutional distribution of the schemes of the Mutual Funds or any other financial products issued by Banks, Mutual Funds or any other financial intermediary.

12. To act as Fully Fledged money changers, Authorized Dealers I and/or II, primary dealers, Money Transfer agent, brokers, dealers, buyers and sellers of all foreign exchange in the form of currencies, travellers' cheques, cards (pre-paid, credit or debit), bonds, notes, instruments, papers, documents, subject to the approval of the Reserve Bank of India and other competent authorities, wherever necessary and applicable, to take positions, hold and trade on the movements of foreign currencies on behalf of customers or otherwise, to hold, operate and transact in foreign currencies and/or exchange by maintaining foreign currency bank accounts or otherwise, and to issue or act as agents for travellers' cheques, cards (pre-paid, credit or debit), phone cards and all instruments in any currency, subject to all rules, regulations and approvals as may be necessary and to deal in documents related to import or export trade, payables or receivables or securities either within or outside India; to engage in the foreign exchange money changing business, money

transfer services in foreign exchange, either in the form of foreign currency notes / coins or travellers' cheques, cards (pre-paid, credit or debit) or any other negotiable instruments to or from India or abroad; to deal in currency or exchange options, swaps, futures, in foreign or Indian currencies in direct or derivative forms in India or abroad on the Company's own behalf or on behalf of its clients; to manage, acquire, hold, exchange, dispose of monies, foreign exchange, investments, funds, pools relating to and/or emanating from India or elsewhere on its own behalf or on behalf of its clients, customers, dealers, brokers, agents, trusts, funds, Government or other bodies; to do the business of broking in exchange, currencies.

13. Carrying on the business of asset management, stock broking, infrastructure debt funding, housing finance, leasing, hire purchase, alternative investment funding.
14. To provide all type of Home Loans including affordable home loans, mortgage loans, home equity loans and related ancillary services.
15. To carry on the financing activities including digital lending and through various payment options, inter alia, credit cards, prepaid cards, stores value cards, debit cards etc. either in partnership or by self, subject to regulatory approvals, as may be required from time to time including but not limited to Closed System pre-paid payment instrument, Semi-closed System pre-paid payment instrument, Open System pre-paid payment instrument, e-wallets, Co-Branded Wallets, FASTag and through any other method, mode, instrument or manner, as may be permitted from time to time."

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to settle any question, difficulty or doubt, to sign such documents as may be necessary, proper or desirable (including but not limited to filing of necessary notices with Stock Exchanges, e-forms and returns with the Ministry of Corporate Affairs or elsewhere) and to carry out modifications/alterations as may be suggested by any regulatory authority in connection with the amendment of Memorandum of Association of the Company and to do all such acts, deeds, matters and things, including delegating such vested authority, as may be considered necessary, proper or expedient in order to give effect to this resolution."

### 13. To Approve Reclassification of Promoters of the Company as Public Shareholders

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), approval from the BSE Limited (herein after referred to as stock exchanges), the Securities and Exchange Board of India and such other Statutory Authorities as may be required and pursuant to other laws and regulations, as may be applicable from time to time (including any statutory modifications or re-enactments thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to reclassify the following applicant from "Promoter" category to "Public" category:

Sr. no	Name of Person /Company	No. of Shares held	% Holding
1	Shree Jaisal Electronics and Industries Limited	9,29,400	4.81%

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

**RESOLVED FURTHER THAT** the above applicant confirmed that all the conditions specified in sub-clause (i) to (vii) of clause (b) of sub-regulation (3) of Regulation 31A of SEBI Listing Regulations have been complied with and also confirmed that at all times from the date of such reclassification, shall continue to comply with conditions mentioned in Regulation 31A of SEBI Listing Regulations post reclassification from "Promoter" to "Public".

**RESOLVED FURTHER THAT** on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned applicant, the Company shall effect such reclassification in the Statement of

Shareholding pattern from immediate succeeding quarter under Regulation 31 of Listing Regulations and in compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.

