



MARGO FINANCE LIMITED

Corporate Office: 2nd Floor, 15/76, Old Rajinder Nagar, New Delhi-110060

Tel. : 41539444, 25767330 E-mail : mfdelhi.1991@gmail.com

Website : www.margofinance.com

CIN : L65910MH1991PLC080534

Date: 14th September, 2018

BSE Limited

Department of Corporate Services
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001

Scrip Code: 500206

Dear Sir/Madam,

Sub: Compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]

In compliance with Regulation 34 of the Listing Regulations, please find attached herewith Annual Report for the Financial Year 2017-18 duly approved and adopted by the shareholders at the 27th Annual General Meeting held on Tuesday, 11th September, 2018 at 10:00 A.M. at the Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur – 416003, Maharashtra.

The Annual report for the Financial Year 2017-18 is uploaded on the website of the Company (www.margofinance.com)

This is for your information and necessary action.

Thanking You

For Margo Finance Limited



Kailash Rawat
Company Secretary & Compliance Officer
M.No. ACS51199



MARGO FINANCE LIMITED



**ANNUAL REPORT
2017 - 2018**



CORPORATE INFORMATION

| | | |
|---------------------------|--|--|
| Board of Directors | Mr. Anil Kumar Jain | Chairman |
| | Mr. Shri Dass Maheshwari | Whole –Time Director-Finance and Chief Financial Officer |
| | Mr. Govind Prasad Agrawal | Independent Director |
| | Mr. Anilkumar Indralal Gulati | Independent Director |
| | Mr. Venkiteswaran Venkitaswaran Parlikad | Independent Director |
| | Mr. Sushilkumar Krishna Agrawal | Director |
| | Ms. Smita Kulkarni | Independent Director |

| | |
|--------------------------|---|
| Company Secretary | Miss Jyotsna Jindal (13.11.2014-09.06.2018) |
| | Miss Surbhi Maheshwari (w.e.f. 28.06.2018) |

| | |
|-----------------|---|
| Auditors | M/S Pawan Shubham and Co. Chartered Accountants 603, Laxmi Deep Building, 9, District Centre, Laxmi Nagar, Delhi 110092 |
|-----------------|---|

| | |
|----------------|---------------------------------------|
| Bankers | Karnataka Bank Limited Canara Bank |
|----------------|---------------------------------------|

| | |
|--------------------------|--|
| Registered Office | Office No. 3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka: Hatkanangale, Dist. Kolhapur - 416 109 Maharashtra |
|--------------------------|--|

| | |
|-------------------------|--|
| Corporate Office | 2 nd Floor, 15/76, Old Rajinder Nagar, New Delhi-110060 |
|-------------------------|--|

| | |
|--|---|
| Registered and Share Transfer Agent | Link Intime India Private Limited 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi-28 |
|--|---|

| Contents | Page No. |
|---|-----------------|
| Director’s Report & Annexure to Director’s Report | 2-22 |
| Management Discussion & Analysis Report | 23 |
| Corporate Governance Report | 24-37 |
| Compliance Certificates | 38-39 |
| Auditors’ Report | 40-45 |
| Balance Sheet | 46 |
| Statement of Profit and Loss | 47 |
| Cash Flow Statement | 48-49 |
| Significant Accounting Policies | 50-52 |
| Notes to Financial Statements | 53-67 |



DIRECTOR'S REPORT

Dear Members,

On behalf of the Board of Directors ("the Board"), it gives me immense pleasure to present the 27th Annual Report on the business and operations of your Company together with the Audited Financial Statements and the Auditors' Report for the financial year ended 31st March, 2018.

Financial Results

The Company's financial performance, for the year ended 31st March, 2018 is summarized below:

| Particulars | (Rs. In Lakhs, except EPS) | |
|--|----------------------------|-----------|
| | 2017-2018 | 2016-2017 |
| Total Income | 53.27 | 62.14 |
| Profit/(Loss) before depreciation | 22.29 | 32.25 |
| Less : depreciation | 0.90 | 0.89 |
| Profit/(Loss) before tax & extraordinary items | 21.39 | 31.36 |
| Less : exceptional items | 0.35 | 0.40 |
| Less : extraordinary items | | |
| Less: Tax Expenses | 0.66 | (0.10) |
| Profit/(Loss) after tax | 20.38 | 31.06 |
| Balance carried to the Balance Sheet | 20.38 | 31.06 |
| EPS (Rs.) | 0.45 | 0.68 |

Operations and the state of Company Affairs

During the financial year under review, the Company has achieved Net Profit of Rs. 20,38,129/- as compared to Rs. 31,06,290/- in the previous year. The Company is looking for an opportunity to make a suitable expansion/ diversification.

As per the Memorandum of Association, your Company can be engaged in the business of leasing, financing, purchasing and selling of all kind of properties, equipments and vehicles etc., and can undertake the business of portfolio investment in securities, bonds and other financial investments schemes. However, there is no change in the nature of business and state of the Company during the Financial Year 2017-18.

Dividend

In order to conserve the resources, the Board of Directors of the Company has not recommended any dividend on the equity shares of the Company for the financial year under review.

Reserves

During the financial year ended on 31st March, 2018 Rs. 4,07,626/- has been transferred to Special Reserve Fund of the Company.

Subsidiary, Joint Ventures and Associate Companies

During the year under review, your Company does not have any subsidiaries or joint ventures or associate companies as defined under Companies Act, 2013.

Risk Management

Pursuant to Section 134(3)(n) of the Companies Act, 2013 & Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 ("SEBI (LODR) Regulation, 2015"), hereinafter the Company has implemented an integrated risk management system through which it takes care of risk identification, assessment and mitigation. The Audit Committee has additional oversight in the area of financial risk and control. At present the Company has not identified any element of risk which may threaten the existence of the Company.

**Internal Control Systems and their adequacy**

The Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control system are designed to provide reasonable assurance over reliability in financial reporting, ensure appropriate authorisation of transactions, safeguarding the assets of the Company and prevent misuses/losses and legal compliances.

The Internal Auditor reports are periodically reviewed by the management and the Audit Committee and necessary improvement are undertaken, if required.

Directors and Key Managerial Personnel

During the year, following changes took place in the Board of Directors and the Key Managerial Personnel:

- i. Resignation of Mr. Amitkumar Rampal Singh as the Non Executive Non Independent Director from the Directorship of the Company w.e.f. 06th November, 2017. The Board had taken on record the resignation of Mr. Amit Singh.
- ii. Cessation of Ms. Rekha Tukaram Bolkar as the Managing Director of the Company appointed w.e.f. 11th February, 2015 for a term of three years on completion of her tenure w.e.f. 10th February, 2018.
- iii. Appointment of Mr. Shri Dass Maheshwari, DIN 00181615 as Whole-time Director- Finance of the Company with the designation of Whole-Time Director-Finance and Chief Financial Officer for a term of three years w.e.f. 30th April, 2018,
- iv. Appointment of Ms. Smita Kulkarni, DIN 08127803 as Non Executive Independent Director by the Board of Director for a term of five years w.e.f. 08th May, 2018.
- v. Resignation of Ms. Jyotsna Jindal, Company Secretary of the Company w.e.f. 09 June 2018 & Ms. Surbhi Maheshwari has been appointed as Compliance Officer of the Company w.e.f. 09th June 2018 & Company Secretary w.e.f. 28th June 2018.

Pursuant to the provision of Section 152 of the Companies Act, 2013, Mr. Anil Kumar Jain (DIN: 00086106) Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offer himself for re-appointment. The Board recommended his re-appointment. As required under the provision of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and Secretarial Standards on general meeting, resolution for his re-appointment is also being placed for the approval of members of the Company at the ensuing Annual General Meeting. Further, brief profile and other details of Mr. Anil Kumar Jain are provided in the Notice of the Annual General Meeting.

Your Board places on record its appreciation for the valuable contributions made by Mr. Amitkumar Rampal Singh and Ms. Rekha Tukaram Bolkar during their tenure on the Board of the Company.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independent director as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations, 2015.

During the year under review, the Non-Executive Independent Directors of the Company had no pecuniary relationship or transactions with the Company and none of the Independent Directors are liable to retire by rotation.

Mr. Shri Dass Maheshwari, Whole-time director- Finance and Chief Financial Officer and Ms. Surbhi Maheshwari, Company Secretary are the Key Managerial Personnel (KMP) of the Company.

A detailed profile of all the directors of your Company is available on the website of the Company at www.margofinance.com

Directors' Responsibility Statement

In terms of Section 134 (3) (c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanation obtained by them, state and confirm that:

- (a) In the preparation of the Annual Financial Statements for the year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures if any;



- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Extract of Annual Return

Pursuant to the provision of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return of the Company as on 31st March, 2018 in Form No. MGT-9 is annexed as **Annexure-1** to this report.

Number of Board Meetings

The Board met 4 (four) times during the financial year 2017-18 i.e. on 11th May, 2017; 04th August, 2017; 06th November, 2017 and 9th February, 2018, the details of which are given in the Corporate Governance Report. The maximum interval between any two consecutive Board meetings did not exceed 120 days.

