



MANGALAM INDUSTRIAL FINANCE LTD.

3, SYNAGOGUE STREET, 2ND FLOOR, ROOM NO. 17

KOLKATA - 700 001 (W.B.)

PHONE NO. : 033-22101328

E-mail : mifl_1983@yahoo.co.in

website : www.miflindia.com

CIN : L65993WB1983PLCO35815

New Address with Effect From 14.08.2014

"Subol Dutt Building" 13, Brabourne Road,

Mezzanine Floor, Kolkata-700 001, (W.B.)

Phone: +91 33 2231 5686;

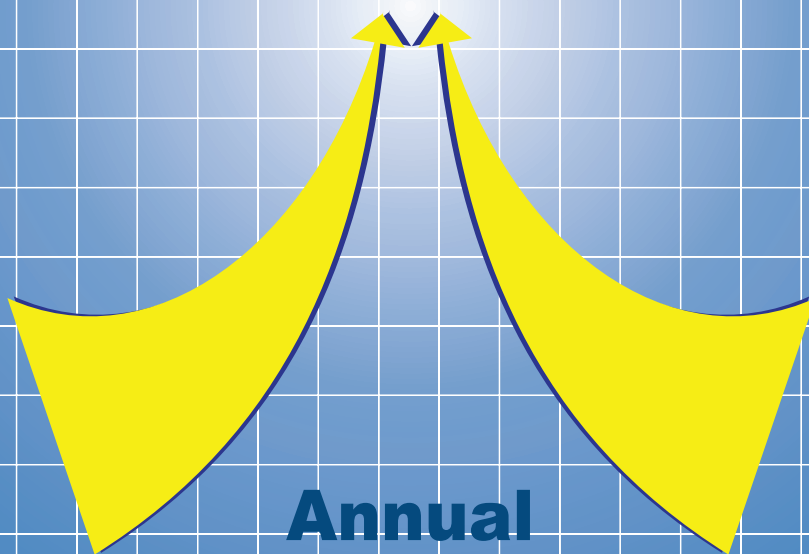
Fax : +91 33 2231 5683

FORM - A

1	Name of the Company	Mangalam Industrial Finance Limited
2	Annual financial statement for the year ended	2013 - 2014
3	Type of Audit observation	Unqualified & No Adverse observations
4	Frequency of observation	No such observations
5	To be signed by - • CEO / Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	<p>Mr. Ramesh Chandra Daga.</p> <p><i>R. C. Daga</i></p> <p>The Company does not have CFO / No CFO in the Company</p> <p>For, MAROTI & ASSOCIATES Chartered Accountants (Firm Registration No. : 322770E)</p> <p><i>M. K. Maroti</i></p> <p>FCA, M. K. MAROTI Proprietor Membership No. 057073</p> <p>Mr. Arun Chakraborty. <i>Arun Chakraborty</i></p>



MANGALAM INDUSTRIAL FINANCE LIMITED



**Annual
Report
2013-2014**

Contents : -

☑ <i>Corporate Information's.</i>	2
☑ <i>Chairman's Speech.</i>	3
☑ <i>Notice to the Shareholders.</i>	4
☑ <i>Explanatory Statement.</i>	10
☑ <i>Director's Report</i>	17
☑ <i>Annexure to the Director's Report</i>	21
☑ <i>Management Discussion and Analysis Report</i>	32
☑ <i>CEO Certificate</i>	36
☑ <i>Auditors Report on Non-Banking Financial Company</i>	37
☑ <i>Auditors Report Corporate Governance</i>	38
☑ <i>Auditors Report</i>	39
☑ <i>Balance Sheet</i>	44
☑ <i>Profit & Loss Account</i>	45
☑ <i>Notes on Accounts</i>	46
☑ <i>Cash Flow Statements</i>	57
☑ <i>Statement under section 212</i>	61
☑ <i>Consolidated Auditors Report</i>	62
☑ <i>Consolidated Balance Sheet</i>	64
☑ <i>Consolidated Profit & Loss Account</i>	65
☑ <i>Consolidated Notes on Accounts</i>	66
☑ <i>Consolidated Cash Flow Statement</i>	75
☑ <i>Form SH-13 for registration of Nominee</i>	
☑ <i>E-mail Address Registration Form</i>	
☑ <i>Attendance Slip</i>	
☑ <i>Proxy Form</i>	
☑ <i>Ballot Paper</i>	

Corporate Information's

<u>BOARD OF DIRECTORS</u>	:	Mr. Ramesh Chandra Daga (Chairman, Managing Director & CEO) Mr. Tapas Mondal (Executive Director) Mr. Arun Chakraborty Mr. Sudarson Kayori Mr. Rathindra Nath Ghosh Mrs. Kakoli Mondal (Upto 06.09.2013)
<u>REGISTERED OFFICE[#]</u>	:	SUBOL DUTT BUILDING, 13, Brabourne Road, Mezzanine Floor, Kolkata-700001. (West Bengal) Tel.: +91 33 2210 1328 E-mail : mifl_1983@yahoo.co.in : info@miflindia.com Website : www.miflindia.com
<u>AUDITORS</u>	:	M/S. Maroti & Associates Chartered Accountants 9/12, Lal Bazar Street, Block-‘E’, 3rd Floor, Room No.2, Kolkata - 700 001 Tel.: +91 33 2231 9392 / 9391 Fax: +91 33 2243 8371 E-mail : mkmaroti@gmail.com
<u>BANKERS</u>	:	Central Bank of India HDFC Bank Ltd.
<u>REGISTRARS AND</u> <u>SHARE TRANSFER AGENTS</u>	:	Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B. R. B. Road, 5th Floor, Kolkata - 700 001 Tel.: +91 33 2235 7270 / 7271 Fax: +91 33 2215 6823 E-mail: nichetechpl@nichetechpl.com
<u>COMPANY SECRETARY</u>	:	Mr. Sanjaya Kumar Rout E-mail : info@miflindia.com

The Reg. Off. Add. has been changed w.e.f. 14th August, 2014. Formerly: Reg. Off. Add
3, Synagogue Street, 2nd Floor, Kolkata-700001. (West Bengal)

Chairman's Speech

From the Chairman's Desk

Dear Shareholders,



The financial year 2013-14 has been a challenging one. The year began with a difficult outlook and at one point of time it seemed that India was headed towards a period of severe economic slowdown. Economic growth was clouded by a high inflationary environment and mounting fiscal imbalance on account of elevated commodity prices, primarily Oil and Gold. The year did, in the end, witness a decadal low in GDP growth. The recent depreciation in the Rupee may translate into further stress on the economy.

However, I am pleased to note that some of the factors contributing to this growth de-acceleration have begun to turn around. Inflation is softening, interest rates are expected to fall and price of Oil and Gold have corrected. This has given room to both the Government and a judicious Central Bank to pursue a more lenient economic policy. The process of financial easing has begun with the new & stable government with majority in India. The difficult economic environment and fear of country rating downgrade also nudged the Government to bring in a slew of economic reforms and focus on balancing its books. These reforms, in my opinion, are steps in the right direction and should hold the economy in good stead in the long term.

For a developing economy like ours, sustained growth is an imperative and one of the key requirements for the same is reigniting the investment cycle. Creating a conducive environment for investments is the responsibility of the Government and the New Government, to its credit, has earnestly attempted to address some of the issues facing the Indian economy by embarking on the process of fiscal consolidation and ushering in reforms. Another key element of reigniting the investment cycle is infusion of risk capital. The Private Equity industry has been playing a stellar role in channelizing risk capital into the country, and has emerged as one of the largest sources of fresh risk capital for the economy.

Investors have not ignored India completely as evidenced by the record inflows in listed equities space in recent times. The economic outlook is also expected to improve in the near term. This, hopefully coupled with continued liquidity in the global markets, may result in the Private Equity space witnessing more activity on the fund raising and deployment front. My pleasure to inform you that entire equity share of your company had been listed on BSE Ltd at the end of the last quarter of the Financial Year 2013-14 providing ready marketability of securities on a continuous basis adding prestige and importance to the company. This will increase your company's credential and we can borrow from financial institutions easily as it is rated favorably by lenders of capital; the company can also raise additional funds from the public through the new issue market with a greater degree of assurance. The new funds sought to be raised break new ground for the Company and are steps towards our ambition to build a more global fund house. Developing a diversity of product profile targeting disparate risk Appetites, and geographies, has been our focus during 2014-15.

Ramesh Chandra Daga
Chairman & Managing Director
20th day of May, 2014

Notice To The Shareholders

NOTICE is hereby given that the **Annual General Meeting** of the Members of **M/s. Mangalam Industrial Finance Ltd.** will be held at “**Community Hall**” at **10, Debendra Ghosh Road, Gr. Floor, Kolkata - 700 025**, on **Wednesday, 24th Day of September, 2014** at **2.30 P.M.** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Director's Report and Audited Profit & Loss account for the year ended **31st March, 2014** and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint Director in place of Mr. Rathindra Nath Ghosh (DIN: 00152267) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and if thought fit, to pass with or without modification(s), the following Resolution as **an Ordinary Resolution**:

“RESOLVED THAT M/s. Maroti & Associates., Chartered Accountants, be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

Special Business:

4. Appointment of Mrs. Vinita Daga (DIN: 00080647), as Managing Director of the Company and to consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval & consent of the Company be and is hereby accorded to the appointment of Mrs. Vinita Daga (DIN: 00080647) as the Managing Director (Key Managerial Personal) of the Company for a period of five years with effect from 1st day of October 2014 upon the terms and conditions including remuneration as set out in the explanatory statement annexed to this Notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of her appointment) with liberty to the Board of Directors (hereinafter referred to as “**the Board**” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter, vary and finalize the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mrs. Vinita Daga, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

RESOLVED FURTHER THAT that the Board or a Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

5. To appoint Mr. Pradeep Kumar Daga (DIN:00080515), as Non-Executive Director and to consider & if thought fit to pass with or without modification, the following Resolution as **Ordinary Resolution**:

“RESOLVED THAT Mr. Pradeep Kumar Daga (DIN:00080515), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation and eligible to be reappointed.”

6. To appoint Mr. Tapas Mondal (DIN:00087387) Executive Director of the Company who is eligible to retire by rotation at this AGM being eligible, offers himself for appointment as Whole Time Director designated as CFO and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Tapas Mondal (DIN:00087387), Director of the Company who eligible to retire by rotation at this AGM being eligible, offers himself for re-appointment as Whole Time Director designated as Executive Director & Chief Financial Officer (Key Managerial Personal) of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provision of the Companies Act, 2013 and the companies (Appointment & Remuneration of managerial Personal) Rule, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) the consent of the Company, be and is hereby accorded to the appointment of Mr. Tapas Mondal (DIN:00087387) as a Whole-Time & Executive Director of the Company designated as “Chief Financial Officer” (CFO) for a period of three years effective from the date of conclusion of this AGM up to 30.09.2017 on the terms and conditions of appointment and remuneration as set out in the statement annexed to the Notice convening this meeting, with the liberty to “the Board” (which term shall include nomination & Remuneration Committee of the Board) to alter and vary the terms & Condition of the said appointment and/or remuneration as it may deem fit and may be acceptable to Mr. Tapas Mondal, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956).

RESOLVED FURTHER THAT the Board be & hereby authorized to do all acts and take all such steps as may be necessary and expedient to give effect to this resolution”

7. Appointment of Mr. Arun Chakraborty (DIN:00140430) as an Independent Director and in this regard 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 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (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. Arun Chakraborty (DIN:00140430), Non-Executive Director of the Company whose period of office is liable to determination by retirement of directors by rotation has submitted a declaration that he meets the criteria for Independent Director pursuant to section 149 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to 30th September, 2017.”

8. Appointment of Mr. Sudarson Kayori(DIN 00165816) as an Independent Director and in this regard 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 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (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. Sudarson Kayori(DIN 00165816), Non-Executive Director of the Company whose period of office is liable to determination by retirement of directors by rotation has submitted a declaration that he meets the criteria for Independent Director pursuant to section 149 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to 30th September, 2017.”

9. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:
Subol Dutt Building
13, Brabourne Road, Mezzanine Floor,
Kolkata -700 001 (W.B)

By Order of the Board of Directors
For Mangalam Industrial Finance Ltd.

CIN : L65993WB1983PLC035815
Dated: 21st Day of August, 2014
Place : Kolkata

Mr. Ramesh Chandra Daga
Managing Director
DIN : 00080751

NOTE :-

1. A Member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote, instead of himself/herself. A proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
2. The instrument of proxy in order (duly completed & signed) to be effective must reach at the Registered Office of the Company not less than 48 hours before the commencement of meeting.
3. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority authorizing their representative to attend and vote at the Annual General Meeting.
4. A proxy shall not vote except on a poll. A proxy form is appended with the admission slip.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. Member seeking any clarification on account of the company or requested to send their query in writing to the company at registered office addressing to Managing Director or through e-mail at info@miflindia.com. The query must reach to the company either by mail or e-mail at least seven working days before the date of AGM (excluding the date of AGM).
7. The Register of Members and Share Transfer Books of the Company will remain closed from **18th September, 2014 to 24th September, 2014** (both days inclusive)
8. As a measure of economy, copies of the Annual Report will not be distributed at the Meeting. Members are, therefore, requested to bring the copies of Annual Report.
9. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository.
10. Members are requested to send all their communications pertaining to shares & notify change in their address/mandate/bank details to The Registrar & Share Transfer Agent, **M/s. Niche Technologies Pvt. Ltd.** to facilitate better servicing.
11. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to The Registrar & Share Transfer Agent, M/s. Niche Technologies Pvt. Ltd., for their doing the needful.
12. In furtherance of the Green Initiative and Section 101 of the Companies Act, 2013 read with Rule 18(3) (i) of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014, the Company urges the Members to register their email address with the Company and / or its Registrar and Share Transfer Agent, M/s. Niche Technologies Pvt. Ltd, for receiving the Annual Report and Accounts, Notices etc. in electronic mode. The Form for such registration is being attached with the Annual Report. In future all the Annual Report and Accounts, Notices and other communications etc. will be sent in electronic mode to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same. Positive consent letter is attached to the Notice being sent to the Members for giving consent to receive documents in electronic mode.
13. In future electronic copy of the Notice of General Meetings of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form will be sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same.
14. Members are advised that it is mandatory to furnish copy of PAN Card both side signed as self-attested in the following cases:
 - i) Transferees' PAN Cards for transfer of shares,
 - ii) Legal heirs' PAN Cards for transmission of shares,
 - iii) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder and
 - iv) Joint holders' PAN Cards for transposition of shares.
15. Members may also note that the Notice of the Annual General Meeting and the Annual Report 2013-2014 will also be available on the Company's website: www.miflindia.com for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@miflindia.com.

16. Process and manner for members opting for E-voting.

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
- II. Similarly, members opting to vote physically can do the same by remaining present at the meeting and should exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.
- III. The instructions for e-voting are as under:
 - (i) The e-voting period begins on the **“Thursday” 18.09.2014 from 9.30 A.M. and ends on the “Saturday” 20.09.2014 till 6.00 P.M.** During this period, shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (Record Date) of 14.08.2014** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (iii) Click on **“Shareholders”** tab.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by “0” (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr / Mrs / Smt / Miss / Ms / M/s etc. <p>Example:</p> <p>(1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245</p> <p>(2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052</p>

DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> Please Enter the DOB or Bank Account Number in order to Login. If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on Cut-Off Date (Record Date) of 14-August-2014

- (viii) After entering these details appropriately, click on **“SUBMIT”** tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **“Mangalam Industrial Finance Ltd.”** on which you choose to vote.
- (xii) On the voting page, you will see **“Resolution Description”** and against the same the option **“YES/NO”** for voting. Select the option **YES or NO** as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the **“RESOLUTIONS FILE LINK”** if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on **“SUBMIT”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“OK”**, else to change your vote, click on **“CANCEL”** and accordingly modify your vote.
- (xv) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on **“Click here to print”** option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on **Forgot Password &** enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- 17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on **the cut-off date (Record Date) of 14.08.2014**.
- 18. M/s. Pramod Agarwal & Co., A Practicing Company Secretary, C.P. Membership No. 4193 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 19. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 20. The Results shall be declared on or after the Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting (AGM) of the Company on 24th September, 2014 by 6.30 P.M and communicated to the Stock Exchange(s).

Registered Office:
Subol Dutt Building
13, Brabourne Road, Mezzanine Floor,
Kolkata -700 001 (W.B)

By Order of the Board of Directors
For Mangalam Industrial Finance Ltd.

CIN : L65993WB1983PLC035815
Dated: 21st Day of August, 2014
Place : Kolkata

Mr. Ramesh Chandra Daga
Managing Director
DIN : 00080751

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

PURSUANT TO SECTION 102 OF THE COMPANIES Act, 2013 (‘The ACT’), the following explanatory statements sets out all material facts relating to the business mentioned under items No. 4 to 9 of the accompanying notice dated 21st August, 2014.

To Resolution No. 4.

Your Director wish to place on record their kind appreciation of valuable guidance, support and advice rendered by Mr. Ramesh Chandra Daga, whose terms of appointment as Managing Director complete on 30.09.2014 and he is not seeking re-appointment and resign from the directorship. His resignation shall be effective from 1st day of October, 2014.

Further, keeping in view the legal requirements as per the provisions of Sections 196 and 203 and all other applicable provisions of the Companies Act, 2013 and in the interest of stakeholder. The Board of Directors and the Nomination Committee at their meeting held on 14th August, 2014 has proposed appointment of Mrs. Vinita Daga as Managing Director for a period of five years with effect from 1st day of October, 2014 up to 30th day of September, 2019 and also the terms and conditions of her appointment and remuneration of Rs. 8,000/- Per month as recommended by the remuneration committee, subject to the approval of the Central Government and Members. The main terms and conditions of appointment of Mrs. Vinita Daga (hereinafter referred to as “MD”) is given below:

A. Tenure of Appointment:

The appointment of the MD is for a period of 5 years with effect from 1st October, 2014.

B. Remuneration:

The MD shall be entitled to remuneration as stated hereunder in terms of Schedule V of the Companies Act, 2013:

(i) Remuneration:

- (a) Basic salary Rs. 8,000 per month, with authority to the Board or a Committee thereof to fix his basic salary
- (b) Commission and/or incentive remuneration based on performance criteria to be laid down by the Board; and
- (c) Benefits, perquisites and allowances as may be determined by the Board from time to time over and above the basic salary.