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

By the Order of the Board

**Sd/-**  
**Meghraj Sohanlal Jain**  
**Chairman & Managing Director**  
**Mangal Credit and Fincorp Limited**  
**DIN: 01311041**

**Place:** Mumbai  
**Date:** July 27, 2023  
**Registered Office:**  
1701/02, 'A' Wing, Lotus Corporate Park,  
Off Western Express Highway,  
Goregaon East, Mumbai- 400063  
**Tel.:** +91 22-42461300  
**E-mail:** [compliance@mangalfincorp.com](mailto:compliance@mangalfincorp.com)



**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. The Company has engaged the services of National Securities Depository Limited ("NSDL") 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.
3. The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/reappointment at this AGM is annexed.
4. 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 SEBI Listing Regulations, for business at Item no. 6 to Item no. 13 as set out in the Notice convening the AGM ("AGM Notice") is annexed hereto.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
6. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
7. A brief profile of the Directors, who are appointed/ re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are provided as annexure to this notice.
8. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at **www.mangalfincorp.com**. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at **www.bseindia.com** respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. **www.evoting.nsd.com**.
11. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Tuesday, September 19, 2023 at 09:00**

**a.m. and ends on Thursday, September 21, 2023 at 05:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 13, 2023, Book Closure is between Thursday, September 14, 2023 to Friday, September 22, 2023. may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, Wednesday, September 13, 2023.**

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:



Type of Shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <b><a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></b> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <b><a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></b>. Select “Register Online for IDeAS Portal” or click at <b><a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></b></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following <b>URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></b> 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on



### Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL **Easi / Easiest facility**, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website **www.cdslindia.com** and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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, 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 CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.

4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. 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.

### Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
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 <b>evoting@nsdl.co.in</b> or call at 022 - 4886 7000 and 022 - 2499 7000
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 <b>helpdesk.evoting@cdslindia.com</b> or contact at toll free no. 1800 22 55 33

### B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at **https://eservices.nsdl.com/** with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
<p>5. Password details for shareholders other than Individual shareholders are given below:</p> <p>a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.</p> <p>b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.</p> <p>c. How to retrieve your 'initial password'?</p> <p>(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.</p> <p>(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.</p>	<p>6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:</p> <p>a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on <b>www.evoting.nsdl.com</b>.</p> <p>b. Physical User Reset Password? (If you are holding shares in physical mode) option available on <b>www.evoting.nsdl.com</b>.</p> <p>c. If you are still unable to get the password by aforesaid two options, you can send a request at <b>evoting@nsdl.co.in</b> mentioning your demat account number/folio number, your PAN, your name and your registered address etc.</p> <p>d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.</p> <p>7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.</p> <p>8. Now, you will have to click on "Login" button.</p> <p>9. After you click on the "Login" button, Home page of e-Voting will open.</p>



Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc.

with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **csvijaytiwari@gmail.com** with a copy marked to **evoting@nsdl.co.in** Institutional shareholders (i.e. other than individuals, HUF, NRI etc) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Prajakta Pawle at **evoting@nsdl.co.in**.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide 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**.



2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **compliance@mangalfincorp.com**. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances

connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remotee-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at **compliance@mangalfincorp.com**. The same will be replied by the company suitably.
6. Registration of Speaker related point needs to be added by company.

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

**Item no. 6 and 7**

The Board of Directors of the Company in line with the requirements of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 proposes to reappoint Ms. Nirupama Charuhas Khandke and Mr. Subramanayam Ganesh, as an Independent Directors on the Board of Directors subject to the approval of the shareholders of the Company. For the reappointment Ms. Nirupama Charuhas Khandke and Mr. Subramanayam Ganesh, their brief profiles, nature of their expertise in specified functional areas and names of companies in which they holds directorships and memberships / chairmanship of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read together with Secretarial Standards 2 are provided at the end of this Notice. In the opinion of the Board, Ms. Nirupama Charuh Khandke (DIN-01605060) and Mr. Subramanayam Ganesh (DIN: 01718431) fulfils the eligibility criteria specified under the Companies Act, 2013, The SEBI Listing Regulations, and the Fit and Proper Criteria prescribed by the RBI. The nomination and remuneration committee of the Board has evaluated the 'Fit and Proper Criteria' prescribed by the Reserve Bank of India (RBI) in accordance with the RBI Master Circular - "Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015" and has recommended the appointment. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, nominating Ms. Nirupama Charuhas Khandke (DIN-0160506) and Mr. Subramanayam Ganesh (DIN: 01718431) to the office of