Company's Policy on appointment and remuneration of Directors

The Company has laid down policy on appointment and remuneration of Directors, KMP and Senior Management Personnel.

The appointment of the Directors is made pursuant to the recommendation of the Nomination and Remuneration Committee (NRC).

The remuneration of the Non-Executive Directors comprised of sitting fees in accordance to the provision of the Companies Act, 2013 and reimbursement of the expenses incurred in connection with attending the Board Meetings, Committee Meetings, General Meetings and in relation to the business of the Company.

A brief extract of the Nomination and Remuneration Policy on appointment and remuneration of Directors, KMP Senior Management Personnel is provided as **Annexure-2** to this report.

Performance Evaluation of Board, Committee and Directors

Criteria of performance evaluation of the Board of Directors including Independent Directors are laid down by Nomination and Remuneration Committee of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, 2015, the Board has carried out the annual performance evaluation of the entire Board, committees and all the Directors on the parameters specified in the Corporate Governance Report. The parameters of performance evaluation were circulated to the Directors in the form of questionnaires.

Disclosure relating to Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

During the year 2017-18, there are no employees who draw the remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Amendment Rules 2016. The information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment, Rule 2016 is provided in "**Annexure-3**" to this report relating to remuneration of Directors, Key Managerial Personnel and particulars of employees.



Audit Committee

During the year under review there was change in the composition of the Audit Committee of the Company on resignation of Mr. Amitkumar Rampal Singh w.e.f. 06th November, 2017 and cessation of Ms. Rekha Tukaram Bolkar on completion of her tenure as Managing Director. w.e.f. 10th February, 2018.

As on 31st March, 2018 the Audit Committee comprise of 4 (Four) members viz., Mr. Anilkumar Indralal Gulati (Chairman), Mr. Govind Prasad Agrawal and Mr. Venkiteswaran Venkitaswaran Parlikad, as Independent Directors and Mr. SushilKumar Krishna Agrawal, as Non-Executive, Non-Independent Director

All the recommendations made by the Audit Committee were accepted by the Board, further details on the committee are given in the Corporate Governance Report.

Statutory Auditors

In view of the provisions of the Companies Act, 2013 ("the Act"), M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No. 011573C) were appointed as Auditors for a period of 5 years commencing from the conclusion of 26th AGM till the conclusion of the 31st AGM of the Company, subject to ratification by members at every Annual General Meeting. However as per Companies Amendment Act, 2017 requirement of ratification by the members for the appointment of auditor at every annual general meeting has been done away with w.e.f. 07.05.2018.

Auditors' Report

As per Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in its 26th Annual General Meeting held on Monday 21st August, 2017 approved the appointment of M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No. 011573C), as the Statutory Auditors of the Company for a term of 5 years i.e. from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company. The Report given by M/s. Pawan Shubham & Co., Chartered Accountants on the financial statements of the Company for the year 2018 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(f) of the Act.

Internal Auditor

M/s Vijay Bhatia & Co., Chartered Accountants are appointed as an Internal Auditors of the Company and their report is reviewed by the Audit Committee from time to time.

On recommendation of Audit Committee, the Board has appointed M/s Vijay Bhatia & Co., Chartered Accountants as the Internal Auditors of the Company for the Financial Year 2018-2019.

Secretarial Auditor and Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s Ashu Gupta & Co., Practicing Company Secretary to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Report issued by her in Form No. MR-3 is annexed as, "**Annexure 4**". The Secretarial Auditor Report does not contain any qualification, reservation, disclaimer and adverse remark.

Public Deposits

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

Vigil Mechanism/Whistle Blower Policy

Pursuant to the provision of Section 117(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, 2015, the Board of Directors of the Company has established Vigil Mechanism/Whistle Blower Policy. The details of the Vigil Mechanism/Whistle Blower are provided in the Corporate Governance Report. The Vigil Mechanism and Whistle Blower policy can be



accessed on the website of the Company and the web-link thereto is <http://www.margofinance.com/upload/Whistle%20Blower%20Policy%20&%20Vigil%20Mechanism%20Clean.pdf>.

Corporate Governance Report

Pursuant to the Listing Regulations, 2015, a Corporate Governance Report along with the certificate from the Practicing Company Secretary confirming its compliance for the year ended 31st March, 2018 is provided separately and forms an integral part of this Report.

Related Party Transactions

All related party transactions entered into during the financial year were on arm's length basis and were in the ordinary course of the business and in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large, so there is no Shareholders approval is required.

In terms of Section 188(1) of the Companies Act, 2013 in Form AOC-2 (Pursuant to clause (h) of sub section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, no transactions to be reported in form AOC-2 and detailed related party transactions as per the Accounting Standard-18 are set out in note no. 2.25 of the Financial Statements.

The Board has approved a policy for the related party transactions and which has been uploaded on the website of the Company and the web-link thereto is <http://www.margofinance.com/upload/Related%20Party%20Transaction-Policy.pdf>

Particulars of Loans given, Investments made, Guarantees given and Securities provided

During the year under review, pursuant to Section 186 of the Companies Act, 2013, no guarantees or securities were provided. Details of Investments made by the Company are provided in note no. 2.10 and particulars related to loan and advance are provided under note no. 2.11 and 2.15 to the Financial Statements for the financial year ended on 31st March, 2018.

Familiarization of Independent Directors

The details of programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the www.margofinance.com and the weblink thereto is <http://www.margofinance.com/upload/Familiarization%20Programme%20for%20ID-09.02.2018.pdf>

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

Being a Non-Banking Financial Company, the Company is not carrying on any manufacturing activities, however necessary actions has been taken by the Company from time to time for optimum utilization of energy.

Since, the conservation is very minimal therefore its impact on cost cannot be stated accurately.

Since, no outside technology is being used, therefore no technology absorption is required.

During the year under review there was no foreign exchange inflow or outflow.

Management Discussion & Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, 2015 is presented in a separate section forming part of the Annual Report.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at workplace

In order to prevent the sexual harassment of women at workplace, the Company has adopted a policy of sexual harassment of women at workplace. In terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year under review no complaints pertaining to sexual harassment were received.

**Significant or Material orders passed by Regulators / Courts**

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations in future.

Material Changes and Commitments affecting the Financial Position of the Company

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2017-18 and the date of this report.

Compliance with Applicable Secretarial Standards

During the year under review the Company has complied with applicable secretarial standards.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme of ESOS.
3. Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees
4. Bonus Shares
5. Cost Audit & Cost Auditors
6. Corporate Social Responsibility

Acknowledgements and Appreciation

Your Directors take this opportunity to thank Central and State Governments, customers, investors and bankers for their consistent support and co-operation to the Company. We place on record sincere appreciation for the contribution and commitment by all the employees of the Company.

**For and on behalf of the Board of Directors
For Margo Finance Limited**

Place: Mumbai

Date: 28th June 2018

**ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106**



EXTRACT OF ANNUAL RETURN
Form No. MGT-9
As on the financial year ended 31st March, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | | |
|------|---|---|--|
| i) | CIN | : | L65910MH1991PLC080534 |
| ii) | Registration Date | : | 08-10-1991 |
| iii) | Name of the Company | : | Margo Finance Limited |
| iv) | Category/Sub-Category of the Company | : | Public Company/Limited by Shares |
| v) | Address of the Registered office and contact details | : | Office No.3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur-416109, Maharashtra Telephone No. 011-257673300 & 11-41539444 E-mail: info@margofinance.com |
| vi) | Whether Listed Company | : | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer | : | Link Intime India Pvt. Ltd. 44, Community Centre, 2 nd Floor, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi – 110028 Telephone No. 011-41410592 to 594 Fax No. 011-41410591 E-mail: delhi@linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

| Sl. No. | Name and Description of main products services | NIC Code of the Product/Service | % to total turnover of the Company |
|---------|--|---|------------------------------------|
| 1. | Financing Activity | 649 - Other financial service activities, except insurance and pension funding activities | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary / Associate | % of shares held | Applicable Section |
|---------|---------------------------------|---------|---------------------------------|------------------|--------------------|
| | NIL | NA | NA | NA | NA |