(ii) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the MD, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites, allowances and incentive remuneration as specified above. The aggregate of the remuneration as aforesaid in any financial year shall not exceed the limit prescribed from time to time under Section 197 and under Section 198 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any statutory modifications or re-enactment thereof for the time being in force or otherwise as may be permissible by law.

C. Terms & Conditions

Apart from the aforesaid remuneration, she will be entitled to reimbursement of all expenses incurred in connection with the business of the Company. The appointee shall not be entitled to any sitting fees for Board / Committee meetings. The above remuneration will be payable as the minimum remuneration even in the case of loss or inadequacy of profits in any financial year during the term of her appointment and will be subjected to the provisions of Schedule V of the Companies Act, 2013 and the remuneration shall not exceeding Rs 8,000/- per month (as above). The appointee shall not be entitled to any sitting fees for Board / Committee meetings.

At present the said perquisites, allowances, leave salary and gratuity are nil but eligible for modifications subject to the approval of remuneration and audit committee.

The terms and conditions of the said appointment and/or agreement are subject to the provisions of Section 197 and section 198 of the Companies Act, 2013 and may be altered and varied from time to time by the Board as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

D. Termination of Service:

The Service may be terminated by either party giving the other one months' notice subject to the applicability & compliance of relevant provisions of the Companies Act 2013 and Rules & Regulation made in its respect. **Mrs. Vinita Daga** shall perform such duties and exercise such powers as are entrusted to her by the Board. The above may be treated as an abstract of the terms between the Company and **Mrs. Vinita Daga** under Section 190 of the Companies Act, 2013.

Disclosure of Interest in the resolution

Mrs. Vinita Daga, may be deemed to be concerned or interested, in respect of her appointment as a Director. None of the directors are interest in the resolution except the appointee director (Mrs. Vinita Daga), Mr. Pradeep Kumar Daga and Mr. Ramesh Chandra Daga who are relative pursuant to section 2(77) the Act read with Rule 4 of Companies (Specific Definition) Rule 2014.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

To Resolution No. 5.

The Board of Directors proposed that Mr. Pradeep Kumar Daga be appointed as a Non-Executive Director of the Company.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and thereafter the matter was placed before the Nomination & Remuneration Committee, which commends & approved his appointment as Director

Mr. Pradeep Kumar Daga is doyen in security market with more than 25 years' experience in the Capital & Financial Market and one of the most respected business personalities in India. He possesses vast expertise and knowledge in Accounts, Finance and Corporate Restructuring. He is a leader to care, to adopt strategic decision and to build a team for the interest of its stakeholder.

In the opinion of the Board it will be in the interest of the Company that Mr. Pradeep Kumar Daga is appointed as Director. Further, keeping in view his vast expertise and knowledge, it is proposed to appoint Mr. Pradeep Kumar Daga, as non-executive director who shall retire by rotation at AGM & be eligible for reappointment.

Mr. Pradeep Kumar Daga is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He holds 100 equity shares in the Company.

Mr. Pradeep Kumar Daga, may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of his appointment as a Director. Mr. Ramesh Chandra Daga being his brother and Mrs. Vinita Daga being his wife are his relative and may be deemed to be concerned or interested in the appointment of Mr. Pradeep Kumar Daga.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

To Resolution No. 6.

Mr. Tapas Mondal has been Director of the Company since 31.01.2005 and has held the positions as Executive Director from 11.06.2008. The Board of Directors of the Company at their meeting held on 14th August, 2014 proposed to appoint Mr. Tapas Mondal as a Director whose period of office is liable to determination by retirement of directors by rotation and as Whole-time Director designated as "Director - Finance & Control" for a period of Three years commencing from 1st Day of October, 2014 up to 30th September, 2017.

The approval of the members is being sought to the terms, conditions and stipulations as under for the appointment of Mr. Tapas Mondal as the "Whole-time Director and Chief Financial Officer."

Remuneration:

- (a) Basic salary Rs. 7,000 per month, with authority to the Board or a Committee thereof to fix his basic salary
- (b) Commission and/or incentive remuneration based on performance criteria to be laid down by the Board; and
- (c) Benefits, perquisites and allowances as may be determined by the Board from time to time over and above the basic salary.

The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Mr. Tapas Mondal as Whole Time Director & CFO, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites, allowances and incentive remuneration as specified above. The aggregate of the remuneration as aforesaid in any financial year shall not exceed the limit prescribed from time to time under Section 197 and under Section 198 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any statutory modifications or re-enactment thereof for the time being in force or otherwise as may be permissible by law.

Terms & Conditions:

Mr. Tapas Mondal shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to Finance and Control. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Mr. Tapas Mondal or the Company, by one party giving to the other 1 (one) calendar months' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

The period of office of Mr. Tapas Mondal shall be liable to determination by retirement of directors by rotation. If Mr. Tapas Mondal is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director designated as "Director-Finance & Control and Chief Financial Officer" and such re-appointment as director shall not be deemed to constitute break in his appointment as a Whole-time Director designated as "Director-Finance & Control and Chief Financial Officer".

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Ordinary Resolution set out at item no.6 of the accompanying Notice for the approval of the Members. The appointment of Mr. Tapas Mondal is appropriate and in the best interest of the Company.

Copy of the Draft Agreement referred to in the Resolution and the Register maintained in pursuance of erstwhile Section 301 of the Companies Act, 1956, would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, up to and including the date of the Annual General Meeting.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice. This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the shareholders.

To Resolution No. 7.

As per the provisions of Section 149 of the Companies Act 2013 which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Arun Chakraborty has been Directors of the Company since 2004 and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and thereafter the matter was placed before the Nomination & Remuneration Committee, which commends & approved his appointment as Independent Director.

In the opinion of the Board, Mr. Arun Chakraborty is independent of the management and fulfills the conditions for appointment as Independent Director as specified in the Act, the Listing Agreement and the Rules made there under.

Further, it is proposed to appoint Mr. Arun Chakraborty as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for three consecutive years with effect from 24th September, 2014 up to 30th September, 2017.

Mr. Arun Chakraborty is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declarations from Mr. Arun Chakraborty that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and under Clause 49 of the Listing Agreement.

The terms and conditions of appointment of Mr. Arun Chakraborty, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

The Company and Mr. Arun Chakraborty shall abide by the provisions specified in Schedule IV of the Act, and shall be governed and guided by the guidelines of professional conduct, role and functions, duties, manner of appointment, reappointment, resignation or removal, separate meetings and evaluation mechanism as provided therein.

Mr. Arun Chakraborty is interested and concerned in the Resolution mentioned at Item No.7 of the Notice. Save & except the above none of the other Director, key managerial personnel or their respective relative is concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

To Resolution No. 8.

As per the provisions of Section 149 of the Companies Act 2013 which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Sudarson Kayori has been Directors of the Company since 2004 and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and thereafter the matter was placed before the Nomination & Remuneration Committee, which commends & approved his appointment as Independent Director.

In the opinion of the Board, Mr. Sudarson Kayori is independent of the management and fulfills the conditions for appointment as Independent Director as specified in the Act, the Listing Agreement and the Rules made there under.

Further, it is proposed to appoint Mr. Sudarson Kayori as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for three consecutive years with effect from 24th September, 2014 up to 30th September, 2017.

Mr. Sudarson Kayori is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declarations from Mr. Sudarson Kayori that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and under Clause 49 of the Listing Agreement.

The terms and conditions of appointment of Mr. Sudarson Kayori, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

The Company and Mr. Sudarson Kayori shall abide by the provisions specified in Schedule IV of the Act, and shall be governed and guided by the guidelines of professional conduct, role and functions, duties, manner of appointment, reappointment, resignation or removal, separate meetings and evaluation mechanism as provided therein.

Mr. Sudarson Kayori is interested and concerned in the Resolution mentioned at Item No.8 of the Notice. Save & except the above none of the other Director, key managerial personnel or their respective relative is concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

To Resolution No. 9.

The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs (“MCA”) had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of

the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal (“Tribunal”) such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by Registered Valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table ‘F’ of the Act which sets out the model articles of association for a company limited by shares. Shareholder’s attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) New provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased’s interest in the shares;
- (c) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (d) existing articles have been streamlined and aligned with the Act;
- (e) the statutory provisions of the Act which permit a company to do some acts “if so authorized by its articles” or provisions which require a company to do acts in a prescribed manner “unless the articles otherwise provide” have been specifically included; and
- (f) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company’s website for perusal by the shareholders. The Board commends the Special Resolution set out at Item No.9 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

Registered Office:
Subol Dutt Building
13, Brabourne Road, Mezzanine Floor,
Kolkata -700 001 (W.B)
CIN : L65993WB1983PLC035815
Dated: 21st Day of August, 2014
Place : Kolkata

By Order of the Board of Directors
For Mangalam Industrial Finance Ltd.

Mr. Ramesh Chandra Daga
Managing Director
DIN : 00080751

Directors' Report

To
The Members,

Your Directors have pleasure in presenting the **Annual Report** of the Company together with Audited Accounts for the year ended on **31st March, 2014**.

1. FINANCIAL RESULTS :

Rs. in Lakh

	Standalone	
	Current Year	Previous Year
PROFIT/(LOSS) BEFORE TAXATION	(8.68)	13.11
Current Tax	0.00	(7.01)
Mat Tax Credit	0.00	(0.20)
Deferred Tax	0.81	(0.75)
PROFIT / (LOSS) AFTER TAX	(7.88)	5.16
Provision for Standard Assets (As per RBI Act)	1.33	0.99
Assessed Tax for earlier years	0.00	0.00
Brought forward from earlier years	(30.16)	(35.28)
Balance Carried To Balance Sheet	(36.71)	(29.12)

2. Review of Operations & Performance & Future outlook:

In the year under review, the revenue from operations had been declined by 75% due to precarious market conditions. However, the profit of the Company before exceptional expenditures stands at Rs. 4,23,776 /- but BSE Direct Listing application & process cost of Rs.12,92,120/- penetrated a Loss of Rs. 8,68,364/- to the Company. Further, Your Directors are identifying prospective investments mix strategies that will maximize the revenue of the company during the current Financial Year.

3. DIVIDEND :

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

4. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS :

The Ministry of Corporate Affairs, Government of India, has granted a general exemption to companies, by General Circular No.2/2011 dated 8th February, 2011, under Section 212 (8) of the Companies Act, 1956, from attaching individual accounts of subsidiaries with their annual reports, subject to fulfillment of certain conditions.

Accordingly, the Board of Directors of the Company has, by resolution, given consent for not attaching the Balance Sheet, Statement of Profit and Loss and other documents of its subsidiaries in the Annual Report of the Company for the financial year ended 31st March, 2014.

However, the Consolidated Financial Statements of the subsidiaries (prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India), form part of the Annual Report and are reflected in the Consolidated Accounts of the Company. In addition, the financial data of the subsidiaries have been furnished under section 212 of companies Act, 1956 as a note to the Consolidated Financial Statements and forms part of this Annual Report.

The annual accounts of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the head offices of the respective subsidiary companies and will be available to investors seeking information at any time.

5. AUDITORS :

At the Annual General Meeting, Members will be required to appoint Auditors for the current financial year 2014-15. M/s. Maroti & Associates, Chartered Accountants, the existing Statutory Auditors have furnished a certificate, confirming that if re-appointed for the financial year 2014-15, their re-appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. The Members are requested to consider their re-appointment as Auditors of the Company for the current year and authorize the Board of Directors to fix their remuneration.

6. DIRECTORS :

Your Director wish to place on record their kind appreciation of valuable guidance, support and advice rendered by Mr. Ramesh Chandra Daga, whose terms of appointment as Managing Director complete on 30.09.2014 and he is not seeking re-appointment and resign from the directorship. His resignation shall be effective from 1st day of October, 2014. Further, keeping in view the legal requirements as per the provisions of Sections 196 and 203 and all other applicable provisions of the Companies Act, 2013 and in the interest of stakeholder Mrs. Vinita Daga be & is hereby proposed to be appointed as Managing Director of the Company.

Mr. Pradeep Kumar Daga is doyen in security market with more than 25 years' experience in the Capital & Financial Market and one of the most respected business personalities in India. He possesses vast expertise and knowledge in Accounts, Finance and Corporate Restructuring. He is a leader to care, to adopt strategic decision and to build a team for the interest of its stakeholder. In the opinion of the Board it will be in the interest of the Company that Mr. Pradeep Kumar Daga is appointed as Director. Further, keeping in view his vast expertise and knowledge, it is proposed to appoint Mr. Pradeep Kumar Daga, as non-executive director who shall retire by rotation at AGM & be eligible for reappointment.

Your Director wishes to place on record their kind appreciation to Mrs. Kakoli Mondal for her association with the company and her support and advice helped in pivotal decision making.

Mr. Rathindra Nath Ghosh who retires by rotation and being eligible, offers himself for re-appointment.

Mr. Tapas Mondal is associated as Director of the company form past eight years & above. He has served the company with his people management skill & possesses vast experience and knowledge in Accounts and Finance. The Board therefore decided to appoint him as a Whole time executive director of the company designated as “Chief Financial Officer” (CFO) for a period of three years effective from the date of conclusion of this AGM up to 30.09.2017 on the terms and conditions of appointment and remuneration as set out in the statement annexed to the Notice convening this meeting.

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

7. DIRECTORS’ RESPONSIBILITY STATEMENT :

Pursuant to the requirement of clause c of sub-section 1 and sub section 5 of section 134 of the Companies Act, 2013 (‘the Act’) and corresponding to the section 217 (2AA) of the Companies Act, 1956 and based on the representations received from the operating management, the Directors hereby confirm that:

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

8. PERSONNEL :

Human Capital is an important asset for the Company and the Company has taken and shall continue to take adequate steps towards education and enrichment of the human capital. Your Directors place on record the sense of appreciation for the valuable contribution made by the staff members of the company and hope that their continued support will help in achieving the goals of the Company. None of the employees of the company are in receipt of remuneration in excess of the limit prescribed under Section 217(2A) of the Companies Act, 1956.

9. STATUTORY INFORMATION :

Particulars required to be furnished by the companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988:

1. CONSERVATION OF ENERGY	:	Nil
2. TECHNOLOGY ABSORPTION & ADOPTION	:	Nil
3. FOREIGN EXCHANGE EARNING & OUTGO	:	Nil

10. CORPORATE GOVERNANCE :

As required under clause 49 of the listing agreement with the Stock Exchange, the Report on Corporate Governance together with Auditors view regarding compliance of the SEBI code of Corporate Governance is annexed herewith.

11. Listing at BSE Ltd.

Your directors are pleased to inform you that entire equity share of your company had been listed on BSE Ltd at the end of the last quarter of the Financial Year 2013-14 providing ready marketability of securities on a continuous basis adding prestige and importance to the company. This will increase your company's credential. This is a step towards our ambition to build a more diversified product profile targeting disparate risk appetites.

12. ACKNOWLEDGEMENTS :

The Board wishes to place on record their gratitude for the co-operation and assistance received from all those who contributed by some means or other for the performance of the company and expect the same in the future.

For and on behalf of the Board

Date : **27th day of May, 2014**
Place: **Kolkata**

Tapas Mondal
Director

Ramesh Chandra Daga
Managing Director

ANNEXURE - TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below.

A) MANDATORY REQUIREMENTS:

1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At MIFL, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. These main drivers and initiative play a pivotal role in fulfilling our vision To become one of the most respected and preferred Financial Services Organization through innovative products enabling wealth creation for all our stakeholders and our mission to provide personalized, fast, reliable, quality-driven, convenient, and cost effective solutions to our clients through Innovative Product Structure, Personalized Approach & Services, Effective Cost Management, Ethical and transparent Practices and delivering what we promise. The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has implemented mandatory requirements of the code of Governance as mentioned in clause 49 of the Listing Agreement.

2) BOARD OF DIRECTORS

Composition:

The Board of Directors of the Company comprises of Executive and Non-Executive; and Independent Directors. The Chairman is an Executive Director. In all, there were 5 Directors, including 3 Independent Directors as on 31st March, 2014. The Directors do not hold chairmanship on Board of other public companies. As on 31st March, 2014, the composition of the Board of Directors of the Company meets the stipulated requirements of Clause 49 of the Listing Agreement of the Stock Exchanges in following manner:

Name of the Director	Designation	Category of Directorship	No of other Directorship in other Companies		Membership of Board committees of other Companies
			Public	Private	
Mr. Ramesh Chandra Daga	Managing Director	Promoter & Executive	11	12	--
Mr. Tapas Mondal	Director	Executive	8	14	--
Mr. Suderson Kayori	Director	Non-Executive Independent	1	--	1
Mr. Arun Chakraborty	Director	Non-Executive Independent	1	--	1
Mr. Rathindra Nath Ghosh	Director	Non-Executive Independent	--	--	--

Mrs. Kakoli Mondal has resigned from the board of Directors of the Company on 06.09.2013 and the Board members expressed their gratitude for contribution made by her and her continuous support and advice that helped in pivotal decision making.

Board Procedure:

There is a set of rules and regulations for governing the procedure to be followed while conducting the Board and Committee Meetings. The Company adheres to Secretarial Standard 1 as specified by The Institute of Company Secretaries of India, for conducting the Board Meetings. The Company Secretary of the Company circulates the agenda of the meeting along with all the supporting documents to all the directors entitled to receive the same, to facilitate meaningful and quality discussions at the time of the meeting.

The basic information furnished to Board Members and the Procedure is set out as hereunder:

- a) Minutes of the proceedings of each Board/ Committee/ General Body Meetings are recorded. Draft minutes are circulated amongst all members for their feedback/comments. The minutes of all the meetings are entered in the minute's book.
- b) The Board/Committee Members have unqualified access to all information available with the Company. The information generally provided to the Members inter-alia includes:
 - i. Annual operating plans, budgets and any updates;
 - ii. Capital budgets and any updates;
 - iii. Quarterly/Annual results of the Company;
 - iv. Minutes of the meetings of Audit Committee and other Committees of the Board;
 - v. Notice of Disclosure of Interest;
 - vi. Material important litigations, show cause, demand and penalty notices, if any and status updates;
 - vii. Sale of material nature of investments, subsidiaries and assets, which are not in the normal course of business;
 - viii. Establishment, operations and Set up of Joint Venture, Subsidiary or Collaboration etc.,
 - ix. Investment/Divestment of Joint Ventures, Subsidiaries;
 - x. Acquisitions/ Amalgamation/ Re-organization of business segments etc;
 - xi. Compliance Reports;
 - xii. Minutes of the Board Meetings, Annual General Meetings of Subsidiary Companies and significant transactions if any;
 - xiii. Related Party Transactions;
 - xiv. Information on recruitment of Senior Officers and Company Secretary; and any other materially relevant information.