Independent director on the Board of Directors of the Company. Pursuant to the provisions of Section 149, 160 and other applicable provisions, of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, proposes the Reappointment of abovementioned Directors as an Independent Directors subject to the approval of Members in the annual general meeting.

The Company has received all statutory disclosures/ declarations including, (i) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under subsection (2) of Section 164 of the Act, and (ii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act. The Board, therefore, seeks the support and approval of Shareholders for the Reappointment of Ms. Nirupama Charuhas Khandke (DIN-01605060) and Mr. Subramanayam Ganesh (DIN: 01718431) as an Independent directors, not liable to retire by rotation, to hold office from this Annual General Meeting till 21<sup>st</sup> September, 2028 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof). None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Special Resolution as set out in Item No. 6 and Item no. 7 for the approval of the members.

**Item no. 8**

Pursuant to Regulation 17(IA) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person."

Mr. Ramanathan Annamalai (DIN: 02645247), Independent Director of the Company has attained the age of seventy five years, hence require members approval in the Annual General Meeting through special resolution for his re appointment. He offers himself for re-appointment. He is in good health and of sound and alert mind. The Board is also confident about his being able to function and discharge his duties in an able and competent manner. Based on the recommendation of the Nomination and Remuneration Committee and taking in account Mr. Ramanathan Annamalai's seniority, expertise and vast experience, which has immensely benefited the Company, the Board of Directors considered and recommended the continuation of as a Mr. Ramanathan Annamalai (DIN: 02645247) as an Independent Director of the Company for Shareholders approval .

For the reappointment, his brief profile, nature of his expertise in specified functional areas and names of companies in which he holds directorships and memberships/ chairmanship of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read together with Secretarial Standards are provided at the end of this Notice.

Pursuant to the provisions of Section 149, 160 and other applicable provisions, of the Companies Act, 2013 read with Rules made thereunder and Regulation of 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, proposes the appointment of Mr. Ramanathan Annamalai (DIN: 02645247) as an Independent Directors subject to the approval of Members in the Annual General Meeting.

**Item no. 9 and 10**

Keeping in view the Company's existing and future financial requirements and the business plan, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence, it is proposed to increase the maximum borrowing limits upto ₹ 750 Crores (Rupees Seven Hundred and Fifty Crores Only) over and above paid up capital and Free Reserves of the Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a Annual General Meeting.

Further, in order to facilitate securing the borrowing(s) made by the Company, it would be necessary to create charge or mortgage on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose



of the whole or substantially the whole of the undertaking of the Company subject to the prior approval of members in the General Meeting by way of special resolution.

### **Item no.11**

The Special Resolution proposed is an enabling resolution to facilitate and meet the capital requirements for business activities and to utilize the issue proceeds for general corporate purposes. The resolution contained in the attached Notice pertains to a proposal by the Company to create, offer, issue and allot securities, as stated therein in one or more tranches (referred to as "Securities"). The members may please note that the resolution is only an enabling resolution and the detailed terms and conditions for the offer will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the securities shall be determined at a later stage, exact number of securities to be issued shall also be crystallized later. However, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the offer. As per Section 62 of the Companies Act, 2013, and as per the rules and regulations applicable under the laws, the relevant provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), the approval of existing members is being sought to empower the Board to issue, offer and allot Equity Shares at such price, and if approved at a discount of not more than 5% on the price calculated for the Qualified Institutions Placement or at such other discount as may be permitted under Chapter VI of the ICDR Regulations or premium to market price or prices in such a manner and on such terms and conditions including security, rate of interest, etc. to such person(s) including institutions, incorporated.