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakings Percentage of Total Equity)**i) Category -wise Share Holding**

| Category of Shareholder | No. of shares held at the beginning of the year (As on 01-04-2017) | | | | No. of shares held at the end of the year (As on 31-03-2018) | | | | % Change during the Year |
|-------------------------|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (I) Indian | | | | | | | | | |
| a) Individuals/HUF | 871215 | 0 | 871215 | 19.06 | 871215 | 0 | 871215 | 19.06 | 0.00 |
| b) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corporate | 1569416 | 0 | 1569416 | 34.34 | 1569416 | 0 | 1569416 | 34.34 | 0.00 |
| e) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |



| | | | | | | | | | |
|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|--------------|-------------|
| Sub Total(A)(1):- | 2440631 | 0 | 2440631 | 53.41 | 2440631 | 0 | 2440631 | 53.41 | 0.00 |
| (2) Foreign | | | | | | | | | |
| a) NRIs- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub Total(A)(2):- | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total shareholding of Promoter (A)= (A)(1)+(A)(2) | 2440631 | 0 | 2440631 | 53.41 | 2440631 | 0 | 2440631 | 53.41 | 0.00 |
| (B) Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| (a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) Banks/FI | 100 | 0 | 100 | 0.00 | 100 | 0 | 100 | 0.00 | 0.00 |
| (c) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (g) FIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total (B)(1): | 100 | 0 | 100 | 0.00 | 100 | 0 | 100 | 0.00 | 0.00 |
| 2.Non- Institutions | | | | | | | | | |
| (a) Bodies Corp. | | | | | | | | | |
| (i) Indian | 25150 | 30250 | 55400 | 1.21 | 29869 | 30250 | 60119 | 1.32 | 0.11 |
| (ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital up to Rs. 1 lakh | 849698 | 1055260 | 1904958 | 41.68 | 829122 | 1042750 | 1871872 | 40.96 | -0.72 |
| (ii) Individual shareholders holding nominal share capital in excess of Rs.1Lakh. | 96578 | 0 | 96578 | 2.11 | 131340 | 0 | 131340 | 2.87 | 0.76 |
| (c) Others | | | | | | | | | |
| i) Director & their Relatives | 2000 | 10 | 2010 | 0.04 | 2000 | 10 | 2010 | 0.04 | 0.00 |
| ii) Non Resident Indians | 600 | 0 | 600 | 0.02 | 1000 | 0 | 1000 | 0.02 | 0.00 |
| iii) Clearing Member | 8112 | 0 | 8112 | 0.18 | 1436 | 0 | 1436 | 0.03 | -0.15 |
| iv) Hindu Undivided Family | 61611 | 0 | 61611 | 1.35 | 61492 | 0 | 61492 | 1.35 | 0.00 |
| Sub-Total (B)(2):- | 1043749 | 1085520 | 2129269 | 46.59 | 1056259 | 1073010 | 2129269 | 46.59 | 0.00 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 1043849 | 1085520 | 2129369 | 46.59 | 1056359 | 1073010 | 2129369 | 46.59 | 0.00 |
| (C) Shares held by Custodians for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 3484480 | 1085520 | 4570000 | 100.00 | 3496990 | 1073010 | 4570000 | 0.00 | 0.00 |



(ii) Shareholding of Promoters

| Sr. No. | Shareholder 's Name | Shareholding at the beginning of the year (As on 01-04-2017) | | | Shareholding at the end of the year (As on 31-03-2018) | | | % change in share holding during the year |
|---------|---|--|----------------------------------|---|--|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total Shares | |
| 1. | Anil Kumar Jain (HUF) | 405245 | 8.87 | 0.00 | 405245 | 8.87 | 0.00 | 0.00 |
| 2. | Rini Investment & Finance Private Limited | 455046 | 9.96 | 0.00 | 455046 | 9.96 | 0.00 | 0.00 |
| 3. | Mrs. Gayatri Devi Jain | 324870 | 7.11 | 0.00 | 324870 | 7.11 | 0.00 | 0.00 |
| 4. | Skyrise Properties Private Limited | 313300 | 6.86 | 0.00 | 313300 | 6.86 | 0.00 | 0.00 |
| 5. | Yarntex Exports Limited | 265370 | 5.81 | 0.00 | 265370 | 5.81 | 0.00 | 0.00 |
| 6. | R.H. Finvest Private Limited | 204000 | 4.46 | 0.00 | 204000 | 4.46 | 0.00 | 0.00 |
| 7. | Slab Promoters Private Limited | 00 | 0.00 | 0.00 | 162700 | 3.56 | 0.00 | 3.56 |
| 8. | Mrs. Shikha Mohit Jain | 100000 | 2.19 | 0.00 | 100000 | 2.19 | 0.00 | 0.00 |
| 9. | Commnet Impex Private Limited | 93000 | 2.04 | 0.00 | 93000 | 2.04 | 0.00 | 0.00 |
| 10. | Indocount Securities Limited | 76000 | 1.66 | 0.00 | 76000 | 1.66 | 0.00 | 0.00 |
| 11. | Mr. Mohit Kumar Jain | 15100 | 0.33 | 0.00 | 15100 | 0.33 | 0.00 | 0.00 |
| 12. | Mrs. Neha Singhvi | 13000 | 0.28 | 0.00 | 13000 | 0.28 | 0.00 | 0.00 |
| 13. | Mrs. Shivani Patodia | 13000 | 0.28 | 0.00 | 13000 | 0.28 | 0.00 | 0.00 |
| | Total | 2440631 | 53.41 | 0.00 | 2440631 | 53.41 | 0.00 | 0.00 |

(iii) Change in Promoter Shareholding: During the year under review there was no change in Promoters' Shareholding.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. No. | Name of the Shareholders | Shareholding | | Date | Increase (+)/ Decrease (-) in shareholding | Reason | Cumulative Shareholding during the year (01-04-2017 to 31-03-2018) | |
|---------|----------------------------------|---|----------------------------------|-------------------|--|----------|--|----------------------------------|
| | | No. of Shares at the beginning (01-04-2017) /end of the year (31-03-2018) | % of total shares of the Company | | | | No. of Share | % of total shares of the Company |
| 1. | Mr. Nikhil Sarda* | 25319 | 0.55 | 01-04-2017 | Nil | N.A. | 25319 | 0.55 |
| | | 25319 | 0.55 | 31-03-2018 | | | | |
| 2. | Navnirvan Agencies Limited* | 25000 | 0.54 | 01-04-2017 | Nil | N.A. | 25000 | 0.54 |
| | | 25000 | 0.54 | 31-03-2018 | | | | |
| 3. | Mr. Balakrishnan Ramaswamy Iyer* | 25400 | 0.56 | 01-04-2017 | Nil | N.A. | 25400 | 0.56 |
| | | | | 05-05-2017 | +300 | Transfer | 25700 | 0.57 |
| | | | | 12-05-2017 | +400 | Transfer | 26100 | 0.57 |
| | | | | 30-06-2017 | +200 | Transfer | 26300 | 0.58 |
| | | 26300 | 0.58 | 31-03-2018 | | | | |



| Sr. No. | Name of the Shareholders | Shareholding | | Date | Increase (+)/ Decrease (-) in shareholding | Reason | Cumulative Shareholding during the year (01-04-2017 to 31-03-2018) | |
|---------|----------------------------------|---|----------------------------------|-------------------|--|----------|--|----------------------------------|
| | | No. of Shares at the beginning (01-04-2017) /end of the year (31-03-2018) | % of total shares of the Company | | | | No. of Share | % of total shares of the Company |
| 4. | Mr. Viswanath Chandran Vicha * | 20024 | 0.44 | 01-04-2017 | Nil | NA | 20024 | 0.44 |
| | | | | 15-09-2017 | -1500 | Transfer | 18524 | 0.40 |
| | | 18524 | 0.40 | 31-03-2018 | | | | |
| 5. | Mr. D Nirmal Kumar* | 15633 | 0.34 | 01-04-2017 | Nil | NA | 15633 | 0.34 |
| | | 15633 | 0.34 | 31-03-2018 | | | | |
| 6. | Mr. N K Malliga* | 13418 | 0.29 | 01-04-2017 | Nil | NA | 13618 | 0.29 |
| | | | | 16-06-2017 | +100 | Transfer | 13518 | 0.29 |
| | | | | 23-06-2017 | +100 | Transfer | 13618 | 0.29 |
| | | 13418 | 0.29 | 31-03-2018 | | | | |
| 7. | Mr. Navrati Gupta* | 25835 | 0.57 | 01-04-2017 | Nil | N.A. | 25835 | 0.57 |
| | | 25835 | 0.57 | 31-03-2018 | | | | |
| 8. | Mr. Jitendra Kapurchand Parmar # | 13087 | 0.29 | 01-04-2017 | Nil | N.A. | 13087 | 0.29 |
| | | | | 07-04-2017 | +3352 | Transfer | 16439 | 0.35 |
| | | | | 14-04-2017 | +6935 | Transfer | 23374 | 0.51 |
| | | | | 21-04-2017 | +500 | Transfer | 23874 | 0.52 |
| | | | | 28-04-2017 | -200 | Transfer | 23674 | 0.51 |
| | | | | 05-05-2017 | +50 | Transfer | 23724 | 0.51 |
| | | | | 12-05-2017 | +200 | Transfer | 23924 | 0.52 |
| | | | | 19-05-2017 | +400 | Transfer | 24324 | 0.53 |
| | | | | 26-05-2017 | +1300 | Transfer | 25624 | 0.56 |
| | | | | 02-06-2017 | +1 | Transfer | 25625 | 0.56 |
| | | | | 09-06-2017 | +365 | Transfer | 25990 | 0.56 |
| | | | | 16-06-2017 | +400 | Transfer | 26390 | 0.57 |
| | | | | 30-06-2017 | +100 | Transfer | 26490 | 0.57 |
| | | | | 14-07-2017 | +1467 | Transfer | 27957 | 0.61 |
| | | | | 21-07-2017 | +1050 | Transfer | 29007 | 0.63 |
| | | | | 28-07-2017 | +1009 | Transfer | 30016 | 0.65 |
| | | | | 04-08-2017 | +2119 | Transfer | 32135 | 0.70 |
| | | | | 11-08-2017 | +6100 | Transfer | 38235 | 0.83 |
| | | | | 18-08-2017 | +200 | Transfer | 38435 | 0.84 |
| | | | | 25-08-2017 | +300 | Transfer | 38735 | 0.84 |
| | | | | 01-09-2017 | +300 | Transfer | 39035 | 0.85 |
| | | | | 15-09-2017 | +973 | Transfer | 40008 | 0.87 |
| | | | | 22-09-2017 | +2300 | Transfer | 42308 | 0.92 |
| | | | | 29-09-2017 | +200 | Transfer | 42508 | 0.93 |
| | | | | 06-10-2017 | +100 | Transfer | 42608 | 0.93 |
| | | | | 13-10-2017 | +100 | Transfer | 42708 | 0.93 |
| | | | | 20-10-2017 | +100 | Transfer | 42808 | 0.93 |
| | | 27-10-2017 | +200 | Transfer | 43008 | 0.94 | | |
| | | 03-11-2017 | -572 | Transfer | 42436 | 0.92 | | |
| | | 17-11-2017 | -2 | Transfer | 42434 | 0.92 | | |
| | | 08-12-2017 | +10747 | Transfer | 53181 | 1.16 | | |
| | | 15-12-2017 | +150 | Transfer | 53331 | 1.16 | | |
| | | 22-12-2017 | +85 | Transfer | 53416 | 1.16 | | |
| | | 05-01-2018 | +370 | Transfer | 53786 | 1.17 | | |
| | | 26-01-2018 | +100 | Transfer | 53886 | 1.17 | | |
| | | 53886 | 1.17 | 31-03-2018 | | | | |