Code of Conduct

The Board has laid down a Code of Conduct for all directors and senior management of the company. All directors and senior management personnel have affirmed compliance with the code for the year 2013-14.

Board Meetings:

The meetings of the Board of Directors are being held at regular intervals of not more than four months at the Company's Registered Office at Kolkata and are generally scheduled well in advance and the provisions under the Companies Act, 1956 and those under clause 49 of the Listing Agreement are followed in this regard. The Board meets at least once in a quarter to review quarterly performance and financial results. The agenda of the meeting is prepared and circulated to the directors in advance. The Members of the Board have access to all information pertaining to the Company and are free to recommend inclusion of any matter in the agenda for the discussions. Senior Executives/Directors of the Group Company are invited to attend the Board meeting for discussion and providing inputs and their views, as and when required. During the financial year ending 31.03.2014 the Board of Directors were held 13 (Thirteen) meetings on 12.04.2013, 24.05.2013, 12.07.2013, 22.07.2013, 13.08.2013, 06.09.2013, 01.10.2013, 07.10.2013, 12.11.2013, 13.01.2014, 15.01.2014, 12.02.2014, 17.03.2014.

Attendance of Directors :

The attendance Record of Directors at Board Meeting and at the last Annual General Meeting during the financial year 2013-14 is as follows:

Name of the Director	Attendance at the last Annual General Meeting held on 29 th August, 2013	Attendance at the Board Meetings held during the year Total Meetings Attended	As on 31.03.2014			
			No of other Directorship held in other companies		Chairmanship of Board committees of other Companies	Membership of Board committees of other Companies
			Public	private		
Mr. Ramesh Chandra Daga	Yes	13	11	12	--	--
Mr. Tapas Mondal	Yes	13	22	--	--	--
Mr. Arun Chakraborty	Yes	13	1	--	1	1
Mr. Suderson Kayori	Yes	13	1	--	--	2
Mrs. Kakoli Mondal * upto 06.09.2013	Yes	7	--	--	--	--
Mr. Rathindra Nath Ghosh	Yes	13	--	--	--	--

Brief of directors seeking appointment / re-appointment:

Your Director wish to place on record their kind appreciation of valuable guidance, support and advice rendered by Mr. Ramesh Chandra Daga, whose terms of appointment as Managing Director complete on 30.09.2014 and he is not seeking re-appointment and resign from the directorship. His resignation shall be effective from 1st day of October, 2014. Further, keeping in view the legal requirements as per the provisions of Sections 196 and 203 and all other applicable provisions of the Companies Act, 2013 and in the interest of stakeholder Mrs. Vinita Daga be & is hereby proposed to be appointed as Managing Director of the Company.

Mr. Pradeep Kumar Daga is doyen in security market with more than 25 years' experience in the Capital & Financial Market and one of the most respected business personalities in India. He possesses vast expertise and knowledge in Accounts, Finance and Corporate Restructuring. He is a leader to care, to adopt strategic decision and to build a team for the interest of its stakeholder. In the opinion of the Board it will be in the interest of the Company that Mr. Pradeep Kumar Daga is appointed as Director. Further, keeping in view his vast expertise and knowledge, it is proposed to appoint Mr. Pradeep Kumar Daga, as non-executive director who shall retire by rotation at AGM & be eligible for reappointment.

Your Director wishes to place on record their kind appreciation to Mrs. Kakoli Mondal for her association with the company and her support and advice helped in pivotal decision making.

Mr. Rathindra Nath Ghosh who retires by rotation and being eligible, offers himself for re-appointment.

Mr. Tapas Mondal is associated as Director of the company form past eight years & above. He has served the company with his people management skill & possesses vast experience and knowledge in Accounts and Finance. The Board therefore decided to appoint him as a Whole time executive director of the company designated as "Chief Financial Officer" (CFO) for a period of three years effective from the date of conclusion of this AGM up to 30.09.2017 on the terms and conditions of appointment and remuneration as set out in the statement annexed to the Notice convening this meeting.

3) AUDIT COMMITTEE

In terms of the Section 292A of the Companies Act, 1956 and according to Clause 49 of the Listing Agreement, it is mandatory for the Company to establish an Audit Committee. The Company has established an Audit Committee. The Committee comprises of one Executive and Two Non-Executive Independent Directors who are financially literate persons having vast experience in the area of finance, accounts and industry. The Composition procedure, role / function of the Audit Committee comply with the requirements of the Listing Agreement. During the year under review 4 (four) meetings of the Audit Committee were held. The brief terms of reference of the Audit Committee includes the following:

1. Overseeing the Company's financial report process and disclosure of its financial information.
2. Review of quarterly and annual financial results before submission to the Board.
3. Disclosure with Statutory and Internal auditors about the nature and scope of audit and their observations.
4. Investigate any matter referred to by the Board.
5. Reviewing the Company's financial and risk management policies.
6. Reviewing Management Discussion and Analysis Report.

The Composition of the Audit Committee as on 31.03.2014:

Members	Designation	Category	Numbers of Meetings Attended
Mr. Arun Chakraborty	Chairman	Non-Executive & Independent	4
Mr. Rathindra Nath Ghosh	Member	Non-Executive & Independent	4
Mr. Ramesh Chandra Daga	Member	Executive	4

4) SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

The Shareholders / Investors Grievance Committee look into the specific Complaints received from the Shareholders of the Company.

The Composition of the said Committee is as follows:

Members	Designation	Category	Numbers of Meetings Attended
Mr. Sudarson Kayori	Chairman	Non-Executive & Independent	4
Mr. Arun Chakraborty	Member	Non-Executive & Independent	4
Mr. Ramesh Chandra Daga	Member	Executive	4

During the year under review 4 (four) meeting of the Shareholders/Investors Grievances Committee were held. Investor grievances are resolved by the Shareholders/ Investor Grievance Committee who operates subject to the overall supervision of the Board. The Committee meets on the requirement basis during the financial year to monitor and review the matters relating to investor grievances which comprise of:

- The transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder(s) and investor(s) complaints like transfer of shares, non- receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate /split / consolidated share certificate;
- Allotment and listing of shares;
- The movement in shareholdings and ownership structure
- Ensuring proper and timely attendance and redressal of investor queries and grievances.
- Ensuring proper controls at Registrar and Share Transfer Agent;

The company had not received any complaints from its investors during the financial year 2013-14. At present there are no complaints pending to be resolved before SEBI SCORES.

Compliance Officer:

Mr. Sanjaya Kumar Rout, Company Secretary is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges in India and abroad.

5) REMUNERATION & NOMINATION COMMITTEE

The terms of reference of the Nominations & Remuneration Committee are as follows:

1. Make recommendations regarding the composition of the Board, identify independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.
2. Provide guidance and direction in developing and implementing the reward philosophy of the Company.
3. Evaluate and approve the appointment and remuneration of senior executives, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programs such as succession planning, employment agreements, severance agreements and any other benefits.
4. Review progress on the Company leadership development programs, including for promotion to the Board, employee engagement initiatives and employee surveys.
5. Consider and approve matters relating to normal retirement plans, Voluntary Retirement and Early Separation Schemes for employees of the Company.
6. Establish key performance metrics to measure the performance of the Managing Director and the executive team including the use of financial, non-financial and qualitative measures.
7. Evaluate executive team performance regularly to strengthen the cumulative annual assessment and to provide timely feed-back to the assessed individuals.
8. Developing a view on the human resources capability in the business by periodically engaging with levels below the executive team.
9. Review and recommend to the Board the remuneration and commission to the managing and executive directors and define the principles, guidelines and process for determining the payment of commission to non-executive directors of the Company.

During the year 2 meetings of the remuneration committee was held. The Composition of the said Committee is as follows:

<u>Members</u>	<u>Designation</u>	<u>Category</u>	<u>Numbers of Meetings Attended</u>
Mr. Arun Chakraborty	Chairman	Non-Executive & Independent	2
Mr. Suderson Kayori	Member	Non-Executive & Independent	2
Mr. Rathindra Nath Ghosh	Member	Non-Executive & Independent	2

Details of remuneration paid to the Managing Director:

<u>Name</u>	<u>Salary</u>	<u>Total amount paid as on 31.03.2014</u>	<u>Period of Service Contract</u>
Mr. Ramesh Chandra Daga	Rs.96,000/-	Rs. 96,000/-	5 (Five) year From : 01.10.2009

6) GENERAL BODY MEETINGS

The previous three Annual General Meetings of the Company held on the dates, at time and venue given below:

<u>Financial Year</u>	<u>Date</u>	<u>Time</u>	<u>Venue</u>
2010-2011	09.09.2011	3.30PM	3, Synagogue Street, 2 nd Floor, Kolkata-700001
2011-2012	27.08.2012	3.30PM	3, Synagogue Street, 2 nd Floor, Kolkata-700001
2012-2013	29.08.2013	3.30PM	3, Synagogue Street, 2 nd Floor, Kolkata-700001

All resolutions moved at the last Annual General Meeting were passed by a show of hands unanimously by all the members present by persons and by proxy at the Meeting. Since there were no special resolution moved at the last Annual General Meeting and none of the businesses are proposed to be transacted at the ensuing Annual General Meeting which requires passing of a special resolution through postal ballot. Hence no resolutions were put through postal ballot.

7) DISCLOSURES

During the financial year ended March 31, 2014 there were no materially significant related party transactions with the Company's Directors or their relatives.

The Company has complied with all the statutory requirements comprised in the Listing Agreements/ Regulations/ Guidelines/ Rules of the Stock Exchanges/ SEBI/ other Statutory Authorities.

8) MEANS OF COMMUNICATIONS

The Company regularly intimates its financial results, audited/limited reviewed, to the Stock Exchanges where the shares of the Company are listed, as soon as the same are taken on record /approved by the Board. During the year these financial results are published in the all India edition of Financial Express and Business Standard, English daily and News Bangla and Sagar, Regional Newspapers in Bengali and Marathi language respectively. These results are not distributed / sent individually to the shareholders.

The Company is also providing information relating to the material events from time to time to the investors and to the public at large by faxing the information to the Stock Exchanges as and when happened.

In terms of the requirements of Clause 52 of the Listing Agreement with the Stock Exchanges in India, the un-audited financial results as well as audited financial results and Shareholding Pattern and Corporate Governance Compliance and all important information are electronically submitted, unless there are technical difficulties and are displayed on our website i.e. www.miflindia.com.

9) GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING :

The Annual General Meeting of the Company will be held as per the following schedule

Date : 24th Day of September, 2014

Day : Wednesday

Time : 2.30 P.M

Venue : “Community Hall” 10, DEBENDRA GHOSH ROAD, GR. FLOOR,
BHAWANI PUR, KOLKATA - 700 025.

DATE OF BOOK CLOSURE:

The date of Book Closure for the purpose of Annual General Meeting shall be from 18th day of September, 2013 to 24th day of August, 2014 (both days inclusive)

LISTING OF SECURITIES:

The Equity Shares of your Company are listed on BSE Limited, The Calcutta Stock Exchange Limited and The UP Stock Exchange Limited. The names and addresses are given below:

<u>Sr. No</u>	<u>Name and Address of the Stock Exchanges</u>	<u>Scrip code</u>	<u>Date of Listing</u>
1.	BSE Limited (Formerly: Bombay Stock Exchange Limited) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Web: www.bseindia.com	537800	18.03.2014
2.	The Calcutta Stock Exchange Limited.	023098	27.09.1983
3.	The U.P. Stock Exchange Ltd	M00023	24.01.1984

LISTING AND CUSTODIAL FEES

The Company has paid listing fees for the financial year 2013-2014 to all the Stock Exchanges where the securities are listed and the Custodial Fees for the year 2013-14 to National Securities Depository Limited and Central Depository Services (India) Limited.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The company has connectivity with both the participants i.e. **National Securities Depository Limited (NSDL)** as well as **Central Depository Services Limited (CDSL)**. The agreement with both the depositories has been signed on 2nd January 2001. The ISIN no. of the company is **INE717C01017**.

The Company's Equity Shares are under Compulsory Demat trading by all categories of investors. As on **31st March, 2014**, 99.95% of the total shares are in dematerialized form.

SHARE TRANSFER SYSTEM

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and dispatched within a period of 21 days from the date of receipt.

The Registrar & Share Transfer Agents

Niche Technologies Pvt. Ltd.
 D-511, Bagri Market,
 71, B. R. B. Road, 5Th Floor,
 Kolkata-700001. (W.B.)
 Tel.: +91 33 2235 7270 / 7271
 Fax: +91 33 2215 6823
 E-mail: nichetechpl@nichetechpl.com

Warrants :

There were no warrants issued during the year under review. Further there are no warrants outstanding.

Permanent Account Number

The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to the Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent.

NOMINATION FACILITY:

Shareholders holding shares in physical form and desirous of submitting/ changing nomination in respect of their shareholding in the Company may submit Form SH-13 (in duplicate) as per the provisions of Section 72 of the Companies Act, 2013, to the Company's Registrar and Share Transfer Agent.

BANK DETAILS

Shareholders holding shares in physical form are requested to notify / send the following information to the Registrar and Share Transfer Agent of the Company:

- i. Any change in their address/ mandate/ bank details etc; and
- ii. Particulars of the bank account in which they wish their dividend to be credited (in case the same has not been furnished earlier); and should include the following particulars namely, Bank Name, Branch Name, Account Type, Account Number and MICR Code (9 digits).

DISTRIBUTION OF SHAREHOLDING

A. Shareholding Pattern as on 31st March, 2014

<u>Sr. No</u>	<u>Category</u>	<u>Numbers of Shareholders</u>	<u>Numbers of Shares Held</u>	<u>% of Shares Held</u>
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian			
i.	Individual / HUF / Directors	2	79200	0.0820%
ii.	Bodies Corporate	4	25440000	26.4450%
(2)	Foreign	Nil	Nil	0.00%
	Sub Total of (A)	6	25519200	26.5370%
(B)	Non Promoters Holding	Nil	Nil	0.00%
(1)	Banks / Financial Institutions	Nil	Nil	0.00%
(2)	Insurance Companies	Nil	Nil	0.00%
(3)	Foreign Institutional Investors	Nil	Nil	0.00%
(4)	Bodies Corporate	119	69046195	71.800%
(5)	Indian Public and Others	438	1598955	1.663%
	Sub Total of (B)	557	70645150	73.463%
	Total Shareholdings Sub Total of (A) and (B)	536	96164350	100%

B. Distribution of Shareholding as on 31st March, 2014:

<u>Slab</u>	<u>No. of Shareholders</u>		<u>No. of Ordinary Shares</u>	
	<u>Total</u>	<u>% of Shareholders</u>	<u>Total</u>	<u>% of Shareholders</u>
001-500	469	82.8622	49,080	0.0510
501-1000	13	2.2968	10,100	0.0105
1001-5000	7	1.2367	14,165	0.0147
5001-10000	15	2.6502	106040	0.1103
10001-50000	16	2.8269	310820	0.3232
50001-100000	6	1.0601	600635	0.6246
100001 and above	40	7.0671	95073510	98.8657
Total	566	100.0000	9,61,64,350	100.0000

C. Category of Shareholders as on 31st March, 2014:

<u>Category</u>	<u>No. of Shares</u>	<u>%</u>
Public	15,98,955	1.663%
Domestic Bodies Corporate	6,90,46,195	71.800%
Clearing Member & Clearing Corpo.	Nil	0.00%
Promoters & Associates	2,55,19,200	26.5370%
TOTAL	9,61,64,350	100.000

Ramesh Chandra Daga
Chairman & Managing Director

Place: **Kolkata**

Date : **27th Day of May, 2014**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is a Non deposit taking Non-Banking Financial Company (“NBFC –ND”) registered under the category of **Loan Company with Reserve Bank of India**. The key areas of Management Discussion and Analysis are given below.

INDUSTRY STRUCTURE AND DEVELOPMENTS

During the fiscal year 2013-14, the Indian economy was under uncertainty of projected growth due to unstable economy & prospective government in the country. We faced significant strains in our growth rate as the same was in the Industry. There was a sharp decline in GDP rate from 5.4% in 2012-13 to 4.7 % in 2013-14. The Indian economy grew at a rate of 4.7% during the financial year 2013-14. Containment of the fiscal and current account deficits in the coming months will provide a cushion to the Indian economy from further volatility. Inflation expectations have moderated and retail inflation stands at 8.31% in March 2014. (Source: CSO Data).

More than Rs. 60 billion has been allocated to rural housing in the Interim Budget for the financial year 2014-15. Interest subsidies for rural housing are also expected to bolster rural housing demand in the financial year 2014-15. **(Source: Interim Budget 2014-15).**

The Cabinet Committee on Investment (CCI) and the Project Monitoring Group (PMG) have cleared 296 projects at an estimated project cost of Rs. 6.6 trillion. As at end of March 2014 around 284 projects worth Rs. 15.6 trillion are under the consideration of the PMG. The recovery is likely to be supported by increased investment activity due to execution of stalled projects backed by business and consumer optimism. **(Source: RBI Review)**

The Manufacturing Purchasing Managers Index (PMI) has registered an increase on account of higher output and new orders in the last quarter of the financial year 2013-14. The rural demand base is likely to accelerate and external demand is expected to improve further during the financial year 2014-15, given the increase in global trade. Better exports, lower inflation and project clearances will translate into higher investments leading to an improved business environment in the coming years.

Banks and financial institutions broadly encompass the framework of the Indian financial system. The rapid rise of financial institutions was facilitated by simplified sanction procedures, flexibility and low-cost of operations. However, tighter liquidity conditions, stringent prudential norms and regulatory changes led to the survival of only a handful of Non-Banking Financial Companies (NBFCs) to partner in the financial inclusion of the country.