The Members' approval to the resolution would have the effect of allowing the Board to offer and allot Securities otherwise than on pro-rata basis to the existing shareholders. The enabling Special Resolution seeks to give the Board the powers to issue Equity Shares as the Board may deem fit, in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board, in its absolute discretion, deems fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law, and other relevant factors. The issue / allotment would be subject to the availability of regulatory approvals, if any as and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchange under the provisions of the Listing Regulations.

### **Item no. 12**

As per the provisions of Section 13(1) of the Companies Act, 2013, alteration of Memorandum of Association requires the prior approval of the Shareholders of the Company by means of a Special Resolution and therefore the Board has recommended the amendment of clause III A (iii) of the Memorandum of Association of the Company.

Board of Directors, at its meeting held on July 27, 2023 approved the alteration of Object clause of Memorandum of Association of the Company subject to shareholders approval in Annual General Meeting.

A copy of the amended Memorandum of Association is available for inspection by the members at the registered office of the Company on all working days during the business hours up to the date of the Annual General Meeting of the Company. None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in the proposed resolution. In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice. The Board therefore recommends the Resolution set out at Item no. 12 for approval of the members as a Special Resolution.

### **Item no. 13**

Members were that the Company has received request from the Promoter i.e. Shree Jaisal Electronics and Industries Limited holding 4.81% shareholding in the Company to reclassify as public shareholders category.

The promoter has neither involved in the management nor holding any controlling stake in the Company. The said promoter does not have special rights as to voting power or control of the Company.

On approval of the Stock Exchange(s) upon application for reclassification of the aforementioned applicant, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI Listing Regulations and in compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.

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

### **By the Order of the Board**

**Sd/-**

**Meghraj Sohanlal Jain**  
**Chairman and Managing Director**  
**Mangal Credit and Fincorp Limited**  
**DIN: 01311041**

**Place:** Mumbai

**Date:** July 27, 2023

**Registered Office:**

1701/02, 'A' Wing, 17th Floor, Lotus Corporate Park, Off Western Express Highway, Goregaon East, Mumbai- 400063

**Tel.:** +91 22-42461300

**E-mail:** [compliance@mangalfincorp.com](mailto:compliance@mangalfincorp.com)



**ANNEXURE I**

**Additional Information of Directors for appointment/re-appointment at the forthcoming annual general meeting pursuant to regulation 36(3) 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 Sohanlal Jain	Mr. Nilesh Jain
DIN	01311041	08788781
Date of Birth	June 25, 1970	January 16, 1988
Age	53	35
Date of appointment on the Board	August 14, 2013	September 30, 2022
Designation	Chairman and Managing Director	Executive Director and Chief Financial Officer
Qualifications	Graduate	MBA in Finance and Marketing
Brief resume, Experience and Nature of his expertise in functional areas	<p>Mr. Meghraj Sohanlal Jain is an entrepreneur and businessman. He is the founder &amp; the promoter of MCFL. He has a vast experience in leasing &amp; finance related business and has over 26 years of experience in Jewellery business.</p> <p>With an entrepreneurial vision, he paved way for the diversification of the group into various sectors. His propensity for innovation and proficient managerial abilities guarantees that the Group remains on the forefront of development. Under his leadership, the Group has endeavored substantial efforts to reinforce and enhance client relationship and set up its solid presence in finance.</p> <p>He was also the director of Mangal Buildhome, which has worked on several construction projects across Maharashtra. With his ultimate marketing skills and strategic thinking he has established a renowned name in the industry.</p>	<p>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 &amp; Strategic planning.</p>