| Sr. No. | Name of the Shareholders | Shareholding | | Date | Increase (+)/ Decrease (-) in shareholding | Reason | Cumulative Shareholding during the year (01-04-2017 to 31-03-2018) | |
|---------|--------------------------|---|----------------------------------|-------------------|--|----------|--|----------------------------------|
| | | No. of Shares at the beginning (01-04-2017) /end of the year (31-03-2018) | % of total shares of the Company | | | | No. of Share | % of total shares of the Company |
| 9. | Mr. Gupta Rajesh R# | 11105 | 0.24 | 01-04-2017 | Nil | N.A. | 11105 | 0.24 |
| | | | | 02-02-2018 | -3105 | Transfer | 8000 | 0.17 |
| | | 8000 | 0.17 | 31-03-2018 | | | | |
| 10. | Mr. Yella Srinivas# | 1749 | 0.03 | 01-04-2017 | Nil | N.A. | 1749 | 0.03 |
| | | | | 12-05-2017 | +791 | Transfer | 2540 | 0.05 |
| | | | | 19-05-2017 | +1527 | Transfer | 4067 | 0.08 |
| | | | | 26-05-2017 | +852 | Transfer | 4919 | 0.10 |
| | | | | 02-06-2017 | +330 | Transfer | 5249 | 0.11 |
| | | | | 28-07-2017 | +100 | Transfer | 5349 | 0.11 |
| | | | | 11-08-2017 | +1000 | Transfer | 6349 | 0.13 |
| | | | | 01-09-2017 | +262 | Transfer | 6611 | 0.14 |
| | | | | 08-09-2017 | +1384 | Transfer | 7995 | 0.17 |
| | | | | 22-09-2017 | +1359 | Transfer | 9354 | 0.20 |
| | | | | 29-09-2017 | +52 | Transfer | 9406 | 0.20 |
| | | | | 06-10-2017 | +4149 | Transfer | 13555 | 0.29 |
| | | | | 20-10-2017 | +510 | Transfer | 14065 | 0.30 |
| | | | | 03-11-2017 | +10 | Transfer | 14075 | 0.30 |
| | | | | 10-11-2017 | +20 | Transfer | 14095 | 0.30 |
| | | | | 17-11-2017 | +10 | Transfer | 14105 | 0.30 |
| | | | | 08-12-2017 | +282 | Transfer | 14387 | 0.31 |
| | | | | 15-12-2017 | +2 | Transfer | 14389 | 0.31 |
| | | | | 22-12-2017 | +94 | Transfer | 14483 | 0.32 |
| | | | | 29-12-2017 | +637 | Transfer | 15120 | 0.33 |
| | | 05-01-2018 | +175 | Transfer | 15295 | 0.34 | | |
| | | 12-01-2018 | +609 | Transfer | 15904 | 0.34 | | |
| | | 19-01-2018 | +21 | Transfer | 15925 | 0.34 | | |
| | | 26-01-2018 | +270 | Transfer | 16195 | 0.35 | | |
| | | 09-03-2018 | +194 | Transfer | 16389 | 0.35 | | |
| | | 16-03-2018 | +206 | Transfer | 16595 | 0.36 | | |
| | | 16595 | 0.36 | 31-03-2018 | | | | |
| 11. | V Pushpa# | 10296 | 0.22 | 01-04-2017 | Nil | NA | 10296 | 0.22 |
| | | | | 26-05-2017 | +10296 | Transfer | 20592 | 0.45 |
| | | | | 02-06-2017 | -10296 | Transfer | 10296 | 0.22 |
| | | | | 15-09-2017 | +10296 | Transfer | 20592 | 0.45 |
| | | | | 30-09-2017 | -10296 | Transfer | 10296 | 0.22 |
| | | | | 16-02-2018 | -294 | Transfer | 10002 | 0.21 |
| | | 10002 | 0.21 | 31-03-2018 | | | | |
| 12. | Mr. Suresh Mehta# | 10000 | 0.21 | 01-04-2017 | Nil | NA | 10000 | 0.21 |
| | | | | 26-05-2017 | +10000 | Transfer | 20000 | 0.43 |
| | | | | 02-06-2017 | -10000 | Transfer | 10000 | 0.21 |
| | | | | 15-09-2017 | +10000 | Transfer | 20000 | 0.43 |
| | | | | 30-09-2017 | -10000 | Transfer | 10000 | 0.21 |
| | | 10000 | 0.21 | 31-03-2018 | | | | |

Note:

- * Common top 10 shareholders as on April 1, 2017 and March 31, 2018.
- # Top 10 shareholders only as on March 31, 2018.
- (*) Ceased to be in the list of Top 10 shareholders as on 31-03-2018. The same is reflected above since the shareholder was one of the Top 10 Shareholders as on 01-04-2017.



(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of the Shareholders | Shareholding | | Date | Increase (+)/ Decrease (-) in shareholding | Reason | Cumulative Shareholding during the year (01-04-2017 to 31-03-2018) | |
|---------|--------------------------------------|---|----------------------------------|-------------------|--|-----------|--|----------------------------------|
| | | No. of Shares at the beginning (01-04-2017) /end of the year (31-03-2018) | % of total shares of the Company | | | | No. of Share | % of total shares of the Company |
| 1. | Mr. Govind Prasad Agrawal (Director) | 2010 | 0.04 | 01-04-2017 | NIL | No Change | 2010 | 0.04 |
| | | 2010 | 0.04 | 31-03-2018 | | | | |

* None of the other Directors and Key Managerial Personnel having shareholding in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

| Indebtedness at the beginning of the financial year | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| i) Principal Amount | | NIL | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | | | |
| Change in Indebtedness during the financial year | | | | |
| • Addition | | | | |
| • Reduction | | | | |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | | | |

Note: The Company does not have any indebtedness as on 1st April, 2017, during the year and as on 31st March, 2018.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A.Remuneration to Managing Director, Whole-time Directors and/or Manager

Amount (in Rs.)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager Ms. Rekha Tukaram Bolkar (Managing Director) | Total Amount |
|---------|---|--|--------------|
| 1 | Gross Salary | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 2,85,120 | 2,85,120 |
| | (b) Value of perquisites under Section 17(2) Income-tax Act, 1961 | 0 | 0 |
| | (c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | 0 | 0 |
| 2 | Stock Option | 0 | 0 |



| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager Ms. Rekha Tukaram Bolkar (Managing Director) | Total Amount |
|---------|-----------------------------|--|---------------|
| 3 | Sweat Equity | 0 | 0 |
| 4 | Commission | | |
| | - as % of profit | 0 | 0 |
| | - others | 0 | 0 |
| 5 | Others Allowances | 16,523 | 16,523 |
| | Total (A) | 2,85,120 | 2,85,120 |
| | Ceiling as per the Act | | *30 lacs P.A. |

- * Due to inadequate profit the above ceiling of remuneration is being calculated as per the limit prescribed under Part -II of Schedule V of Companies Act, 2013.
- * The above remuneration was paid for the period 01-04-2017 to 09-02-2018, Ms. Rekha Tukaram Bolkar ceased to hold the office of Managing Director of the company on completion of her tenure w.e.f. 10-02-2018.