THE INDIAN NBFC SECTORAL PERFORMANCE REPORT

The NBFC sector in India is integral to the financial framework of the country. Compared to the global standards, the size of the industry is relatively small. However, the industry has witnessed a Compounded Annual Growth Rate (CAGR) of 22% during March 2006 to March 2013, when the country's Gross Domestic Product (GDP) slowed down to 4.5% in financial year 2012-13 from 9.6% in financial year 2006-07. **(Source: RBI Report, January, 2014)**

Retail credit growth for NBFCs slowed considerably in financial year 2013-14 with the sluggish economy and high interest rates adversely affecting the demand for credit. The persistent challenges in the operating environment resulted in higher delinquency levels for the NBFCs.

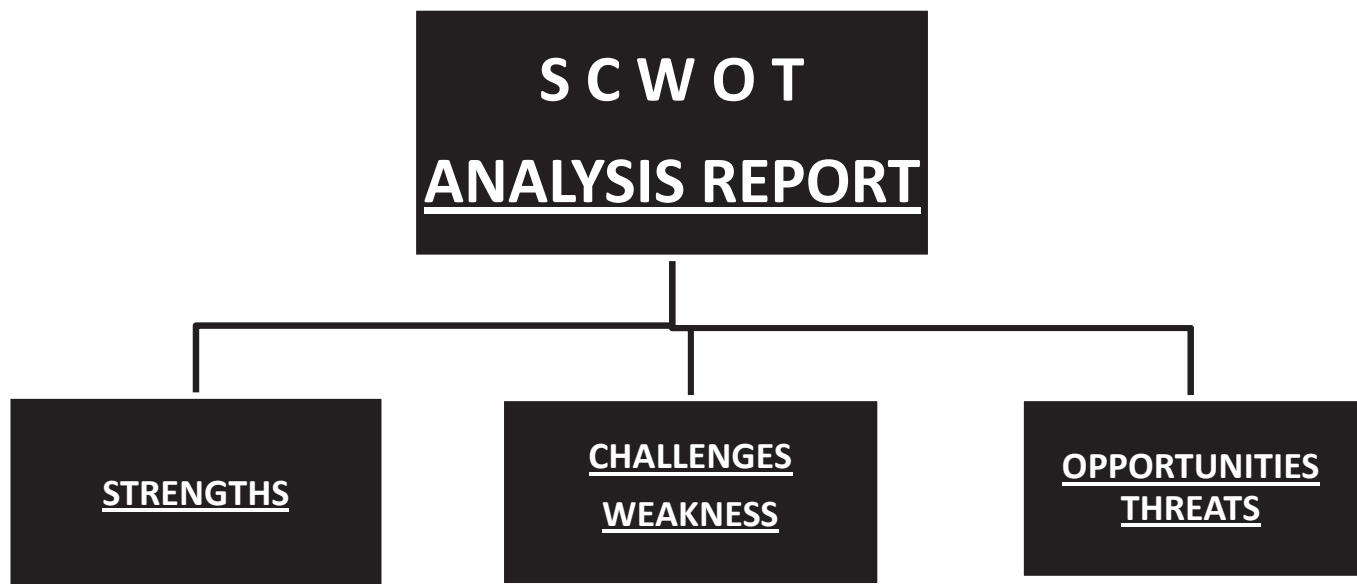
(Source: ICRA)

The NBFCs continue to play a key role in the development of the country by being present in under-banked and unbanked regions and participating in inclusive growth. Since the Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments.

COMPANY OVERVIEW & OUTLOOK

At Mangalam Industrial Finance Limited ('MIFL' or 'the Company'), we strongly believe in building a strong financial community. Our ethos and promise of true financial inclusion in the country makes us one of India's prime NBFCs. We not only provide 'credit' to people but also 'confidence' who do not have access to organized financial services. We believe in providing loans not for consumption, but primarily for income generation.

The economic slowdown had a significant bearing on the functioning and profitability of NBFCs in the medium term. But it has been estimated that in the long run there are vast opportunities for NBFCs. Hence, the Company is expecting to improve its performance and profitability in years to come.



STRENGTHS :

At MIFL we provide financial services through simple processes and simple procedures in sanction and disbursement of credit as well as timely, friendly and flexible terms of repayment aligned to the unique features of its clientele. Easy and fast appraisal and disbursements make the Company the preferred choice for many of its customers Customer Insight:

WEAKNESS :

The Company does not have strong network & link at remote areas of villages. The Company has significant business presence in the state of West Bengal only. The Company does not have all India based network and establishments to reach out to large segment of people in the country in both semi-urban and rural areas whereas more than 90% of the unorganized sector has no link with banks and 60% of the rural consumers do not have bank accounts.

CHALLENGES :

Newer regulatory updates pose a constant challenge for smooth operations of the Company. With constant updates governing the functional aspects of financial institutions, there lie unseen challenges in the coming years. Focus on a particular market segment might affect the Company's portfolio & sustainability.

OPPORTUNITIES :

Business opportunities for finance companies are enormous as the new areas and segments are being explored. A larger segment of customers remain un-served by Banks and large sized Finance Companies. Your Company on its part is also well poised to seize new opportunities as they come. A rural middle income boom has led to rise in rural incomes. This has been fuelled by increased support prices and welfare schemes initiated by the government. Per capita Gross Domestic Product has grown faster in India's rural areas than in its urban centers. New opportunities like home equity, personal finance, and a foray into factoring and bill payment for the rural hard-to-reach customer may take the Company to new scales of success.

Rising per capita income and stability in economic growth have played a role in increasing the pace of urbanization in the country. One of the notable factors behind the growth in the housing industry has been easy availability of finance. Availability of low interest rate finance has increased disbursement of loans among several financial players. As on 31st March 2013, finance penetration in urban areas stood at 41.2%, which is expected to increase to 47% by 31st March 2018. In contrast, housing finance penetration in rural areas stands at a mere 8.3% as on 31st March 2013, with expectations to rise to 9.4% by 31st March 2018. **(Source: CRISIL Report, Retail Finance – Housing, October 2013)**

As per CRISIL estimates, housing finance disbursements are projected to grow at a CAGR of about 15 to 16% to reach Rs. 4,947 billion by Fiscal 2018. Improvements in the macro-economic scenario, demographic changes in population, changing age-mix and increasing nuclearisation of families are some of the factors that are expected to drive the growth of the housing industry in India.

THREATS

The major threat being faced by finance companies are regulatory changes, interest rates hiked by RBI, high inflation etc. The Company is also facing stiff competition from banks / financial institutions due to their ability to raise low cost funds which enables them to provide funds at much cheaper rate.

Higher cost of funds might lead to reduced bottom line for the Company. Also, a lesser interest spread, or higher cost of lending might lead to customers turning away to cheaper source of funds. Asset quality deterioration may not only wipe the profits out of the Company but eat into its net worth. The Company must ensure it maintains minimal delinquency levels.

RIS KS & CONCERNS

As a NBFC, your Company's growth and profitability are dependent on the functioning of Capital Markets. The Company is exposed to several market risks like credit risk, liquidity risk and interest rate risk. The volatility of the capital markets in which your Company operates is also a major cause of concern to the Company.

INTERNAL CONTROL SYSTEM AND ADEQUACY

Internal control systems and procedures in the Company are commensurate with the size and the nature of Company's business and are regularly reviewed and updated by incorporating changes in regulatory provisions in order to safeguard the assets and to ensure reliability of financial reporting.

HUMAN RESOURCES

The Company continues to give priority to its human assets. The Company provides a fair and equitable work environment to all its employees. The Company is continuously working to create and nurture an atmosphere which is highly motivated and result oriented.

FINANCIAL PERFORMANCE

The financial performance of the Company for the year under review is discussed in detail in the Directors Report.

For and on behalf of board of directors

Place : **Kolkata**
Date : **27th day of May 2014**

(Ramesh Chandra Daga)
Managing Director

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,
Mangalam Industrial Finance Limited
3, Synagogue Street, 2nd Floor
Kolkata - 700 007

I, Ramesh Chandra Daga, Chief Executive Officer & Managing Director of the Company, hereby declare that the Board of Directors have laid down a Code of Conduct for the Board Members and Senior Management of the Company and the Board Members and Senior Management have affirmed compliance with the said Code of Conduct.

Place: **Kolkata**
Date : **27th Day of May, 2014**

Ramesh Chandra Daga
Managing Director

CEO Certification

We have reviewed financial statements and the Cash Flow statement for the financial year 2013-14 and that to the best of our knowledge and belief:

- i. These statements do not contain any materially untrue statement or omit any material fact or Contain statements that might be misleading ;
- ii. These statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. Significant changes in the internal control during the year;
2. Significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For and on behalf of board of directors

(Ramesh Chandra Daga)
(Managing Director & Chief Executive Officer)

Place : **Kolkata**
Date : **27th Day of May, 2014.**

To
The Board of Directors
M/s. Mangalam Industrial Finance Limited
3, Synagogue Street, 2nd Floor,
Kolkata – 700 001

Dear Sir,

In compliance with the Non-Banking Financial Companies Auditor's Report (Reserve Bank) **Directions, 2008** we report that

A

1. The Company is engaged in the Business of Non-Banking Financial Institution and it has obtained a certificate of Registration from the Bank
2. On the basis of our examination of current year Balance Sheet and profit and loss account we hereby report that Company is entitled to continue to hold such certificate of Registration in terms of its asset / income pattern as on **31ST March, 2014**.
3. On the basis of our examination of current years Balance Sheet and the immediately preceding current year balance sheet we report that the Company be classified based on its assets as **INVESTMENT COMPANY**.

B

1. The Board of Directors has passed a resolution for Non Acceptance of any Public Deposits
2. The Company has not accepted any deposit from the public during the year ended **31ST March, 2014**
3. The Company has complied with the prudential Norm relating to the Income Recognition, Accounting Standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions – **2007**
4. The Company is not a systematically important company as defined in paragraph 2(1)(XIX) of the Non-Banking Financial (Non Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions – **2007**

For MAROTI & ASSOCIATES
Chartered Accountants

(M.K.MAROTI, FCA)

Proprietor

M. No.057073

Firm Reg. No : 322770E

Place : **Kolkata**

Date : **27th Day of May, 2014**

CERTIFICATE

To
The Members of
M/s. Mangalam Industrial Finance Limited
3, Synagogue Street, 2nd Floor,
Kolkata - 700 001

We have examined the Compliance of the Conditions of Corporate Governance by **M/s. Mangalam Industrial Finance Limited** for the year ended on **March 31, 2014** as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we confirm that the Company has generally complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance note issued by the institute of Chartered Accountants of India, we have to state that based on the report given by the Registrar of Company to the investor's Grievance Committee, there was no Investors' Grievance matter remaining unattended for more than 30 days as on **31st March, 2014**, against the Company.

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

For MAROTI & ASSOCIATES
Chartered Accountants

(M.K.MAROTI)
Proprietor

Place : **Kolkata**
Date : **27th Day of May, 2014**

M. No.057073
Firm Reg. No : 322770E

AUDITORS' REPORT

To the Members

MANGALAM INDUSTRIAL FINANCIAL LTD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **MANGALAM INDUSTRIAL FINANCE LTD.**, which comprise the Balance Sheet as at **March 31, 2014**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the statement of Profit and Loss, of the **LOSS** for the year ended on that date;
and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For MAROTI & ASSOCIATES
Chartered Accountants

Place : **Kolkata**
Date : **27th Day of May, 2014**

M.K.MAROTI
(Proprietor)
(M. No.057073)
(Firm Reg. No: 322770E)

ANNEXURES TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended on **31.03.2014.**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) All the fixed assets have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the company and the nature of its business. As informed, no material discrepancies were noticed on such verification.

c) There was No disposal of fixed assets during the year
2. The Company had No Inventories during the year hence clause 4(II) (a) (b) and (c) are not applicable to it.
3. a) The Company has not granted unsecured loans to parties covered in the Register maintained under Sec 301 of the Companies Act. Hence clause 4(III) (b) (c) and (d) are not applicable.

b) The Company has not taken unsecured Loan from Party covered in the Register maintained under Sec 301 of the Act Hence clause 4(III) (f) and (g) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of its services. Further on the basis of our examinations and according to the information and explanations given to us we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control systems.
5. a) In our opinion and according to the information and explanations given to us we are of the opinion that the transactions in which Directors are interested as contemplated under Sec 299 of the Companies Act , 1956 and which required to be so entered in the register maintained under SEC 301 of the said Act , have been so entered
b) In our opinion and according to the information and explanations given to us the Company has not entered into any transaction made in pursuance of contracts or arrangements entered in the Register maintained under Sec 301 of the Companies Act 1956 exceeding Rs 5,00,000/- or more in respect of any party. Accordingly Paragraph (V) (b) of the order is not applicable.
6. The Company has not accepted any deposits from the public. In our opinion and according to the information and explanations given to us the directives issued by the Reserve Bank of India and the provisions of sections 58A. 58AA or any other relevant provisions of the Act and the rules framed there under, to the extent applicable have been complied with.

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company
9. a) According to the records examined by us, the company is regular in depositing with appropriate authorities undisputed Income Tax Wealth Tax, Service Tax, Custom Duty, Excise Duty, Investor Education Protection Fund, Cess and other statutory dues applicable to it. As informed to us provisions relating to Provident Fund, Employees State Insurance, Sales Tax, are not applicable to it.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax Wealth Tax, Service Tax, Custom Duty, Excise Duty, Investor Education Protection Fund, Cess and other statutory dues were outstanding at the year end for a period of more than Six Months from the date they became payable
As informed to us provisions relating to Provident Fund, Employees State Insurance, Sales Tax, are not applicable to it.
10. The Company has accumulated loss at the end of the Financial Year which is less than fifty percent of the net worth of the company. Further it has incurred cash losses during the financial year ended on that date however it has not incurred cash losses in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, the company has not defaulted in repayment of dues to financial institutions or bank. There were no outstanding debentures during the year.
12. According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In respect of dealing / trading in shares in our opinion and according to the information and explanations given to us proper records have been maintained of the transactions and contracts and timely entries have been made therein in. The shares have been held by the Company in its own name.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.

16. The Company has not obtained any term loans. Accordingly clause 4(xvi) of the Order is not applicable.
17. According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the Company, we report that the Company has not utilized any funds raised on short term basis for long term investments.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the order is not applicable.
19. The Company did not have any outstanding debentures during the year. Accordingly, clause 4(xix) of the order is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. Based upon audit procedures performed for the purposes of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported by the management during the year under audit.

For MAROTI & ASSOCIATES
Chartered Accountants

(M.K.MAROTI)

Proprietor

M. No.057073

Firm Reg. No : 322770E

Place : Kolkata

Date : 27th Day of May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No	31ST MARCH , 2014	31ST MARCH , 2013
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	961,643,500	961,643,500
(b) Reserve & Surplus	3	(2,037,256)	(1,382,415)
(2) Current Liabilities			
(a) Short Term Borrowings	4	124,305	500,493
(b) Other current liabilities	5	33,736	20,994
(c) Short-term provisions	6	254,373	932,832
TOTAL		960,018,658	961,715,404
II.Assets			
(1) Non-current assets			
(a) Fixed Assets - Tangible	7	42,710	-
(b) Non-current investments	8	884,310,000	888,210,000
(c) Deferred Tax Asset	9	80,824	-
(2) Current assets			
(a) Cash and cash equivalents	10	2,476,927	1,965,451
(b) Short-term loans and advances	11	72,720,963	71,300,207
(c) Other current assets	12	387,234	239,746
TOTAL		960,018,658	961,715,404

SIGNIFICANT ACCOUNTING POLICIES 1
OTHER NOTES ON ACCOUNTS 21

For and behalf of the Board

R. C. Daga **T. Mondal** **S. K. Rout**
Managing Director Director Company Secretary

Place : Kolkata
Date : 27th Day of May, 2014

In terms of our report of even date
FOR MAROTI & ASSOCIATES
(Chartered Accountants)

(**M.K. MAROTI**)
(Proprietor)
M.No : 057073
Firm Reg No : 322770E

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

	PARTICULARS	Note No	31ST MARCH, 2014 Rs.	31ST MARCH, 2013 Rs.
I	REVENUE FROM OPERATIONS	13	1,619,882	6,868,422
II	OTHER INCOME	14	10,000	-
	III TOTAL REVENUE (I + II)		1,629,882	6,868,422
IV	EXPENSES			
	Purchase of Equity		-	3,750,000
	Employee Benefit Expenses	15	551,000	501,000
	Depreciation and Amortization Expense	16	4,330	827,750
	Other Expenses	17	624,318	477,692
	Financial Cost	18	26,458	493
	TOTAL EXPENSES		1,206,106	5,556,935
	Profit Before Exceptional Items		423,776	1,311,487
	Less: Exceptional Items	19	1,292,140	-
V	Profit Before Tax		(868,364)	1,311,487
VI	TAX EXPENSES			
a	Current Tax		-	(700,940)
b	Mat Tax Credit		-	(19,556)
c	Deferred Tax		80,824	(74,791)
XV	PROFIT / (LOSS) FOR THE PERIOD		(787,540)	516,200
XVI	Earning Per Equity Share			
a	Basic	20	(0.008)	0.005
b	Diluted	20	(0.008)	0.005

SIGNIFICANT ACCOUNTING POLICIES

1

OTHER NOTES ON ACCOUNTS

21

For and behalf of the Board

In terms of our report of even date
FOR MAROTI & ASSOCIATES
 (Chartered Accountants)

R. C. Daga
Managing Director

T. Mondal
Director

S.K.Rout
Company Secretary

(M.K. MAROTI)
(Propreitor)
M.No : 057073
Firm Reg No : 322770E

Place : Kolkata

Date : 27th Day of May, 2014

NOTE - 1**Significant Accounting Policies :****01 ACCOUNTING CONVENTIONS**

The Financial Statements are prepared on Historical Cost Convention. Financial Statements are prepared in accordance with relevant presentational requirements of the Companies Act, 1956 and applicable mandatory Accounting Standards.

02 INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other Investments are classified as Non-Current Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Non-Current Investments are considered 'at cost' on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

03 RECOGNITION OF INCOME & EXPENDITURE

Income & Expenditures are accounted for on accrual basis, except dividend those are accounted for on Receipt Basis.