No. of Board Meetings attended during the year 2022-23	4	4
Directorships held in other Companies	Nil	Nil
Membership/ Chairmanship of Committees of other Board	Nil	Nil
No. of Equity shares held in the Company as on March 31, 2023	47,86,565 equity shares	2000 equity shares
Disclosure of relationships between directors inter-se	Nil	Nil
Terms and Conditions of appointment/ re- appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	<p>As per resolution passed by the Members at the 56th Annual General Meeting held on September 29, 2018 read with explanatory statement thereto, Mr. Meghraj Sohanlal Jain was re-appointed as Managing Director of the Company, liable to retire by rotation, who retires by rotation at this AGM and, being eligible, offers himself for reappointment.</p> <p>The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice.</p> <p>For details of remuneration drawn please refer to the Directors Report and Form No. MGT-9 –Extract of Annual Return which is a part of this Annual Report.</p>	<p>As per resolution passed by the Members at the 60th Annual General Meeting held on 30th September, 2022 read with explanatory statement thereto, Mr. Nilesh Jain was appointed as Executive Director of the Company, liable to retire by rotation, who retires by rotation at this AGM and, being eligible, offers himself for reappointment.</p> <p>For details of remuneration drawn please refer to the Directors Report and Form No. MGT-9 –Extract of Annual Return which is a part of this Annual Report.</p>

<b>Name of the Director</b>	<b>Ms. Nirupama Charuhas Khandke</b>	<b>Mr. Subramanyam Ganesh</b>
DIN	01605060	01718431
Date of Birth	July 30, 1965	March 23, 1959
Age	58	64
Date of appointment on the board	June 12, 2018	November 11, 2018
Designation	Non-Executive Independent Director	Non-Executive Independent Director
Qualifications	Graduated from Sydenham College of Commerce and Economics, Churchgate, Mumbai	Graduate and Chartered Accountant

Brief resume, Experience and Nature of his expertise in functional areas	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.	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.
No. of Board Meetings attended during the year 2022-23	4	3
Directorships held in other Companies	2 CNX Corporation Limited CNX Industries Private Limited	4 Gurgaon Infratech Private Limited Landscape Structures Private Limited Delta Greentech World Bombay Ecosystem Private Limited Delta Greentech World Ecosystem Private Limited
Membership/ Chairmanship of Committees of other Board	4	4
No. of Equity shares held in the Company as on March 31, 2023	Nil	Nil
Disclosure of relationships between directors inter-se	NA	NA
Terms and Conditions of appointment/re- appointment along with details of remuneration sought to be paid and and remuneration last drawn by such person	The present appointment is for a period of five years and she is not liable to retire by rotation during the said tenure. Being appointed as the Non-Executive Independent Director, she will be eligible for a Commission (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof.	The present appointment is for a period of five years and he is not liable to retire by rotation during the said tenure.  Being appointed as the Non-Executive Independent Director, he will be eligible for a Commission (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof.

Name of the Director	Mr. Ramanathan Annamalai
Name of the Director	Mr. Ramanathan Annamalai
DIN	02645247
Date of Birth	December 25, 1948
Age	75
Date of appointment on the Board	July 06, 2018
Designation	Non-Executive Independent Director
Qualifications	MBA from PSG College of Technology (University of Madras) & has done PG from Institute of Development Policy & Management, University of Manchester, UK.
Brief resume, Experience and Nature of his expertise in functional areas	Mr. Ramanathan brings over 4 decades of experience in Management of Rural Financial Institutions/ Micro Finance Institutions/ Training organizations/ Business Schools. N 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.
No. of Board Meetings attended during the year 2022-23	4
Directorships held in other Companies	6 Magalir Micro Capital Private Limited IIFL Samasta Finance Limited South India Finvest Private Limited Svasti Microfinance Private Limited Asirvad Micro Finance Limited RGVN(North East) Microfinance Limited
Membership/ Chairmanship of Committees of other Board	2
No. of Equity shares held in the Company as on March 31, 2023	Nil
Disclosure of relationships between directors inter-se	NA
Terms and Conditions of appointment/ re- appointment along with details of remuneration sought to be paid and and remuneration last drawn by such person	The present appointment is for a period of five years and he is not liable to retire by rotation during the said tenure. Being appointed as the Non-Executive Independent Director, he will be eligible for a Commission (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof









**MANGAL**  
CREDIT & FINCORP LIMITED

**Mangal Credit and Fincorp Limited**  
1701/1702, 17th Floor,  
A-Wing, Lotus Corporate Park,  
Western Express Highway,  
Goregaon (East) Mumbai-400063  
Tel no.+91 22 4246 1300