B. Remuneration to other Directors:

Amount (in Rs.)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | | | Total Amount |
|---------------------------------------|--|---------------------|------------------------------|---------------------------|---------------------------------|-------------------------------|--|---------------|
| | | Mr. Anil Kumar Jain | Mr. Amit Kumar Rampal Singh# | Mr. Govind Prasad Agrawal | Mr. Sushilkumar Krishna Agarwal | Mr. Anilkumar Indralal Gulati | Mr. Venkiteswaran Venkitaswaran Parlikad | |
| 1 | Independent Directors | | | | | | | |
| | Fee for attending Board /Committee Meetings | — | — | 9,000 | — | 16,000 | 12,000 | 37,000 |
| | Commission | — | — | 0 | — | 0 | 0 | 0 |
| | Others | — | — | 0 | — | 0 | 0 | 0 |
| | Total (1) | — | — | 9,000 | — | 16,000 | 12,000 | 37,000 |
| 2 | Other Non-Executive Directors | | | | | | | |
| | Fee for attending Board/ Committee Meetings | — | 11,000 | — | 11,000 | — | — | 22,000 |
| | Commission | 0 | | 0 | 0 | 0 | 0 | 0 |
| | Others | 0 | | 0 | 0 | 0 | 0 | 0 |
| | Total (2) | — | 11,000 | 0 | 11,000 | 0 | 0 | 22,000 |
| | Total (B)=(1+2) | — | 11,000 | 9,000 | 11,000 | 16,000 | 12,000 | 59,000 |
| Total Managerial Remuneration | Total remuneration to Managing Director and other Directors (being the total of A and B) | | | | | | | |
| Overall Ceiling as per the Act | Upto Rs. One Lac per Director for each meeting of Board / Committee | | | | | | | |

#Mr. Amitkumar Rampal Singh ceased to be the Director of the Company w.e.f. 06.11.2017.



C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Amount (in Rs.)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|---|---|--|-----------------|
| | | Ms. Jyotsna Jindal Company Secretary | Mr. S.D. Maheshwari Chief Financial Officer | Total |
| 1. | Gross salary | 3,74,000 | 4,40,880 | 8,14,880 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 3,74,000 | 4,40,880 | 8,14,880 |
| | (b) Value of perquisites under Section 17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | 0 | 0 | 0 |
| 2. | Stock Option | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 |
| 4. | Commission | | | |
| | - as % of profit | 0 | 0 | 0 |
| | - others specify | 0 | 0 | 0 |
| 5. | Others | 0 | 0 | 0 |
| | Total | 3,74,000 | 4,40,880 | 8,14,880 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|-------------|
| A. Company | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. Other Officers in Default | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

For and on behalf of the Board of Directors

Place: Mumbai
Date: 28th June 2018

For Margo Finance Limited

ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106



NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy (“the Policy”) applies to the core management team of the Company, that is:

- i. The Board of Directors (“Board”);
- ii. The Key Managerial Personnel (“KMP”); and
- iii. The Senior Management personnel - employees of grade Vice President & above, which are otherwise not covered at ‘i’ and ‘ii’, above.

(I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:

1. Qualifications:

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company’s business.

2. Positive attributes:

An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best Corporate Governance practices.

3. Criteria of Independence:

An Independent Director should meet the requirements of the Companies Act, 2013 and SEBI (LODR) Regulation 2015, concerning the independence criteria.

(II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

A. NON-EXECUTIVE DIRECTORS (NEDs)

NEDs be paid a sitting fee of Rs. 2,000/- for every meeting of the Board and Rs. 1000/- for every Board Committees attended by them. The NEDs would be entitled to Conveyance and out-of-pocket expenses, as may be decided by the Board from time to time.

NEDs shall be paid sitting fee, as may be approved by the Board and the Shareholders of the Company, as applicable, within the overall limits provided in this Policy.

The Company has no stock options plans and no payment by way of bonus, pension, incentives etc. be paid to NEDs.

B. MANAGING DIRECTOR AND KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The remuneration to Managing Director shall take into account the Company’s overall performance, MD’s contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture.

The Company has no stock options, plans and hence, such instruments do not form part of his remuneration package.

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate operational performance benchmarks.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.



(III) Evaluation of Board Structure and Performance:

The Nomination and Remuneration Committee shall review the structure, size and composition (including the skills, knowledge and experience) of the Board annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to Board diversification and succession planning.

The Nomination and Remuneration Committee carry out evaluation of Directors performance and recommend to the Board on matters concerning appointment/ continuation in office of Director/termination of services of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

The above criteria and policy are subject to review by the Nomination & Remuneration committee & the Board of Directors of the Company.



Information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Disclosure under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a) The median remuneration of employees of the Company during the year ended 31st March, 2018: Rs. 56450/-

| Sr. No. | Name of Director & KMP and Designation | Remuneration of Director/Key Managerial Personnel for the year ended March 31, 2018 (Amount in Rs.) | % increase in remuneration in FY 2017-2018 | Ratio of remuneration of Director to Median Remuneration of Employees |
|---------------------------------|--|---|--|---|
| | Non Executive Director | | | |
| 1. | Mr. Anil Kumar Jain Chairman, Non-Executive Non Independent Director | Nil | Refer Note a below | Nil |
| 2. | Mr. Govind Prasad Agrawal Independent Director | 9,000/- | | 0.16 |
| 3. | Mr. Anilkumar Indralal Gulati Independent Director | 16,000/- | | 0.28 |
| 4. | Mr. Venkiteswaran Venkitaswaran Parlikad Independent Director | 12,000/- | | 0.21 |
| 5. | Mr. Amit Kumar Rampal Singh Non-Executive, Non-Independent Director | 11,000/- | | 0.19 |
| 6. | Mr. Sushilkumar Krishna Agrawal Non-Executive, Non Independent Director | 11,000/- | | 0.19 |
| Executive Director | | | | |
| 7. | Ms. Rekha Tukaram Bolkar Managing Director | 2,85,120/- | Not Applicable | 5.05 |
| Key Managerial Personnel | | | | |
| 8. | Mr. Shri Dass Maheshwari Chief Financial Officer | 4,40,880/- | 13.14% | 7.81 |
| 9. | Ms. Jyotsna Jindal Company Secretary | 3,74,000/- | 17.98% | 6.62 |

Notes:

- The remuneration of all Directors of the Company comprises of sitting Fees for attending Board and Committee Meetings. Depending upon the meeting attended by Directors, sitting fees are paid in the FY 2017-18 & 2016-17 and hence calculation of % increase in remuneration is not applicable.
- The Non Executive Directors do not get any remuneration except for the sitting fees. Details of the sitting fees paid to the Non Executive Directors during the year are given in Corporate Governance Report.
- During the year ended 31st March, 2018, there was no increase in the median remuneration of employees.
- As on 31st March, 2018, the Company had 11 Permanent Employees on rolls including Directors.
- We affirm that the remuneration paid during the year 2017-18 is as per the Remuneration policy of the Company.
- Mr. Amitkumar Rampal Singh appointed as non executive non independent director has ceased from the directorship of the Company w.e.f. 06th November, 2017.



- g. Ms. Rekha Tukaram Bolkar appointed as Managing Director for a term of three years has ceased from the directorship of the Company on completion of her tenure w.e.f.10th February, 2018. Accordingly increase in remuneration has not been provided.

Disclosure under Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) Details of top ten employees of the Company in terms of remuneration drawn during 2017-18:

Details of top ten employees of the Company in terms of remuneration drawn during 2017-18 will be provided on request. As per the provisions of Section 136 of the Companies Act, 2013, the Annual Report and Accounts are being sent to the members and others entitled thereto excluding the said information of top ten employees. The said details of top ten employees will be available for inspection by the members at the Registered and Corporate Office of the Company during the business hours on working days of the Company upto the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

ii) List of employees of your Company employed throughout the Financial Year 2017-18 and were paid remuneration not less than one crore and two lakh rupees:

During the year under review, there were no employees of the Company drawing remuneration of Rs. 1.2 Crore and above p.a.

iii) Employees employed for the part of the year and were paid remuneration during the Financial Year 2017-18 at a rate which in aggregate was not less than eight lakh and fifty thousand rupees per month:

During the year under review, there were no employees of the Company drawing remuneration of Rs. 8.5 Lakhs per month and above being employed for the part of the year.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 28th June 2018

For Margo Finance Limited

ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106



Form No. MR-3
SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED ON 31st March, 2018
 (Pursuant to section 204(1) of the Companies Act, 2013 and
 Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
 The Members,
Margo Finance Limited
 2nd floor, 15/76
 Old Rajinder Nagar,
 New Delhi - 110060

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Margo Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period);**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period);**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period) and**



- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period).**
- vi. Other applicable Law:
 - a) All the Rules, regulations, Guidelines, Circulars applicable to Non Banking Financial Companies under the RBI Act, 1934;
 - b) Payment of Gratuity Act, 1972;
 - c) Employee Provident Fund and Miscellaneous Provisions Act, 1952;
 - d) Employee State Insurance Act, 1948;
 - e) Service Tax Rules;
 - f) Goods and Service Tax Rules;
 - g) Income Tax Act, 1961 and Income Tax Rules;
 - h) Indian Stamp Act, 1899;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement(s) entered into by the Company with Bombay Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements), 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors during the audit period from 01.04.2017 to 31.03.2018. The changes in composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the compliance mechanism established by the company and on the basis of Compliance Certificate(s) issued by the company secretary and taken on record by the Board of Directors at the meeting(s), we are of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities.
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction, etc.
- v. Foreign technical collaborations.