04 TAXES ON INCOME

Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Tax is recognised, subject to consideration of prudence, in respect of deferred tax assets / liabilities on timing difference, being the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

05 CONTINGENCIES :

These are disclosed by way of notes on the Balance sheet. Provisions is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end , till the finalization of accounts and material effect on the position stated in the Balance Sheet

06 PROVISIONING FOR STANDARD ASSETS :

The Reserve Bank Of India, vide Notification No **DNBS 223 / CGM (US) 2011 DATED 17 JANUARY, 2011** has issued direction to all NBFCs to make provision of **0.25%** on **STANDARD ASSETS** with immediate effect. Accordingly the Company has made provision @ **0.25%** on Standard Assets in accordance therewith.

07 PROVISIONING FOR DEFERRED TAXES :

The Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from "timings difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. The Deferred Tax Asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

08 EARNING PER SHARE

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

09 FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

10 DEPRECIATION ON FIXED ASSETS

Depreciation has been provided on written down value method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.

11 IMPAIRMENT OF ASSETS

I. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

II. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**NOTE FORMING PART OF THE BALANCE SHEET AS AT
& STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE - 2 SHARE CAPITAL <u>Authorised</u> 9,61,70,000 Equity Shares of Rs.10/- each <u>Issued, Subscribed & Paid up</u> 9,61,64,350 Equity Share of Rs.10/- each	31ST MARCH, 2014	31ST MARCH, 2013
	Rs.	Rs.
	961,700,000	961,700,000
	961,643,500	961,643,500
	961,643,500	961,643,500

A. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	31ST MARCH , 2014		31ST MARCH , 2013	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	96,164,350	961,643,500	96,164,350	961,643,500
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	96,164,350	961,643,500	96,164,350	961,643,500

B. TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity share having par value of Rs 10 / per share. Each holder of Equity share is entitled to one vote per share

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The Distribution will be in proportion to the number of equity share held by the shareholders

C. Details of shareholders holding more than 5% shares of the Company

NAME OF THE SHAREHOLDER	31ST MARCH , 2014		31ST MARCH , 2013	
	Nos	%	Nos	%
(EQUITY SHARES OF RS 10/ EACH FULLY PAID UP)				
ROSEMOUNT MARKETING PVT. LTD.	9,650,750	10.04	9,985,750	10.38
APURVA DISTRIBUTORS PVT. LTD.	7,833,250	8.15	7,833,250	8.15
REALITY COMMOMODEAL PVT. LTD.	7,566,000	7.87	6,910,000	7.19
GUIDE DEALCOM PVT. LTD.	6,376,500	6.63	6,376,500	6.63
KIRTI COMMOTRADE PVT. LTD.	6,295,250	6.55	6,295,250	6.55
NILANCHAL DEALCOMM PVT. LTD.	5,904,625	6.14	5,910,000	6.15
GOODVIEW OVERSEAS PVT. LTD.	5,872,000	6.11	5,872,000	6.11
SUPARAS IMPEX PVT. LTD.	4,951,250	5.15	4,951,250	5.15
ALERT COMMOMODEAL PVT. LTD.	4,950,000	5.15	4,950,000	5.15

As per the records of the Company , including its Register of Members and other declarations received from the shareholders regarding beneficial interest , the above shareholders represents legal ownership of shares

D. SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Out of the above 94945000 (PY: 94945000) equity shares have been issued for consideration other than cash.

**NOTE FORMING PART OF THE BALANCE SHEET AS AT
& STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

		31ST MARCH , 2014	31ST MARCH , 2013
		Rs.	Rs.
<u>NOTE - 3</u>			
<u>RESERVES & SURPLUS</u>			
Capital Reseve			
OP. Balance	A	370,630	370,630
		370,630	370,630
Amalgamation Reserve			
OP. Balance	B	1,050,000	1,050,000
		1,050,000	1,050,000
Reserve Fund			
OP. Balance	C	108,749	108,749
		108,749	108,749
Special Reserve			
OP. Balance		103,944	704
Add : Created During the year	D	-	103,240
		103,944	103,944
Profit & Loss Account			
OP. Balance		(3,015,738)	(3,527,760)
Add: Loss for the year		(787,540)	516,200
Add: Contingency provision for standard Assets		132,699	99,062
Add : Transfer to Reserve Fund		-	(103,240)
	E	(3,670,579)	(3,015,738)
TOTAL (A+B+C+D+E)		(2,037,256)	(1,382,415)
<u>NOTE - 4</u>			
<u>SHORT TERM BORROWINGS</u>			
From Bodies Corporate		124,305	500,493
		124,305	500,493
<u>NOTE - 5</u>			
<u>OTHER CURRENT LIABILITIES</u>			
TDS Payable		2,646	-
Liabilities For Expenses		31,090	20,994
		33,736	20,994
<u>NOTE - 6</u>			
<u>SHORT TERM PROVISION</u>			
Provision for Taxation		208,821	754,581
Contingency Provision for Standard Assets		45,552	178,251
		254,373	932,832

NOTE - 7**FIXED ASSETS**

Description	Gross Block			Depreciation			Net Block	
	As on			As on	Upto	For the	Upto	As on
	01.04.2013	Addition	Deletion	31.03.2014	31.03.2013	year	31.03.2014	31.03.2014
<u>Tangible Assets</u>								31.03.2013
COMPUTER	-	47,040	-	47,040	-	4,330	4,330	42,710
								-
Total	-	47,040	-	47,040	-	4,330	4,330	42,710
Previous Year	-	-	-	-	-	-	-	-

NOTE - 8						
<u>NON CURRENT INVESTMENTS</u>						
(Long Term, Non Trade, Valued at Cost)						
<u>UNQUOTED SHARES</u>	FACE VALUE	2013-14		FACE VALUE	2012-13	
		NO. OF SHARES	AMOUNT		NO. OF SHARES	AMOUNT
<u>In Subsidiaries</u>						
FUNIDEA REALTORS LTD	10	70,000	10,500,000	10	70,000	10,500,000
GYANESHWAR NIKETAN LTD	10	50,000	500,000	10	50,000	500,000
GOPAL PRIYA VINIMAY LTD	10	50,000	500,000	10	50,000	500,000
MEGAPIX CONCLAVE LTD	10	70,000	10,500,000	10	70,000	10,500,000
MOONLOVE VYAPAAR LTD	10	70,000	10,500,000	10	70,000	10,500,000
MARUBHUMI IMPEX LTD	10	70,000	10,500,000	10	70,000	10,500,000
SUVRIDHI VANIJYA LTD	10	70,000	10,500,000	10	70,000	10,500,000
WATERLINK SUPPLIERS LTD	10	70,000	10,500,000	10	70,000	10,500,000
		520,000	64,000,000		520,000	64,000,000
<u>In Others</u>						
ADVENT DEALCOMM PVT LTD	-	-	-	10	25,000	10,000,000
AGARWAL TREXIM PVT. LTD.	10	195,650	78,260,000	10	201,900	80,760,000
ALBRIGHT AGENCIES PVT. LTD.	-	-	-	10	62,500	25,000,000
ALLIED TREXIM PVT. LTD.	-	-	-	10	30,000	12,000,000
BLISS DEALCOMM PVT. LTD.	-	-	-	10	23,000	9,200,000
BRENTWOOD MERCHANDISE PVT. LTD.	-	-	-	10	72,250	28,900,000
BULLPOWER SUPPLIERS PVT. LTD.	-	-	-	10	8,750	3,500,000
CAMPUS IMPEX PVT. LTD.	-	-	-	10	48,250	19,300,000

CINDRELLA COMMODITIES PVT. LTD.	-	-	-	-	10	44,000	17,600,000
CREATIVE COMMODEAL PVT. LTD.	-	-	-	-	10	10,500	4,200,000
CYGNUS TREXIM PRIVATE LIMITED	-	-	-	-	10	23,250	9,300,000
CHETANI VINEEYOG PVT LTD	10	250,700	100,280,000	-	10	250,700	100,280,000
FORTUNE TRADE & VYAPAAR PVT LTD.	-	-	-	-	10	7,500	3,000,000
GANAPATI RIVERSIDE PVT LTD	-	-	-	-	10	241,500	96,600,000
HERITAGE TREXIM PVT. LTD.	-	-	-	-	10	42,000	16,800,000
KASHYAP COMMDEAL PVT.LTD.	-	-	-	-	10	21,250	8,500,000
LOTUS TRADE & VYAPAAR PVT. LTD.	-	-	-	-	10	11,000	4,400,000
MAARS ADVISORY SERVICES PVT. LTD.	-	-	-	-	10	8,000	3,200,000
NEXCARE AGENCY PVT. LTD.	-	-	-	-	10	8,000	3,200,000
NOVAGOLD ADVISORY SERVICES PVT.LTD.	-	-	-	-	10	8,250	3,300,000
ORIENTAL COMMOTRADE PVT. LTD.	-	-	-	-	10	8,750	3,500,000
PRIYANKA TREXIM & COMMERCE P. LTD	10	151,800	60,720,000	-	10	151,800	60,720,000
QUADRA SUPPLIERS PVT LTD	-	-	-	-	10	9,000	4,500,000
RIGHT COMMODITIES PVT. LTD.	-	-	-	-	10	42,500	17,000,000
RIKZEN CONTRA PVT. LTD.	-	-	-	-	10	298,000	119,200,000
ROPLAS COMMOTRADERS PVT LTD	10	63,875	25,550,000	-	10	63,875	25,550,000
RABIRUN VINIMAY PVT. LTD.	10	13,887,500	555,500,000	-	-	-	-
SNOWFALL AGENCIES PVT.LTD.	-	-	-	-	10	24,750	9,900,000
SUTLAJ SALES PVT LTD	-	-	-	-	10	186,250	74,500,000
ZED DEALCOMM PVT. LTD.	-	-	-	-	10	20,500	8,200,000
ZEN MERCHANTS PVT. LTD.	-	-	-	-	10	105,250	42,100,000
TOTAL		14,549,525	820,310,000			2,058,275	824,210,000
GRAND TOTAL :		15,069,525	884,310,000			2,578,275	888,210,000

NOTE - 9**DEFERRED TAX ASSETS (NET)****DEFERRED TAX ASSETS**

Op. Balance	-	74,791
Add : Generated	83,847	-
Less: Reversed	-	(74,791)

Cl . Balance	83,847	-
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DEFERRED TAX LIABILITIES

Op. Balance	-	-
Add : Generated	3,023	-
Less: Reversed	-	-

Cl . Balance	3,023	-
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NET BALANCE	80,824	-
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NOTE - 10**CASH & CASH EQUIVALENTS**

Cash in hand (As certified)	297,248	1,419
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Balances with Schedule Bank in Current Account	2,179,679	1,964,032
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	2,476,927	1,965,451
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NOTE - 11**SHORT TERM LOANS & ADVANCES**

(Unsecured , Considered good)

Loans to Corporate	6,223,292	21,300,207
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Loans to Others	11,997,671	-
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Advance	-	50,000,000
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Shares Application Money Paid	54,500,000	-
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	72,720,963	71,300,207
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NOTE -12**OTHER CURRENT ASSETS**

T.D.S.	386,282	238,794
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Income Tax Refund Receivable	952	952
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	387,234	239,746
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NOTE - 13**REVENUE FROM OPERATIONS**

Sale Of Equity Shares	-	4,845,000
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Interest	1,619,882	2,023,422
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	1,619,882	6,868,422
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NOTE - 14**OTHER INCOME**

Miscellaneous Income	10,000	-
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	10,000	-
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NOTE - 15**EMPLOYEE BENEFIT EXPENSES**

Salary & Bonus	455,000	405,000
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Directors Remuneration	96,000	96,000
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	551,000	501,000
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NOTE - 16**DEPRECIATION & AMORTIASATION**

Depreciation	4,330	-
Preliminary Expenses W/Off		827,750
	4,330	827,750

NOTE - 17**OTHER EXPENSES**

Advertisement Expenses	15,606	25,770
As Audit Fees	28,090	23,597
For Certification & Other matters	3,932	
Bank Charges	3,297	657
Certification Fees	10,000	10,000
Data entry charges	18,000	18,000
Demat Expenses	365	-
Depository Expenses	112,360	112,360
Internal Audit Fees	3,000	3,000
Filing Fees	3,000	3,500
General Expenses	16,476	16,926
Professional Expenses	33,090	30,000
Listing Fees	293,469	153,019
Postage & Telegram	21,432	20,192
Printing & Stationery	38,307	46,159
Rates & Taxes	4,400	4,400
Transfer Agent Fees	10,314	10,112
WebSite expenses	9,180	-
	624,318	477,692

NOTE - 18**FINANCIAL COST**

Interest Paid on unsecured Loans	26,458	493
	26,458	493

NOTE - 19**EXCEPTIONAL ITEMS**

Professional fee for direct listing to BSE	730,340	
Processing fee for direct listing to BSE	561,800	-
	1,292,140	-

NOTE - 20**EARNING PER SHARE**

Net Profit after tax as per Statement of Profit and Loss (A)	(787,540)	516,200
weighted Average number of equity shares outstanding (B)	96,164,350	96,164,350
Basic and Diluted Earnings per share (Rs.)	(0.008)	0.005
Face value per equity share (Rs.)	10	10

NOTE 21 OTHER NOTES ON ACCOUNTS

1 Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provision/payments have been made by the Company to such creditors, if any, and no disclosures thereof are made in these accounts.

2 Loans and advances balances are subject to confirmation by the respective parties

3 Segment Report :

The Company is engaged in the business of Non-Banking Financial Services and there are no separate reportable segments as per Accounting Standard 17.

4 Related Party Disclosure :

As per accounting standard 18 the information for related parties is given below:

Name of the related parties

ASSOCIATES

SUBSIDIARIES

1. FUNIDEA REALTORS LTD
2. GYANESHWAR NIKETAN LTD
3. GOPAL PRIYA VINIMAY LTD
4. MEGAPIX CONCLAVE LTD
5. MOONLOVE VYAPAAR LTD
6. MARBUMI IMPEX LTD
7. SUVRIDHI VANIYA LTD
8. WATERLINK SUPPLIERS LTD

KEY MANAGEMENT PERSONNEL (KMP)

1. Ramesh Chandra Daga

RELATIVES OF (K M P)

RELATED PARTY TRANSACTION

Sl. No.	Nature Of Transaction	Relation	31/03/2014 (Rs)	31/03/2013 (Rs)
	Directors Remuneration (Salary)			
1	Ramesh Chandra Daga	Managing Director	Rs. 96,000/-	Rs. 96,000/-

5 The Company has Complied this information based on the current information in its possession as at 31.03.2014 , No supplier has intimated the Company about its status as a Micro or Small enterprise or its Registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006

Amount due to Micro Small and Medium Enterprises as on 31.03.2014 RS NIL (PY RS NIL)

6 Deferred Taxation :

Deferred Tax Assets on account of long term losses and short term losses has not been considered on account of uncertainty of realisable income under the said head which will be available for realisation.

- 7 No provision for taxation has been made during the year as there is no taxable profit during the year.
- 8 Provision for Outstanding Standard Assets have been made @ 0.25% as per RBI Circular No.: DNBPS.PD.CC.No. 207/03.02.002 /2010-11 dated: 17-01-2011
- 9 No Provision has been made on account of gratuity as none of the employees have put in completed years of Service as required by the Payment of Gratuity Act.
- 10 No provision has been made on account of leave salary as there are no leave to the credit of employees as at the end of the year.
- 11 Previous Year figures have been regrouped, rearranged or re-casted wherever considered necessary.
- 12 Information required to be furnished under paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 is annexed separately.
- 13 The company has applied for and granted admission of its securities with the Bombay Stock Exchange.