Place: New Delhi
Date: 28th June, 2018

ASHU GUPTA
Company Secretary in Practice
FCS No. 4123
CP No.: 6646

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and forms integral part of this Report.



To,
The Members,
Margo Finance Limited
2nd floor, 15/76
Old Rajinder Nagar,
New Delhi - 110060

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

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

Place: New Delhi
Date: 28th June, 2018

ASHU GUPTA
Company Secretary in Practice
FCS No. 4123
CP No.: 6646



MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY AND BUSINESS OUTLOOK**

The growth in the Indian economy together with the growth in the Capital markets will have better future for your Company. Non Banking Finance Companies play major role in financing, inspite of presence of large number of Foreign as well as Nationalized Banks in this field, the role of NBFCs is established.

Due to growing economy of the country there is a scope of NBFCs. The economic indicators for the future are also strong. Your Company hopes to explore the opportunities thrown up by the economy.

RISKS & CONCERNS

Risk is synonym with NBFCs which is inherent part of their business. Your Company is also subjected to various types of such risks. Your Company has identified these risks and guarded itself by adopting a range of strategies and measures to reduce the impact of such risks.

Credit risk is considered to be major risk being faced by NBFCs. Your Company has evolved various policies and systems for credit risk to closely monitor the same. Your Company is having appropriate pre disbursement and post disbursement monitoring and regular follow up of the collection process. A low level of NPA proportion in the assets of your Company reflects its sound risk management policies. Your Company also follows provisioning norms of RBI.

OPPORTUNITIES AND THREATS

Business Opportunities for NBFCs are enormous. As the new areas and segments are being explored, there is a large scope of small size NBFCs like ours, for certain segment of customers, which remain unserved by Banks and large size NBFCs.

The major threat being faced by NBFCs are from aggressive marketing of Banks and low rates of financing offered by them.

INTERNAL CONTROL AND THEIR ADEQUACY

Foundation of your Company's control mechanism vests in Management Information systems (MIS). Your Company has devised effective systems so that assets and business of the Company are safeguarded. The internal control is regularly reviewed and augmented by the Audit Committee. The management feels that the systems of internal controls are adequate considering the size of operations of the Company.

HUMAN RESOURCES

Operating in the service industry, your Company's performance is heavily dependent on the knowledge and expertise of its personnel. The Company is having dedicated team of persons.

DISCUSSION ON FINANCIAL PERFORMANCE

During the Financial Year ended on 31st March, 2018 the Company has achieved a Net Profit of Rs. 20,38,129/- as compare to Rs. 31,06,290/- in the Previous Year. Company is looking for an opportunity for future growth prospects.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company operates in the diversified business segments viz. Finance & Investment. During the financial year under review the Company has earned a profit amounting to Rs. 21.04 Lakh in aggregate

DISCLOSURE OF ACCOUNTING TREATMENT

The accounting treatment given in preparation of financial statements represents true and fair view of the state of company affairs. It is in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India. No different treatment has been followed other than prescribed in the Accounting Standards.

CAUTIONERY STATEMENT

Statement in this Management Discussion describing the Company's objectives, estimates, and expectations may constitute "Forward Looking Statement" within the meaning of applicable laws. Actual results might differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operations include demand and supply conditions, cyclical demand, changes in Government regulations, tax regimes and economic development within India.



CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), a report on Corporate Governance for the year ended 31st March, 2018 is given below:

1. Company's Philosophy on Corporate Governance

Your Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings and accountability to ensure efficient conduct of affairs of the Company. The core value of your Company's governance process includes independence, integrity, responsibility, transparency and fairness.

Further the Governance framework gives due importance towards regulatory compliance under the guardianship of a strong Board of Directors and executed by a committed management. Given below is a brief report by the Director(s) on the practices followed at Margo Finance Limited to strive towards achievement of goal of Good 'Corporate Governance'.

Appropriate Governance Structure with defined roles and responsibilities

The Company has put in place internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's Shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various Committees to discharge its responsibilities in an effective manner. The Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013. The Chairman provides overall direction and guidance to the Board.

Ethics/Governance Policies

At Margo Finance Ltd., we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure transparency, independence and accountability in dealing with all stakeholders.

Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for all the Directors and Senior Management
- Code for Independent Directors
- Code of Corporate Disclosure Practices
- Code of Conduct to Regulate, Monitor and Report trading by insiders
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions
- Policy for Selection of Directors and determining Directors Independence.
- Policy for Prevention of Sexual Harassment of Employees at Workplace.
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- Policy on Determination of Material Events
- Documents Archive Policy
- Policy for the Preservation of Documents

2. Board of Directors

a) Board Composition

As on 31st March, 2018, the Board comprises of 5 (Five) Directors drawn from various field of expertise. The Company has combination of Executive and Non-Executive Directors which is in conformity with the requirement of the Listing Regulation, 2015 and Section 152 of the Companies Act, 2013. The composition of the Board and category of Directors are as follows:

| Name and Designation | DIN | No. of Directorship held (including Margo Finance Ltd.)@ | No. of Chairmanship /Membership in Board Committees (including Margo Finance Ltd.) * | |
|--|----------|--|--|----------|
| | | | Member | Chairman |
| Mr. Anil Kumar Jain (Non-Executive, Chairman) | 00086106 | 5 | 2 | --- |



| Name and Designation | DIN | No. of Directorship held (including Margo Finance Ltd.)@ | No. of Chairmanship /Membership in Board Committees (including Margo Finance Ltd.) * | |
|--|----------|--|--|----------|
| | | | Member | Chairman |
| Ms. Rekha Tukaram Bolkar (Executive, Managing Director)** | 06446020 | 1 | 1 | --- |
| Mr. Amit Kumar Rampal Singh# (Non-Executive, Non-Independent Director) | 07419714 | 1 | 2 | --- |
| Mr. Anilkumar Indralal Gulati (Non-Executive, Independent Director) | 02739661 | 2 | --- | 2 |
| Mr. Govind Prasad Agrawal (Non-Executive, Independent Director) | 00008429 | 7 | 4 | 2 |
| Mr. SushilKumar Krishna Agrawal (Non-Executive, Non-Independent Director) | 00400892 | 7 | 5 | 3 |
| Mr. Venkiteswaran Venkitaswaran Parlikad (Non-Executive, Independent Director) | 07006240 | 2 | 1 | --- |

Notes:

- #Mr. Amitkumar Rampal Singh ceased from the Directorship of the Company w.e.f. 06-11-2017.
- **Ms. Rekha Tukaram Bolkar appointed as the Managing Director on 11-05-2015 for three years ceased to the Managing Director of the Company w.e.f. 10-02-2018 on completion of tenure.
- @Number of Directorships held excludes directorships in private companies, foreign companies, companies under section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate directorships.
- *Only Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies including Margo Finance Limited are considered. Further Memberships or Chairmanships of the stipulated Board Committees held by Directors are within the limit specified under Regulation 26 (1) of the Listing Regulations, 2015.
- v. None of the Directors hold Directorships in more than 20 Companies including 10 Public Companies pursuant to the provisions of the Companies Act, 2013. Further, in compliance with Regulation 25(1) of the Listing Regulations, 2015, none of the Independent Directors hold Directorships in more than seven listed companies.

(b) Board Meetings

During the financial year 2017-2018, the Board of Directors met on 4 (four) occasions i.e. on 11th May, 2017; 04th August, 2017; 06th November, 2017 and 09th February, 2018. The maximum gap between any two consecutive Meetings did not exceed 120 days.

Physical Attendance of Directors at the Board Meetings and the Annual General Meeting held during the year under review is as under:

| Name of the Director | Attendance at the Board Meeting | | Attendance at last AGM |
|--|---------------------------------|----------|------------------------|
| | Held | Attended | 21st August, 2017 |
| Mr. Anil Kumar Jain | 4 | 4 | Yes |
| Ms. Rekha Tukaram Bolkar # | 4 | 4 | Yes |
| Mr. Govind Prasad Agrawal | 4 | 2 | No |
| Mr. Anilkumar Indralal Gulati | 4 | 4 | No |
| Mr. Sushilkumar Krishna Agrawal | 4 | 4 | No |
| Mr. Venkiteswaran Venkitaswaran Parlikad | 4 | 4 | No |
| Mr. Amit Kumar Rampal Singh** | 4 | 3 | No |

Ms. Rekha Tukaram Bolkar who was appointed as Managing Director for a term of three years has ceased from the directorship of the Company on completion of her tenure w.e.f. 10th February, 2018.