For and behalf of the Board

In terms of our report of even date
For MAROTI & ASSOCIATES
(CHARTERED ACCOUNTANTS)

Tapas Mondal **Ramesh Chandra Daga** **Sanjaya Kumar Rout**
Director M.Director Company Secretary

M. K. Maroti
(Proprietor)

M. No. 057073

Place : Kolkata

Firm Reg. No : 322770E

Date : 27th Day of May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

		<u>31.03.2014</u>	<u>31.03.2013</u>
1. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before Tax (a)		(868,364)	1,311,487
Add :			
Depreciation	4,330	-	-
Preliminary Expenses W/O.	-	827,750	827,750
Sub Total - (b)		4,330	827,750
Operating Profit before Working Capital Changes	(a)+(b)	(864,034)	2,139,237
Adjustments			
Decrease/(Increase) in Loans & Advances	(1,420,756)	39,478,688	39,478,688
Increase / (Decrease) in Current Liabilities	12,742	(995,860)	(995,860)
Adjustments for I.T & Provisions	(693,248)	-	-
Sub Total - (c)		(2,101,262)	38,482,828
Net Cash from Operating Activities	A	(2,965,296)	40,622,065
2. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(47,040)	-	-
(Increase) / Decrease in Investments	3,900,000	(40,050,000)	(40,050,000)
Net Cash from Investing Activities	B	3,852,960	(40,050,000)
3. CASH FLOW FROM FINANCING ACTIVITIES			
Decrease in Unsecured Loans	(376,188)	500,493	500,493
Net Cash from Financing Activities	C	(376,188)	500,493
Net Increase in Cash/Cash Equivalent	A+B+C	511,476	1,072,558
Cash/Cash Equivalents (Opening)		1,965,451	892,893
Cash/Cash Equivalents (Closing)		2,476,927	1,965,451

Note :

The above cash flow statement has been prepared under the indirect Method as set out in the

1 Accounting Standard-3 on Cash Flow Statements

31-03-201431-03-20132 Cash & Cash Equivalents Comprise

Cash in Hand

297,248

1,419

Balance With Schedule Banks in current Account

2,179,679

1,964,032

2,476,9271,965,451For and on behalf of the Board

In terms of our report of even date
For MAROTI & ASSOCIATES
(CHARTERED ACCOUNTANTS)

Tapas Mondal

Director

Ramesh Chandra Daga

M. Director

Sanjaya Kumar Rout

Company Secretary

M. K. Maroti

(Proprietor)

M. No. 057073

Firm Reg. No : 322770E

Place : Kolkata

Date : 27th Day of May, 2014

ANNEXURE REFERRED TO IN POINT 12 OF NOTE NO-21 TO ACCOUNTS
ANNEXED AS PER RESERVE BANK OF INDIA PRUDENTIAL NORMS

SCHEDULE TO THE BALANCE SHEET OF A NON BANKING FINANCIAL COMPANY AS ON 31.03.2014 AS REQUIRED IN TERMS OF PARAGRAPH 13 OF A NON BANKING FINANCIAL (NON DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS , 2007

PARTICULARS**(RS IN LACS)****LIABILITIES SIDE**

LOANS AND ADVANCES AVAILED BY THE NBFCS INCLUSIVE OF INTEREST ACCRUEDS THEREON BUT NOT PAID		<u>AMOUNT OUTSTANDING</u>	<u>AMOUNT OVERDUE</u>
a	DEBENTURES		
	• SECURED	NIL	NIL
	• UNSECURED (OTHER THAN FALLING WITHIN THE MEANING OF PUBLIC DEPOSIT)	NIL	NIL
b	DEFERRED CREDITS	NIL	NIL
c	TERM LOANS	NIL	NIL
d	INTER – CORPORATE LOANS AND BORROWINGS	1.24	1.24
e	COMMERCIAL PAPER	NIL	NIL
f	PUBLIC DEPOSIT	NIL	NIL
g	OTHER LOANS (SPECIFY NATURE)	NIL	NIL

ASSET SIDE

	BREAK UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES OTHER THAN THOSE INCLUDED IN (4) BELOW		<u>AMOUNT OUTSTANDING</u>
	• SECURED	NIL	NIL
	• UNSECURED	727.21	727.21
	BREAK UP OF LEASED ASSETS AND STOCK ON HIRE AND HYPOTHECATION LOANS COUNTING TOWARDS EL / HP ACTIVITIES	NIL	NIL
1	LEASE ASSETS INCLUDING LEASE RENTALS UNDER SUNDRY DEBTORS		
	• FINANCIAL LEASE	NIL	NIL
	• OPERATING LEASE		NIL
2	STOCK ON HIRE INCLUDING HIRE CHARGES UNDER SUNDRY DEBTORS	NIL	
	• ASSETS ON HIRE	NIL	NIL
	• REPOSSESSED ASSETS	NIL	NIL
3	HYPOTHECATION LOANS COUNTING TOWARDS EL / HP ACTIVITIES	NIL	NIL
	• LOANS WHERE ASSETS HAVE BEEN REPOSSESSED	NIL	NIL
	• LOANS OTHER THAN ABOVE	NIL	NIL

BREAK UP OF INVESTMENTS

	• CURRENT INVESTMENTS (STOCK IN TRADE)		
1	QUOTED		
	• SHARES		
	EQUITY	NIL	NIL
	PREFERENCE	NIL	NIL
	• DEBENTURES AND BONDS	NIL	NIL
	• UNITS OF MUTUAL FUNDS	NIL	NIL
	• GOVERNMENT SECURITIES	NIL	NIL
	• OTHERS	NIL	NIL
2	UNQUOTED		
	• SHARES		
	EQUITY	NIL	NIL
	PREFERENCE	NIL	NIL
	• DEBENTURES AND BONDS	NIL	NIL
	• UNITS OF MUTUAL FUNDS	NIL	NIL
	• GOVERNMENT SECURITIES	NIL	NIL
	• OTHERS	NIL	NIL
	• LONG TERM INVESTMENTS		
1	QUOTED		
	• SHARES		
	EQUITY	NIL	NIL
	PREFERENCE	NIL	NIL
	• DEBENTURES AND BONDS	NIL	NIL
	• UNITS OF MUTUAL FUNDS	NIL	NIL
	• GOVERNMENT SECURITIES	NIL	NIL
	• OTHERS	NIL	NIL
2	UNQUOTED		
	• SHARES		
	EQUITY	8843.10	8843.10
	PREFERENCE	NIL	NIL
	• DEBENTURES AND BONDS	NIL	NIL
	• UNITS OF MUTUAL FUNDS	NIL	NIL
	• GOVERNMENT SECURITIES	NIL	NIL
	• OTHERS	NIL	NIL

BORROWER GROUP WISE CLASSIFICATION OF ALL LEASED ASSETS, STOCK ON HIRE AND LOANS AND ADVANCES

CATEGORY		AMOUNT NET OF P[ROVISIONS			
1		RELATED PARTIES	SECURED	UNSECURED	TOTAL
	a	SUBSIDIARIES	NIL	NIL	NIL
	b	COMPANIES IN THE SAME GROUP	NIL	NIL	NIL
	c	OTHER RELATED PARTIES	NIL	NIL	NIL
<u>2</u>		OTHER THAN RELATED PARTIES	NIL	727.21	727.21
		TOTAL	NIL	727.21	727.21

INVESTOR GROUP WISE CLASSIFICATION OF ALL INVESTMENTS (CURRENT AND LONG TERM) IN SHARES AND SECURITIES (BOTH QUOTED AND UNQUOTED)				
<u>CATEGORY</u>			<u>MARKET VALUE</u> <u>/BREAK UP OF FAIR</u> <u>VALUE OR NAV</u>	<u>BOOK VALUE (NET</u> <u>OF PROVISION)</u>
1		RELATED PARTIES		
	a	SUBSIDIARIES	640.00	640.00
	b	COMPANIES IN THE SAME GROUP	NIL	NIL
	c	OTHER RELATED PARTIES	NIL	NIL
2		OTHER THAN RELATED PARTIES	8203.10	8203.10
		TOTAL	8843.10	8843.10

7.

OTHER INFORMATION			
		PARICULARS	AMOUNT
I)		GROSS NON- PERFORMING ASSETS	
	A	RELATED PARTIES	NIL
	B	OTHER THAN RELATED PARTIES	NIL
II)		NET NON- PERFORMING ASSETS	
	A	RELATED PARTIES	NIL
	B	OTHER THAN RELATED PARTIES	NIL
III)		ASSETS ACQUIRED IN SATISFACTION OF DEBTS	NIL

For and on behalf of the Board

In terms of our report of even date
FOR MAROTI & ASSOCIATES
(Chartered Accountants)

R. C. Daga T. Mondal S. K. Rout
Managing Director Director Company Secretary

(M.K. MAROTI)
(Propreitor)
M.No : 057073
Firm Reg No : 322770E

Place : Kolkata

Date : 27th day of May, 2014

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT

		FUNIDEA REALTORS LTD	GOPALPRIY A VINIMAY LTD	GYANESHW AR NIKETAN LTD	MARUBHUM I IMPEX LTD.	MEGAPIX CONCLAVE LTD	MOONLOVE VYAPAAR LTD	SUVRIDHI VAANIYA LTD	WATERLINK SUPPLIERS LTD
1	FINANCIAL YEARS OF THE SUBSIDIARY COMPANY ENDED ON	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
2	SHARES OF THE SUBSIDIARY COMPANY HELD ON THE ABOVE DATE AND EXTENT OF HOLDING ➤ EQUITY SHARES ➤ EXTENT OF HOLDING	70,000 100%	50,000 100%	50,000 100%	70,000 100%	70,000 100%	70,000 100%	70,000 100%	70,000 100%
3	THE NET AGGREGATE AMOUNT OF THE SUBSIDIARIES PROFIT/(LOSS) SO FAR AS IT IS CONCERNED WITH THE MEMBERS OF THE MANGALAM INDUSTRIAL FINANCE LIMITED								
	NOT DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS								
	FOR THE FINANCIAL YEAR OF THE SUBSIDIARY	(19,247)	(17,522)	(17,469)	(18,820)	(19,426)	(18,753)	(19,110)	(19,281)
	FOR THE PREVIOUS FINANCIAL YEARS OF THE SUBSIDIARY / SINCE IT BECAME THE HOLDING COMPANY'S SUBSIDIARY	(10,741)	(8,917)	(8,893)	(10,668)	(11,120)	(10,563)	(10,861)	(10,605)
	DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS								
	FOR THE FINANCIAL YEAR OF THE SUBSIDIARY	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	FOR THE PREVIOUS FINANCIAL YEARS OF THE SUBSIDIARY / SINCE IT BECAME THE HOLDING COMPANY'S SUBSIDIARY	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	MATERIAL CHANGES, IF ANY BETWEEN THE END OF THE FINANCIAL YEAR OF THE SUBSIDIARY COMPANY AND THAT OF THE HOLDING COMPANY	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5	ADDITIONAL INFORMATION ON SUBSIDIARY COMPANIES								
	SHARE CAPITAL	7,00,000	5,00,000	5,00,000	7,00,000	7,00,000	7,00,000	7,00,000	7,00,000
	RESERVES & SURPLUS	9,757,900	(35,163)	(35,106)	9,759,040	9,757,002	9,758,732	9,757,957	9,758,062
	TOTAL ASSETS	10,459,400	466,394	466,337	10,458,502	10,460,232	10,460,540	10,459,457	10,459,562
	TOTAL LIABILITIES	10,459,400	466,394	466,337	10,458,502	10,460,232	10,460,540	10,459,457	10,459,562
	INVESTMENTS	10,165,000	-	-	10,175,000	1,01,75,000	1,01,75,000	1,01,75,000	1,01,75,000
	TURNOVER	-	-	-	-	-	-	-	-
	PROFIT BEFORE TAX	(19,247)	(17,522)	(17,469)	(18,820)	(19,426)	(18,753)	(19,110)	(19,281)
	PROFIT AFTER TAX	(19,247)	(17,522)	(17,469)	(18,820)	(19,426)	(18,753)	(19,110)	(19,281)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
MANGALAM INDUSTRIAL FINANCE LIMITED
REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of MANGALAM INDUSTRIAL FINANCE LIMITED (the “Company”) and its subsidiaries (collectively referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT’S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies

used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements/ consolidated financial statements of the subsidiaries as noted below, the consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the **LOSS** of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements/ consolidated financial statements of the subsidiary whose financial statements/ consolidated financial statements reflect total assets of Rs. 6,36,90,424/- as at 31st March, 2014 and total revenues of Rs Nil for the year ended on that date and cash flows amounting to Rs (1,01,448)/- for the year then ended. These financial statements/ consolidated financial statements have been audited by other auditors whose report has been furnished to us and our opinion in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

For MAROTI & ASSOCIATES
Chartered Accountants

(M.K.MAROTI)

Proprietor

M. No.057073

Firm Reg. No : 322770E

Place : Kolkata

Date : 27th Day of May, 2014.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No	31ST MARCH, 2014	31ST MARCH, 2013
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	961,643,500	961,643,500
(b) Reserves and Surplus	3	56,441,168	57,264,577
(2) Current Liabilities			
(a) Short Term Borrowings	4	124,305	500,493
(b) Other current liabilities	5	45,736	32,994
(c) Short-term provisions	6	254,373	913,892
TOTAL		1,018,509,082	1,020,355,456
II. Assets			
(1) Non-current assets			
(a) Fixed Assets	7		
(i) Tangible Assets		42,710	-
(ii) Intangible Assets		58,800,000	58,800,000
(b) Non-current investments	8	881,350,000	885,250,000
(c) Deferred Tax Assets	9	80,824	-
(2) Current assets			
(a) Cash and cash equivalents	10	5,030,991	4,620,963
(b) Short-term loans and advances	11	72,720,963	71,300,207
(c) Other current assets	12	483,594	384,286
TOTAL		1,018,509,082	1,020,355,456

SIGNIFICANT ACCOUNTING POLICIES 1
OTHER NOTES ON ACCOUNTS 21

In terms of our report of even date
FOR MAROTI & ASSOCIATES
(Chartered Accountants)

R. C. Daga **T. Mondal** **S.K.Rout**
Managing Director Director Company Secretary

(M.K. MAROTI)
(Proprietor)

M.No : 057073

Firm Reg No : 322770E

Place : Kolkata

Date : 27th day of May, 2014

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

		PARTICULARS	Note No	31ST MARCH, 2014	31ST MARCH , 2013
				Rs.	Rs.
I		REVENUE FROM OPERATIONS	13	1,619,882	6,868,422
II		OTHER INCOME	14	48,300	91,630
III		TOTAL REVENUE (I + II)		1,668,182	6,960,052
IV		EXPENSES			
		Purchase of Equity Shares		-	3,750,000
		Employee Benefit Expenses	15	551,000	501,000
		Depreciation and Amortization Expense	16	52,510	875,930
		Other Expenses	17	764,066	603,510
		Finance Cost	18	26,458	493
		TOTAL EXPENSES		1,394,034	5,730,933
V		Profit Before Exceptional Items		274,148	1,229,119
VI		Less: Exceptional Items	19	1,292,140	-
VII		Profit Before Tax		(1,017,992)	1,229,119
VIII		TAX EXPENSES			
	a	Current Tax		-	(700,940)
	b	Mat Tax Credit		-	(19,556)
	c	Deferred Tax		80,824	(74,791)
IX		PROFIT / (LOSS) FOR THE PERIOD		(937,168)	433,832
X		Earning Per Equity Share			
	a	Basic	20	(0.010)	0.005
	b	Diluted	20	(0.010)	0.005

SIGNIFICANT ACCOUNTING POLICIES 1
OTHER NOTES ON ACCOUNTS 21

In terms of our report of even date
FOR MAROTI & ASSOCIATES
(Chartered Accountants)

R. C. Daga
Managing Director

T. Mondal
Director

S.K.Rout
Company Secretary

(M.K. MAROTI)
(Proprietor)

M.No : 057073

Firm Reg No : 322770E

Place : Kolkata

Date : 27th day of May, 2014

NOTE - 1**Significant Accounting Policies :****01 ACCOUNTING CONVENTIONS**

The Financial Statements are prepared on Historical Cost Convention. Financial Statements are prepared in accordance with relevant presentational requirements of the Companies Act, 1956 and applicable mandatory Accounting Standards.

02 Principles of Consolidation

1 The Consolidated financial statements relate to Mangalam Industrial Finance Limited (the 'Company') and its wholly owned subsidiaries. The consolidated financial statements have been prepared on the following basis:

- (a) The financial statements of The company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements".
- (b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- (c) The excess of cost to the Company of its investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as goodwill, which will be amortised over a period of ten years commencing from the financial year after the year in which the company was incorporated.

2 The subsidiaries considered in the consolidated financial statements is:

	<u>Name of the company</u>	<u>% voting power held as at 31st March,2013</u>	<u>% voting power held as at 31st March,2013</u>
(i)	FUNIDEA REALTORS LTD	100	100
(ii)	GYANESHWAR NIKETAN LTD	100	100
(iii)	GOPAL PRIYA VINIMAY LTD	100	100
(iv)	MEGAPIX CONCLAVE LTD	100	100
(v)	MOON LOVE VYAPAAR LTD	100	100
(vi)	MARBUMI IMPEX LTD	100	100
(vii)	SUVRIDHI VANIJYA LTD	100	100
(viii)	WATERLINK SUPPLIERS LTD	100	100

03 INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other Investments are classified as Non Current Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Non Current Investments are considered 'at cost' on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

- 04** **RECOGNITION OF INCOME & EXPENDITURE**
Income & Expenditures are accounted for on accrual basis, except dividend those are accounted for on Receipt Basis.
- 05** **PRELIMINARY EXPENSES**
Preliminary Expense is amortised over a period of Five years.
- 06** **PROVISIONING FOR STANDARD ASSETS :**
The Reserve Bank Of India vide Notification No. **DNBS 223/CGM (US) 2011 DATED 17 JANUARY, 2011** has issued direction to all NBFCs to make provision of **0.25%** on **STANDARD ASSETS** with immediate effect . Accordingly the Company has made provision @ **0.25%** on Standard Assets in accordance therewith.
- 07** **CONTINGENCIES :**
These are disclosed by way of notes on the Balance sheet. Provisions is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the finalization of accounts and material effect on the position stated in the Balance Sheet
- 08** **PROVISIONING FOR DEFERRED TAXES :**
The Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
Deferred Tax resulting from “ timings difference ” between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. The Deferred Tax Asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.
- 09** **TAXES ON INCOME**
Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
Deferred Tax is recognised, subject to consideration of prudence, in respect of deferred tax assets / liabilities on timing difference, being the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

**NOTE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT
& CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	31ST MARCH, 2014	31ST MARCH, 2013
	Rs.	Rs.
NOTE - 2		
<u>SHARE CAPITAL</u>		
<u>Authorised</u>		
9,61,70,000 Equity Shares of Rs.10/- each	961,700,000	961,700,000
<u>Issued, Subscribed & Paid up</u>		
9,61,64,350 Equity Share of Rs.10/- each	961,643,500	961,643,500
	961,643,500	961,643,500

A. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	31ST MARCH, 2014		31ST MARCH , 2013	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	96,164,350	961,643,500	96,164,350	961,643,500
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	96,164,350	961,643,500	96,164,350	961,643,500

B. TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity share having par value of Rs 10/- per share. Each holder of Equity share is entitled to one vote per share.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The Distribution will be in proportion to the number of equity share held by the shareholders.

C. Details of shareholders holding more than 5% shares of the Company

NAME OF THE SHAREHOLDER	31ST MARCH, 2014		31ST MARCH, 2013	
(EQUITY SHARES OF RS 10/ EACH FULLY PAID UP)	Nos	%	Nos	%
ROSEMOUNT MARKETING PVT. LTD.	9,650,750	10.04	9,650,750	10.04
APURVA DISTRIBUTORS PVT. LTD.	7,833,250	8.15	7,833,250	8.15
REALITY COMMODEAL PVT. LTD.	7,566,000	7.87	7,566,000	7.87
GUIDE DEALCOM PVT. LTD.	6,376,500	6.63	6,376,500	6.63
KIRTI COMMOTRADE PVT. LTD.	6,295,250	6.55	6,295,250	6.55
NILLANCHAL DEALCOMM PVT. LTD.	5,910,000	6.15	5,910,000	6.15
GOODVIEW OVERSEAS PVT. LTD.	5,872,000	6.11	5,872,000	6.11
SUPARAS IMPEX PVT. LTD.	4,951,250	5.15	4,951,250	5.15
ALERT COMMODEAL PVT. LTD.	4,950,000	5.15	4,950,000	5.15

As per the records of the Company, including its Register of Members and other declarations received from the shareholders regarding beneficial interest, the above shareholders represents legal ownership of shares.

D. SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Out of the above 9,49,45,000 (9,49,45,000) equity shares have been issued for consideration other than cash.

**NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT
& CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

		31ST MARCH , 2014	31ST MARCH , 2013
		Rs.	Rs.
NOTE - 3			
<u>RESERVES & SURPLUS</u>			
Capital Reseve			
OP. Balance		370,630	370,630
	A	370,630	370,630
Amalgamation Reserve			
OP. Balance		1,050,000	1,050,000
	B	1,050,000	1,050,000
Reserve Fund			
OP. Balance		108,749	108,749
	C	108,749	108,749
Special Reserve			
OP. Balance		103,944	704
Add : Created During the Year		-	103,240
	D	103,944	103,944
Profit & Loss Account			
OP. Balance		(3,187,686)	(3,617,340)
Add: Profit for the year		(937,168)	433,832
Add: Contingency provision for standard Assets		132,699	99,062
Less: Transfer to Reserve Fund (as per RBI Rule)		-	(103,240)
	E	(3,992,155)	(3,187,686)
Securities Premium			
Balance As Per last Account		58,800,000	58,800,000
	F	58,800,000	58,800,000
TOTAL (A+B+C+D+E+F)		56,441,168	57,245,637
NOTE - 4			
<u>SHORT TERM BORROWINGS</u>			
Unsecured Loans			
From Bodies Corporate		124,305	500,493
		124,305	500,493
NOTE - 5			
<u>OTHER CURRENT LIABILITIES</u>			
Liabilities For Expenses		43,090	32,994
TDS Payable		2,646	
		45,736	32,994
NOTE - 6			
<u>SHORT TERM PROVISION</u>			
Provision for Taxation		208,821	53,641
Contingency Provision for Standard Assets		45,552	277,313
		254,373	330,954

**NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT
& CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE - 7
FIXED ASSETS

Description	Gross Block			Depreciation			Net Block		
	As on	Addition	Deletion	As on	Upto	For the year	Upto	As on	As on
	01.04.2013			31.03.2014	31.03.2013		31.03.2014	31.03.2014	31.03.2013
<u>Tangible Assets</u>									
COMPUTER	-	47,040	-	47,040	-	4,330	4,330	42,710	-
Total (a)	-	47,040	-	47,040	-	4,330	4,330	42,710	-
<u>Intangible Assets</u>									
GOODWILL	58,800,000	-	-	58,800,000	-	-	-	58,800,000	58,800,000
Total (b)	58,800,000	-	-	58,800,000	-	-	-	58,800,000	58,800,000
Grand Total (a+b)	58,800,000	47,040	-	58,847,040	-	4,330	4,330	58,842,710	58,800,000
Previous Year	58,800,000	-	-	58,800,000	-	-	-	58,800,000	-

NOTE - 8**NON CURRENT INVESTMENTS****(Long Term, Non Trade, Valued at Cost)**

	2013-14		2012-13	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
QUOTED (Long Term other than Trade)				
SHREE SECURITIES LTD.	185,000	50,875,000	185,000	50,875,000
TOTAL : A	185,000	50,875,000	185,000	50,875,000
UNQUOTED SHARES				
ADVENT DEALCOMM PVT LTD	-	-	25,000	10,000,000
AGARWAL TREXIM PVT. LTD.	195,650	78,260,000	201,900	80,760,000
ALBRIGHT AGENCIES PVT. LTD.	-	-	62,500	25,000,000
ALLIED TREXIM PVT. LTD.	-	-	30,000	12,000,000
BLISS DEALCOMM PVT. LTD.	-	-	23,000	9,200,000
BRENTWOOD MERCHANDISE PVT. LTD.	-	-	72,250	28,900,000
BULLPOWER SUPPLIERS PVT. LTD.	-	-	8,750	3,500,000
CAMPUS IMPEX PVT. LTD.	-	-	48,250	19,300,000
CINDRELLA COMMODITIES PVT. LTD.	-	-	44,000	17,600,000
CREATIVE COMMOTRADE PVT. LTD.	-	-	10,500	4,200,000
CYGNUS TREXIM PRIVATE LIMITED	-	-	23,250	9,300,000
CHETANI VINEEYOG PVT LTD	250,700	100,280,000	250,700	100,280,000
FORTUNE TRADE & VYAPAAR PVT LTD.	-	-	7,500	3,000,000
GANAPATI RIVERSIDE PVT LTD	-	-	241,500	96,600,000
HERITAGE TREXIM PVT. LTD.	-	-	42,000	16,800,000
KASHYAP COMMDEAL PVT.LTD.	-	-	21,250	8,500,000
LOTUS TRADE & VYAPAAR PVT. LTD.	-	-	11,000	4,400,000
MAARS ADVISORY SERVICES PVT. LTD.	-	-	8,000	3,200,000
NEXCARE AGENCY PVT. LTD.	-	-	8,000	3,200,000
NOVAGOLD ADVISORY SERVICES PVT.LTD.	-	-	8,250	3,300,000
ORIENTAL COMMOTRADE PVT. LTD.	-	-	8,750	3,500,000
PRIYANKA TREXIM & COMMERCE P. LTD	151,800	60,720,000	151,800	60,720,000
QUADRA SUPPLIERS PVT. LTD.	-	-	9,000	4,500,000
RIGHT COMMODITIES PVT. LTD.	-	-	42,500	17,000,000
RIKZEN CONTRA PVT. LTD.	-	-	298,000	119,200,000
ROPLAS COMMOTRADER PVT. LTD.	63,875	25,550,000	63,875	25,550,000
RABIRUN VINIMAY PVT. LTD.	13,887,500	555,500,000	-	-
SNOWFALL AGENCIES PVT.LTD.	-	-	24,750	9,900,000
SUTLAJ SALES PVT LTD	-	-	186,250	74,500,000
SARGAM NIWAS PVT. LTD.	1,900,000	10,165,000	1,900,000	10,165,000
ZED DEALCOMM PVT. LTD.	-	-	20,500	8,200,000
ZEN MERCHANTS PVT. LTD.	-	-	105,250	42,100,000
TOTAL : B	16,449,525	830,475,000	3,958,275	834,375,000
GRAND TOTAL :	16,634,525	881,350,000	3,958,275	885,250,000

NOTE - 9**DEFERRED TAX ASSETS (NET)****DEFERRED TAX ASSETS**

Op. Balance	-	74,791
Add : Generated	83,847	-
Less: Reversed	-	(74,791)
Cl . Balance	83,847	-

DEFERRED TAX LIABILITIES

Op. Balance	-	-
Add : Generated	3,023	-
Less: Reversed	-	-
Cl . Balance	3,023	-

NET BALANCE**80,824****NOTE - 10****CASH & CASH EQUIVALENTS**

Cash in hand (As certified)	2,761,605	2,561,955
Balances with Schedule Bank in Current Account	2,269,386	2,059,008
	5,030,991	4,620,963

NOTE - 11**SHORT TERM LOANS & ADVANCES**

(Unsecured , Considered good)

Loans to Corporates	6,223,292	21,300,207
Loans to Others	11,997,671	-
Other Advances	-	50,000,000
Share Application Money	54,500,000	-
	72,720,963	71,300,207

NOTE -12**OTHER CURRENT ASSETS**

T.D.S.	386,282	238,794
Income Tax Refund Receivable	952	952
Preliminary Expenses	96,360	144,540
	483,594	384,286

NOTE - 13**REVENUE FROM OPERATIONS**

Sale of Equity Shares	-	4,845,000
Interest on loan	1,619,882	2,023,422
	1,619,882	6,868,422

NOTE - 14**OTHER INCOME**

Miscellaneous Income	48,300	91,630
	48,300	91,630

NOTE - 15**EMPLOYEE BENEFIT EXPENSES**

Salary & Bonus	455,000	405,000
Directors Remuneration	96,000	96,000
	551,000	501,000

NOTE - 16**DEPRECIATION & AMORTIASATION**

Depreciation	4,330	-
Preliminary Expenses W/Off	48,180	875,930
	52,510	875,930

NOTE - 17**OTHER EXPENSES**

Advertisement Expenses	15,606	25,770
Audit Fees	44,022	35,597
Bank Charges	3,297	881
Certification Fees	10,000	10,000
Data entry charges	38,000	38,000
Demat Expenses	5,434	-
Depository Expenses	112,360	112,360
Internal Audit Fees	3,000	3,000
Filing Fees	10,200	8,300
General Expenses	40,012	67,890
Legal & Professional Expenses	33,090	34,000
Listing Fees	293,469	153,019
Postage & Telegram	23,647	26,217
Printing & Stationery	43,185	73,964
Rates & Taxes	69,250	4,400
Transfer Agent Fees	10,314	10,112
WebSite expenses	9,180	-
	764,066	603,510

NOTE - 18**FINANCIAL COST**

Interest Paid on unsecured Loans	26,458	493
	26,458	493

NOTE - 19**EXCEPTIONAL ITEMS**

Professional fee for direct listing to BSE	730,340	-
Processing fee for direct listing to BSE	561,800	-
	1,292,140	-

NOTE - 20**EARNING PER SHARE**

Net Profit after tax as per Statement of Profit and Loss (A)	(937,168)	433,832
weighted Average number of equity shares outstanding (B)	96,164,350	96,164,350
Basic and Diluted Earnings per share (Rs.)	(0.010)	0.005
Face value per equity share (Rs.)	10	10

NOTE 21 OTHER NOTES ON ACCOUNTS

1 Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provision/payments have been made by the Company to such creditors, if any, and no disclosures thereof are made in these accounts.

2 Loans & advances and sundry debtors and sundry creditors balances are subject to confirmation by the respective parties.

3 The Income Tax provision is provided as the tax provision provided in the books of the parent company.

4 **Segment Report :**

The Company is engaged in the business of Non-Banking Financial Services and there are no separate reportable segments as per Accounting Standard 17.

5 **Related Party Disclosure :**

As per accounting standards 18 the information for related parties is given below:

Name of the related parties

ASSOCIATES

HOLDING

MANGALAM INDUSTRIAL FINANCE LIMITED.

SUBSIDIARIES

- (i) FUNIDEA REALTORS LTD
- (ii) GYANESHWAR NIKETAN LTD
- (iii) GOPAL PRIYA VINIMAY LTD
- (iv) MEGAPIX CONCLAVE LTD
- (v) MOON LOVE VYAPAAR LTD
- (vi) MARBUMI IMPEX LTD
- (vii) SUVRIDHI VANIJYA LTD
- (viii) WATERLINK SUPPLIERS LTD

KEY MANAGEMENT PERSONNEL (K M P)

- 1 Ramesh Chandra Daga

RELATIVES OF (K M P)

RELATED PARTY TRANSACTION

Sl. No.	Nature Of Transaction	31/03/2014 (Rs)	31/03/2013 (Rs)
1	Directors Remuneration (Salary)		
	Ramesh Chandra Daga	Rs. 96,000/-	Rs. 96,000/-

6 The Company has Complied this information based on the current information in its possession as at 31.03.2014 , No supplier has intimated the Company about its status as a Micro or Small enterprise or its Registration with the appropriate authority under the Micro,Small and Medium Enterprises Development Act, 2006

Amount due to Micro Small and Medium Enterprises as on 31.03.2014 RS NIL (P.Y.- Rs. NIL)

7 No Provision has been made on account of gratuity as none of the employees have put in completed years of Service as required by the Payment of Gratuity Act.

8 No provision has been made on account of leave salary as there are no leave to the credit of employees as at the end of the year .

9 Previous Year figures have been regrouped, rearranged or recasted wherever considered necessary.

For and on behalf of the Board

In terms of our report of even date
FOR MAROTI & ASSOCIATES
(Chartered Accountants)

R. C. Daga
Managing Director

T. Mondal
Director

S.K.Rout
Company Secretary

(M.K. MAROTI)
(Proprietor)
M.No : 057073

Firm Reg No : 322770E

Date : 27th day of May, 2014
Place : Kolkata

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

		31.03.2014		31.03.2013
1. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before Tax (a)		(1,017,992)		1,229,119
Add :				
Preliminary Expenses W/O.	48,180		875,930	
Depreciation	4,330		-	
Sub Total - (b)		52,510		875,930
Operating Profit before Working Capital Changes (a+b)		(965,482)		2,105,049
Adjustments :				
Increase/(Decrease) in Short Term Borrowings	(376,188)		500,493	
Increase/(Decrease) in other Current Liabilities	12,742		(1,077,852)	
(Increase)/Decrease in Loans & advances	(1,420,756)		39,624,800	
Adjustment for TDS and IT Payments	-		(146,112)	
Adjustment for IT provisions & Others	(693,248)		-	
Sub Total - (c)		(2,477,450)		38,901,329
A. Net Cash from Operating Activities (a+b+c)		(3,442,932)		41,006,378
2. CASH FLOW FROM INVESTING ACTIVITIES				
(Increase)/Decrease in Fixed Assets	(47,040)		-	
(Increase)/Decrease in Investment	3,900,000	3,852,960	(40,040,000)	(40,040,000)
B. Net Cash from Investing Activities		3,852,960		(40,040,000)
3. CASH FLOW FROM FINANCING ACTIVITIES				
Increase in Capital	-		-	
Increase in Reserves	-		-	
Increase in Security Premium	-	-	-	-
C. Net Cash from Financing Activities		-		-
Net Increase in Cash/Cash Equivalent A+B+C		410,028		966,378
Cash/Cash Equivalents (Opening)		4,620,963		3,654,585
Cash/Cash Equivalents (Closing)		5,030,991		4,620,963

Note :

- 1 The above cash flow statement has been prepared under the indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements

- 2 Cash & Cash Equivalents Comprise

Cash on Hand

Balance With Schedule Banks in current Account

31/03/2014**31/03/2013**

2,761,605

2,561,955

2,269,386

2,059,008

5,030,991**4,620,963**

For and behalf of the Board

In terms of our report of even date
FOR MAROTI & ASSOCIATES
 (Chartered Accountants)

R. C. Daga
 Managing Director

T. Mondal
 Director

S.K.Rout
 Company Secretary

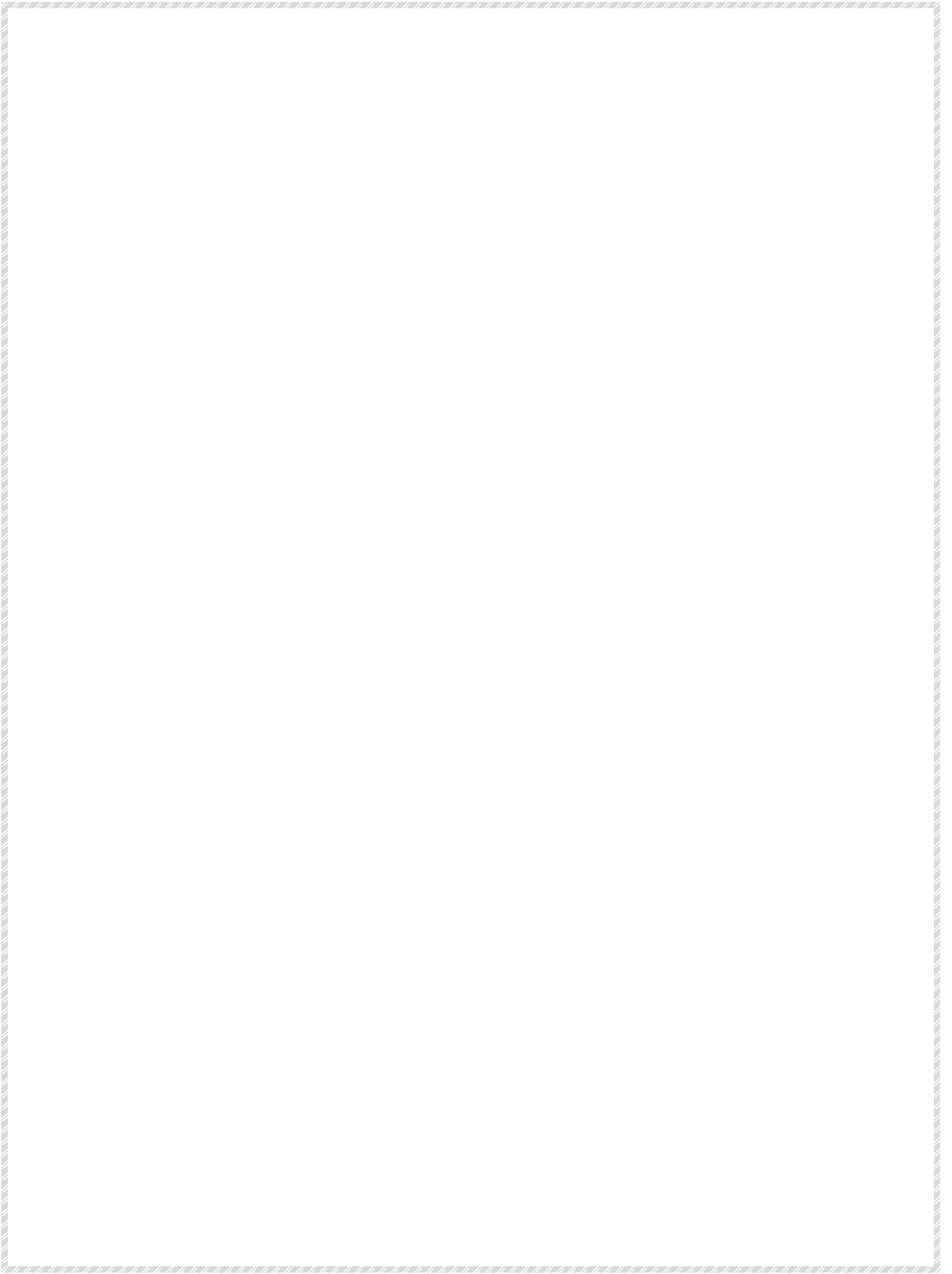
(M.K. MAROTI)
 (Proprietor)

M.No : 057073

Firm Reg No : 322770E

Place : Kolkata

Date : 27th day of May, 2014



FORM NO. SH-13**Nomination Form**

[Pursuant to section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies Share Capital and Debentures) Rules, 2014]

To,

Mangalam Industrial Finance Limited

Subol Dutt Building, 13, Brabourne Road,

Kolkata- 700 001.