**Mr. Amitkumar Rampal Singh appointed as Non Executive Non Independent director on the Board has ceased from the directorship of the Company w.e.f. 06th November, 2017.



(c) Independent Directors, Meeting and Familiarisation Programme

All Independent Directors of the Company fulfill the criteria of Independence as given under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations, 2015, and have furnished declaration of independence. The draft letter of appointment containing terms and conditions of their appointment is available on the website of the Company www.margofinance.com.

During the year under review, a separate meeting of Independent Directors of the Company was held on 9th February, 2018. At the said meeting, Independent Directors discussed and considered the matters specified in Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, 2015. All Independent Directors were present at the said meeting

Your Company has in place Familiarisation Programme for Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. The Familiarisation Programme and details of familiarization programme imparted during 2017-18 are uploaded on the website of the Company and can be accessed through web-link <http://www.margofinance.com/upload/Familiarization%20Programme%20for%20ID-09.02.2018.pdf>

(d) Re-appointment of Directors

In accordance to the provision of Section 152 of the Companies Act, 2013, Mr. Anil Kumar Jain retires by rotation and being eligible, offer himself for re-appointment. His re-appointment will be considered in the forthcoming Annual General Meeting.

In term of provision of Companies Act, 2013, your Directors seek to regularize the appointment of Mr. Shri Dass Maheshwari as Whole-Time Director-Finance with the designation of Whole-Time Director-Finance and Chief Financial Officer and to regularize the appointment of Ms. Smita Kulkarni as Non-Executive, Independent Director. Their appointment shall be recommended in the forthcoming Annual General Meeting of the Company.

(e) Board Meetings Procedure

The dates of Board Meetings are scheduled in advance. The agenda papers along with relevant explanatory notes and supporting documents are circulated within prescribed time to all Directors.

Apart from any specific matter, the Board periodically reviews routine business items which includes approval of unaudited financial results along with limited review report, operational performance of the Company, minutes of committee meetings, quarterly corporate governance report, statement of investor complaints, shareholding pattern, compliance report on all laws applicable to the Company, annual financial statements, annual budget, capital expenditure and other matters placed before the Board pursuant to Schedule II Part A of the Listing Regulations, 2015.

3. Audit Committee

(a) Terms of reference

The scope and terms of reference of the Audit Committee covers matters specified under Part C Schedule II of the Listing Regulations, 2015 and Section 177 of the Companies Act, 2013. The terms of reference of Audit Committee inter alia includes following matters:

Financial Reporting and Related Processes:

- Oversight of the Company's financial reporting process and the financial information submitted to the Stock Exchange, regulatory authorities or the public.
- Reviewing with the management, the quarterly unaudited financial results/statements and limited review report thereon/ audited financial statement and Auditor Reports' thereon before submission to the Board for approval. This would, inter alia, include reviewing the changes in the accounting policies, if any, and major accounting estimates based on exercise of judgment by the Management, significant adjustment made in the financial statements and/or recommendation, if any, made by the Statutory Auditors in this regard.
- Reviewing the Management Discussion & Analysis of financial and operational performance.



- Scrutiny of inter-corporate loans and investments.
- Recommendation of appointment, remuneration and terms of appointment of auditors of the Company.

Internal Controls and Governance Processes

- Reviewing the adequacy and effectiveness of the company's internal financial controls and risk management systems;
- Review and discuss with the management and internal auditor:
 - The adequacy of internal control systems;
 - Internal audit function;
 - Internal audit scope, coverage and frequency;
 - Report of internal audit for any significant findings, including matters where there is suspected fraud or irregularity or failure of internal control system of a material nature and follow-up thereon;

Audit & Auditors

- Reviewing with the management and external auditor:
 - Nature and scope of audit;
 - Any area of concern and comments contained in their management letter;
 - And the financial statement prior to endorsement by the Board.
 - Compliance with the Stock Exchange and legal requirements concerning financial statements;
 - Approval and Review of Related party transaction;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Looking into the reasons for substantial defaults, if any, in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- To oversee and review the functioning of the Vigil Mechanism and to review findings of investigation into cases of material nature and the actions taken in respect thereof
- Fixation of Statutory Audit Fees and approval of such other services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services;
- Reviewing and other areas which may be specified as role of the Audit Committee under the Listing Regulation, 2015 Companies Act and other statutes, as amended from time to time.

(b) Composition and Meetings

The Board has constituted a well-qualified Audit Committee. As on 31st March, 2018, the Committee consists of 4 (Four) Non-Executive Directors with majority of them are Independent Directors. All the Members of the Audit Committee are experienced and possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Company Secretary acts as secretary to the committee. The maximum gap between any two consecutive Meetings did not exceed 120 days.

During the financial year 2017-18, 4 (four) meetings of the Audit Committee were held viz. on 11th May, 2017; 04th August, 2017; 06th November, 2017 and 09th February, 2018.

Physical attendance of Directors at the Audit Committee Meetings held during the year under review is as under:

| Name of the Director | Category | Attendance at the Audit Committee Meetings | |
|--|-------------------------------------|--|----------|
| | | Held | Attended |
| Mr. Anilkumar Indralal Gulati (Chairman of the Committee) | Non-Executive, Independent Director | 4 | 4 |
| Mr. Govind Prasad Agrawal | Non-Executive, Independent Director | 4 | 2 |



| Name of the Director | Category | Attendance at the Audit Committee Meetings | |
|---|--|--|----------|
| | | Held | Attended |
| Mr. Amitkumar Rampal Singh** | Non-Executive, Non -Independent Director | 4 | 4 |
| Mr. Venkiteswaran Venkitaswaran Parliikad | Non-Executive, Independent Director | 4 | 4 |
| Ms. Rekha Tukaram Bolkar# | Executive Director | 4 | 4 |
| Mr. Sushilkumar Krishna Agrawal* | Non-Executive, Non -Independent Director | 4 | 2 |

*Mr. Sushilkumar Krishna Agrawal has been appointed as member of the Audit Committee w.e.f. 04th August, 2017.

**Mr. Amitkumar Rampal Singh ceased to be member of the Audit Committee on his resignation from the directorship of the Company w.e.f.06th November, 2017.

#Ms. Rekha Tukaram Bolkar ceased to be member of the Audit Committee on her cessation from the directorship of the company on completion of her tenure w.e.f. 10th February, 2018.

The representatives of the Statutory Auditors, Internal Auditors and Chief Financial Officer are permanent invitees to the Audit Committee Meetings and they attend and participate in the meetings.

Ms. Rekha Tukaram Bolkar, member of the Audit Committee was present at the last Annual General Meeting of the Company held on 21st August, 2017.

4. Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013 and the Listing Regulations, 2015, the Board has constituted the "Nomination and Remuneration Committee" (NRC).

(a) The terms of reference of the NRC inter alia, includes:

- The terms of reference of the Nomination and Remuneration Committee ("NRC") covers the areas mentioned under Part D of Schedule II of the Listing Regulations, 2015 and Section 178 of the Companies Act, 2013 which inter alia, includes:
- Lay down criteria for identifying and selection of candidates for appointment as Directors/Independent Directors and Key Managerial Personnel (KMP) and other Senior Management positions;
- To recommend to the Board appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down;
- To Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- To formulate criteria for evaluation of performance of every Director and carry out performance evaluation of Directors;
- Devising a policy on Board diversity;
- Recommend to the Board on remuneration of the Managing Director/Executive Director(s)/KMP and also revision in remuneration;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

(b) Composition, Meetings and Attendance

During the financial year 2017-18, the Nomination and Remuneration Committee met on 3 occasion's viz. on 11th May, 2017; 4th August, 2017 and 09th February, 2018.

Physical attendance of Directors at the Nomination and Remuneration Committee Meetings held during the year under review is as under



| Name of the Director | Category | Attendance at the Nomination and Remuneration Committee Meetings | |
|--|--|--|----------|
| | | Held | Attended |
| Mr. Anilkumar Indralal Gulati (Chairman of the Committee) | Non-Executive, Independent Director | 3 | 3 |
| Mr. Anil Kumar Jain | Non -Executive Director | 3 | 3 |
| Mr. Govind Prasad Agrawal | Non-Executive, Independent Director | 3 | 2 |
| Mr. Sushilkumar Krishna Agrawal* | Non Executive, Non -Independent Director | 3 | 1 |
| Mr. Amitkumar Rampal Singh ** | Non Executive, Non -Independent Director | 3 | 2 |

**Mr. Amitkumar Rampal Singh ceased to be member of the Nomination and Remuneration Committee w.e.f. 06th November, 2017 on his resignation from the directorship of the Company.

*Mr. Sushilkumar Krishna Agrawal has been appointed as member of the Nomination and Remuneration Committee w.e.f. 04th August, 2017

(c) Performance Evaluation of Directors

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, accessible to built effective working relationships with the senior management etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

(d) Policy for selection and appointment of Directors and their remuneration

The Nomination and Remuneration Committee (NRC) has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Key Managerial Personnel and their remuneration is appended as Annexure-2 to the Directors' Report.