I am / We are _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my / our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S—

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's Name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) e-mail id:
- (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR—

- (a) Date of birth:
- (b) Date of attaining majority:
- (c) Name of guardian:
- (d) Address of guardian:

Name:

Address:

Name of Security Holder(s)

Signature

Witness with name and address

- 1 Please read the instructions given below very carefully. If the form is not filed as per instructions, the same will be rejected.
- 2 The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate.
- 3 If the Shares are held jointly all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
- 4 A nomination must be witnessed by two witnesses. A nomination form not witnessed by two witnesses will be rejected.
- 5 A minor can be nominated and in that case the name and address of the Guardian shall be given by the holder.
- 6 The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
- 7 Transfer of Shares in favour of a nominee shall be a valid discharge by the Company against the legal heir(s).
- 8 Only one person can be nominated for a given folio.
- 9 Details of all holders in a folio need to be filed; else the nomination will be rejected.
- 10 The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee/guardian.
- 11 Whenever the Shares in the given folio are entirely transferred or dematerialised, then this nomination will stand rescinded.
- 12 The intimation regarding nomination / nomination form shall be filled in duplicate with the Registrars & Transfer Agents of the Company who will return one copy thereof to the Shareholders.
- 13 Upon receipt of a duly executed nomination form, the Registrars & Transfer Agent of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
- 14 The Company will not entertain any claims other than those of a registered nominee.
- 15 The nomination can be varied or cancelled by executing fresh nomination form.
- 16 For shares held in dematerialised form nomination is required to be filled with the Depository Participant.

<u>FOR OFFICE USE ONLY</u>	
Nomination Registration Number	
Date of Registration	
Checked By (Name and Signature)	

E-MAIL ADDRESS REGISTRATION FORM

In continuation of Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively Issued by Ministry of Corporate Affairs, Government of India and pursuant to Section 101 of the Companies Act, 2013 & Rule 18(3)(i) of the Companies (management & Administration) Rule, 2014 & Rule 11 Companies (Accounts) Rule, 2014.

(For shares held in physical form)

To

M/s. Niche Technologies Pvt. Ltd.

D-511, Bagree Market”,

71, B. R. B. Basu Road, 5th Floor,

Kolkata - 700 001,

Sub : E-mail ID registration & Service of documents through electronic mode.

Dear Sir,

I / We, Member(s) of M/s. Mangalam Industrial Finance Limited, hereby give my / our consent to receive electronically Annual Report(s) of General Meeting(s) and other document(s) submit to you as under :

Kindly use my / our Email ID for serving the documents in electronic mode. I / We request you to note my/our e-mail address as mention below. If there will be any change in the e-mail address, I / We will promptly communicate to you.

Folio No.	
Name of the first/sole Member	
E-mail address (to be registered)	

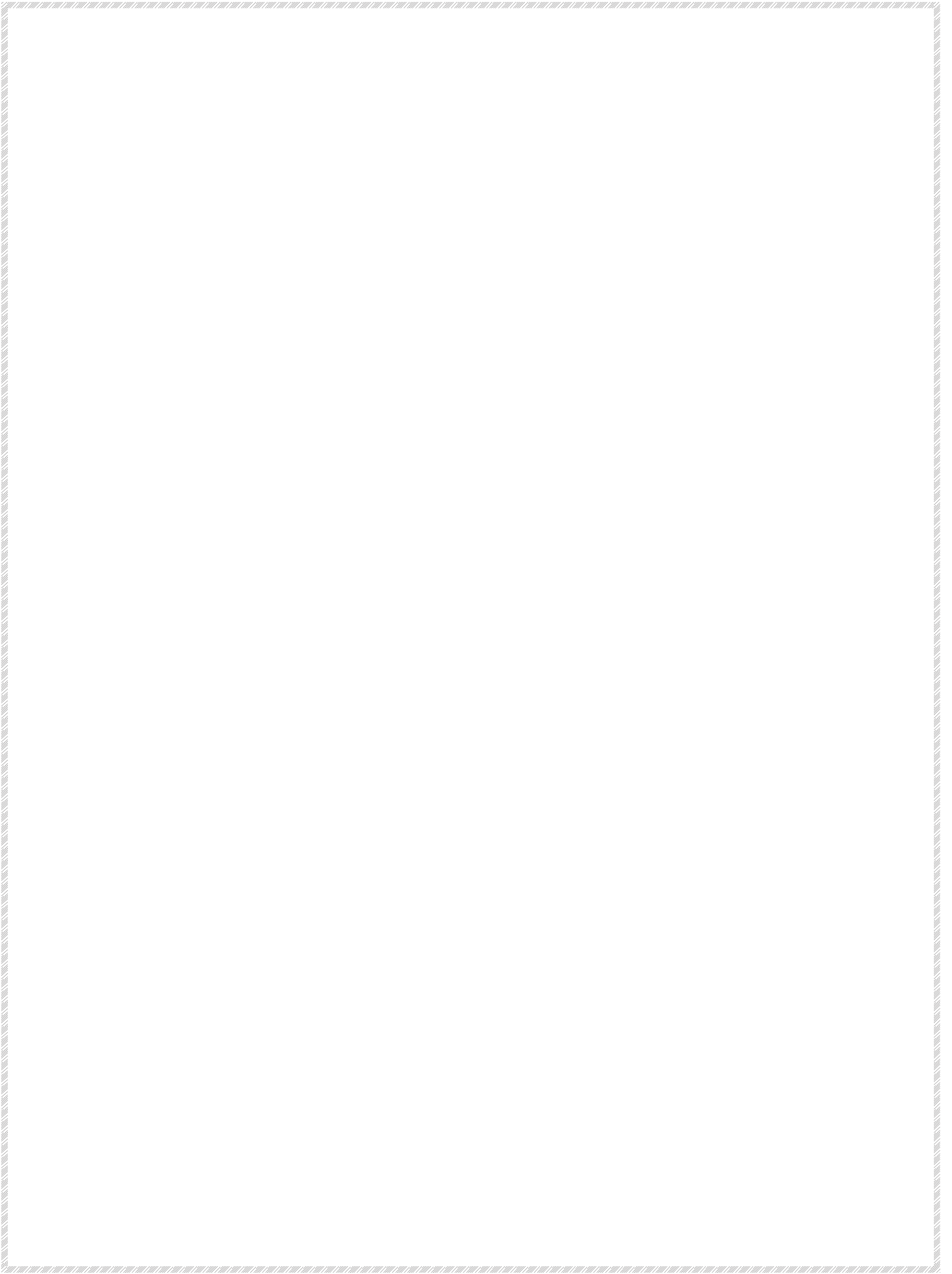
Thanking you,

Yours faithfully

(Signature of first/sole Member)

Place :

Date:



MANGALAM INDUSTRIAL FINANCE LTD.

Regd. Off. : "Subol Dutt Building" 13, Brabourne Road, Mezzanine Floor, Kolkata – 700 001, (W.B)

Phone: +91 33 2231 5686 & Fax : +91 33 2231 5683

E-mail: mifl_1983@yahoo.co.in, Website : www.miflindia.com

CIN: L65993WB1983PLC035815

ATTENDANCE SLIP

Regd. Folio / DP ID & Client ID		
Name and Address of the Shareholder		

1. I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company being held on **24th September, 2014 at 2.30 P.M.** at the **"Community Hall"** at **10, Debendra Ghosh Road, Bhawanipur, Kolkata-700 025.**

2. Signature of the Shareholder/Proxy Present

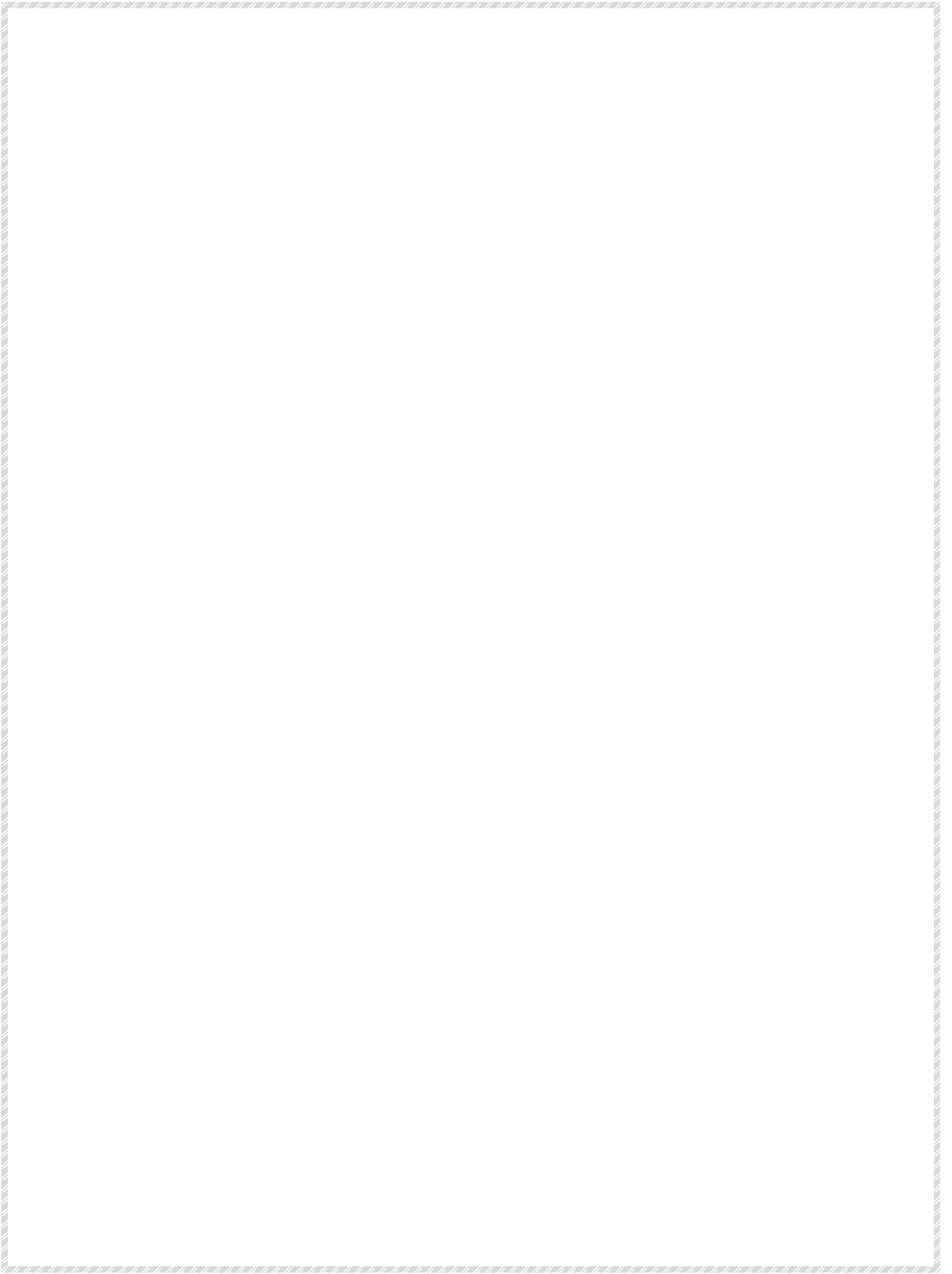
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3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.
4. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

Note: - PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

ELECTRONIC VOTING PARTICULARS

(E-Voting Sequence No.)	USER ID.	PASSWORD
410823027	Please refer note no 17 in the Notice of AGM	



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rule, 2014]

CIN : L65993WB1983PLC035815
Name of the Company : Mangalam Industrial Finance Limited
Registered office : "Subol Dutt Building" 13, Brabourne Road, Kol-01
Name of the member(s) :
Registered Address :
Email ID :
Folio No./ Client ID :
DP ID :

I / We, being the member(s) of Shares of the above named company, hereby appoint:

- | | | |
|-----|-----------------|---------------------------------|
| (1) | Name | Address |
| | E-mail ID | Signature or failing him; |
| (2) | Name | Address |
| | E-mail ID | Signature or failing him; |
| (3) | Name | Address |
| | E-mail ID | Signature or failing him; |

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the company, to be held on Thursday, the 24th September, 2014 at 2.30 P.M. at "Community Hall" at 10, Debendra Ghosh Road, Bhawanipur, Kolkata - 700 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional*	
		For	Against
1	Ordinary Resolution to consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
2	Ordinary Resolution for Re-appointment of Mr. Rathindra Nath Ghosh who retires by rotation.		
3	Ordinary Resolution for appointment of M/s. Maroti & Associates, Chartered Accountants as Auditors and fixing their remuneration.		
4	Ordinary Resolution for appointment of Mrs. Vinita Daga as Managing Director.		
5	Ordinary Resolution for appointment of Mr. Pradeep Kumar Daga as Non-Executive Director eligible to retire by rotation.		
6	Ordinary Resolution for appointment of Mr. Tapas Mondal as Whole Time Executive Director & CFO.		
7	Ordinary Resolution for appointment of Mr. Arun Chakraborty as an Independent Director.		
8	Ordinary Resolution for appointment of Mr. Sudarson Kayori as an Independent Director.		
9	Special Resolution for adoption of New Article of Association as per new companies Act		

Signed this day of 2014.

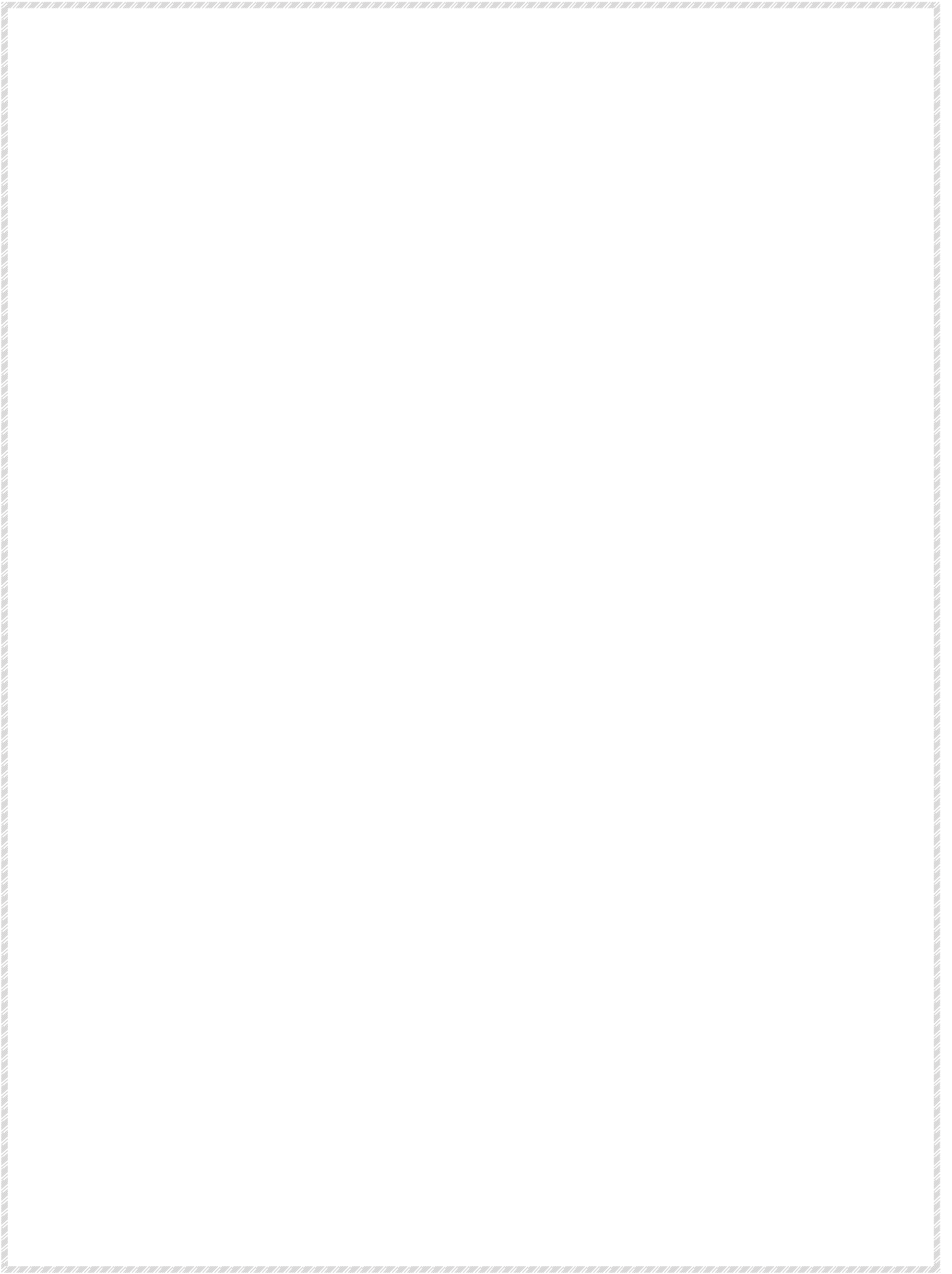
Signature of shareholder :

Signature of Proxy holder(s) :

Note:

Affix
Revenue
Stamp

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.



Form No. MGT-12
Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : Mangalam Industrial Finance Limited
Registered Office : Subol Dutt Building, 13, Brabourne Road, Kolkata 01
CIN : L65993WB1983PLC035815

BALLOT PAPER

Sl.No.	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in Dematerialized form)	
4.	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	Ordinary Resolution to consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.			
2.	Ordinary Resolution for Re-appointment of Mr. Rathindra Nath Ghosh who retires by rotation.			
3.	Ordinary Resolution for appointment of M/s. Maroti & Associates, Chartered Accountants as Auditors and fixing their remuneration.			
4.	Ordinary Resolution for appointment of Mrs. Vinita Daga as Managing Director.			
5.	Ordinary Resolution for appointment of Mr. Pradeep Kumar Daga as Non-Executive Director eligible to retire by rotation.			
6.	Ordinary Resolution for appointment of Mr. Tapas Mondal as Whole Time Executive Director & CFO.			
7.	Ordinary Resolution for appointment of Mr. Arun Chakraborty as an Independent Director.			
8.	Ordinary Resolution for appointment of Mr. Sudarson Kayori as an Independent Director.			
9.	Special Resolution for adoption of New Article of Association as per new companies Act			

Place:

Date:
shareholder*)

(Signature of the

(*as per Company records)

BOOK POST

If undelivered please return to:

Mangalam Industrial Finance Limited

Subol Dutt Building, 13, Brabourne Road, Mezzanine Floor,
Kolkata-700 001 (WB) India