Criteria of selection of Directors

- The Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the Independent nature of the Directors vis-à-vis the Company, so as to enable the Board to discharge its function and duties effectively.
- The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The NRC shall consider the following attributes / criteria, whilst recommending to the Board, the candidature for appointment as Director:
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.



5. Remuneration of Directors

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure 2 to the Directors' Report. The said Policy is directed towards rewarding performance based on review of achievements periodically and is in consonance with the existing industry practice.

(i) The details Remuneration of Ms. Rekha Tukaram Bolkar, Managing Directors' for the Financial Year 2017-18 are as under:

| | Remuneration | | Amount (in Rs.) |
|----|--|---|-----------------|
| 1. | Basic Salary | : | 1,37,670 |
| 2. | Housing Rent Allowance | : | 61,118 |
| 3. | Special Allowances | : | 52,208 |
| 4. | Conveyance Allowance | : | 16,463 |
| 5. | Medical Allowance | : | 12,861 |
| 6. | Commission Payable | : | Nil |
| 7. | Stock option granted | : | Nil |
| 8. | Arrear | : | Nil |
| 9. | Bonus / Exgratia | : | 4,800 |
| | Gross Salary | : | 2,85,120 |
| | Contribution to provident Fund as per the rule of the Company. | : | -16,523 |
| | Total | : | 2,68,597 |

Note: Ms. Rekha Tukaram Bolkar ceased to be member of the Audit Committee on her cessation from the directorship of the company on completion of her tenure w.e.f. 10th February, 2018.

The service of contract with Managing Director is for the period of three years from her respective date of appointment with notice period of 3 months. The aforesaid remuneration was paid within the overall limits prescribed under the Companies Act, 2013.

(ii) Remuneration of Non-Executive Directors

- Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.
- The Remuneration of Executive Directors will be within the limits provided under the Companies Act, 2013.

Details of sitting fees paid to Non-Executive Directors of the Company for the financial year ended 31st March, 2018 are as under:

| Name of the Director | Remuneration for the Financial Year ended 31 st March, 2018 (Amount in Rs.) | No. of equity shares of the Company held by Non-Executive Directors |
|--|--|---|
| | Sitting Fees | |
| Mr. Anil Kumar Jain | 3,000 | NIL |
| Mr. Govind Prasad Agrawal | 9,000 | 2010 |
| Mr. Sushilkumar Krishna Agrawal | 11,000 | NIL |
| Mr. Anilkumar Indralal Gulati | 16,000 | NIL |
| Mr. Venkiteswaran Venkitaswaran Parlikad | 12,000 | NIL |
| Mr. Amitkumar Rampal Singh** | 11,000 | NIL |

**Mr. Amitkumar Rampal Singh ceased to be member of the Nomination and Remuneration Committee w.e.f. 06th November, 2017 on his resignation from the directorship of the Company.



The criteria for making payment to Non-Executive Directors of the Company is given under Annexure 2 to this Report.

At present, the Company does not have any stock options plans and hence, such instruments do not form part of his remuneration package.

There is no provision for payment of severance fees.

6. Stakeholders' Relationship Committee

In compliance with Section 178 of the Companies Act, 2013 & the Listing Regulations, 2015, the Board has constituted the "Stakeholders' Relationship Committee" (SRC).

(a) The terms of reference of the SRC inter alia, includes:

- Approve issue of the Company's duplicate share certificates.
- Consider, resolve and monitor redressal of investor's/shareholder's/security holder's grievances related to transfer of securities, non-receipt of Annual Report etc;
- Oversee the performance of the Company's Registrars and Transfer Agents;
- Recommend methods to upgrade the standard of services to investors;
- Carry out any other function as is referred by the Board from time to time and/or enforced by any statutory notification/amendment or modification as may be applicable;

The Committee meets on regular basis to provide quality and efficient services to the investors and to align & streamline the process of share transfer/transmission; Committee is responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

(b) Composition of the committee

As on 31st March, 2018, the Stakeholders' Relationship Committee consists of Mr. Anilkumar Indralal Gulati, Non Executive Independent Director as Chairman, Mr. Govind Prasad Agrawal, Non Executive Independent Director and Mr. Sushilkumar Krishna Agrawal, Non Executive Non Independent Director as Members.

During the financial year 2017-18, 1(one) meeting of Stakeholders' Relationship Committee was held on 11th May, 2017 and the said meeting was attended by the all the members of the committee.

(c) Compliance Officer

On cessation of Ms. Jyotsna Jindal as Company Secretary & Compliance Officer w.e.f 09.06.2018, Ms.Surbhi Maheshwari has been appointed as the Compliance Officer of the Company w.e.f. 09.06.2018 & Company Secretary w.e.f. 28.06.2018.

(d) During the year 2017-18, one complaint was received from the shareholders of the Company, which has been duly resolved, as on 31st March, 2018, no complaint was pending.

7. General body Meetings

During the preceding three years, the Annual General Meetings of the Company were held on the following dates, time and venue.

| AGM | Financial Year ended | Date | Time | Venue of the Last Three AGMs | Special Resolution(s) passed |
|------------------|----------------------|------------|------------|---|------------------------------|
| 26 th | 31.03.2017 | 21.08.2017 | 10:00 A.M. | Hotel Vrshali Executive, 39 A/2, Circuit House Road, Tarabai Park, Kolhapur – 41 6003, Maharashtra | No |
| 25 th | 31.03.2016 | 26.07.2016 | 10:00 A.M. | Hotel Pavillion, Conference Room, 1st Floor, 392, E Ward, Assembly Road, Near Basant Bahar Theater, Shahpuri, Kolhapur – 416 001, Maharashtra | Yes ** |
| 24 th | 31.03.2015 | 22.08.2015 | 3:00 P.M. | Village Alte, Taluka Hatkanangale, Dist. Kolhapur 416109 | Yes* |



** At the 25th AGM Shareholders of the Company has passed a special resolution for maintaining the Statutory Registers at the Corporate Office of the Company.

* At the 24th AGM Shareholders of the Company has passed a special resolution for variation in the terms of appointment of Ms. Rekha Tukaram Bolkar, Managing Director.

- No Extra-ordinary General Meeting was held during the year under review.
- No Postal Ballot was conducted during the year under review. Further, as on date of this report, no Special Resolutions are proposed to be passed through Postal Ballot.

8. Means of Communication

Website: The Company's website www.margofinance.com contains the updated information pertaining to quarterly, half-yearly and annual financial results, shareholding pattern, important announcements, etc. The said information is available in a user friendly and downloadable form.

Financial Results: The quarterly, half yearly and annual financial results of the Company are submitted to the BSE Limited after approval of the Board of Directors of the Company within prescribed time. The financial results of the Company are published in one vernacular newspaper viz. "Nava Shakti" and one English news paper viz. "Free Press Journal" within 48 hours of approval thereof. Also they are uploaded on the Company's website www.margofinance.com. The results are published in accordance with the guidelines of the Stock Exchanges.

Annual Report: Annual Report containing inter alia Standalone Financial Statements, Directors' Report, Auditors' Report, Corporate Governance Report is circulated to the members and others entitled thereto and is also available on the website of the Company www.margofinance.com. The relevant information relating to the Directors to be appointed/re-appointed at the ensuing Annual General Meeting is given in the Notice convening the Annual General Meeting.

Designated Exclusive Email ID: The Company has designated Email Id info@margofinance.com exclusive for shareholder/investor grievances redressal.

SCORES (SEBI Complaints Redressal System): SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.

Uploading on BSE Listing Centre: The quarterly results, quarterly compliances and all other corporate communications are filed electronically on BSE Listing Centre.

9. Disclosures

a) Related Party Transactions

All transactions entered with Related Parties as defined under the Companies Act, 2013 and the Listing Regulations, 2015 during the financial year 2017-18 were in the ordinary course of business and arm's length basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

The Board has approved a policy for Related Party Transactions and which has been uploaded on the website of the Company and can be accessed through web-link <http://www.margofinance.com/upload/Related%20Party%20Transaction-Policy.pdf>.

b) Statutory Compliance by the Company, penalties, structures

During the last three years the Company had complied with all the requirement of the Stock Exchanges/SEBI/and other statutory authorities on all other matters related to the capital market or strictures imposed on the Company by the Stock Exchange, the SEBI or any statutory authority on matters relating to capital market.

During the financial year 2015-16, the trading in the equity shares of the your Company has been suspended by the BSE Ltd. due to delay in compliance of the Listing Agreement and for the same penalty has been imposed by the stock exchange. However, the trading in the equity shares has been restored by the stock exchange w.e.f. 29th March, 2016.

**c) Whistle Blower policy and Vigil Mechanism**

In line with Companies Act, 2013 and the Listing Regulations, 2015, the Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct, breaches of accounting policies or any act resulting in financial or reputation loss and misuse of office or suspected or actual fraud.

Complaint by or against Senior Management should be made to the Chairman of the Company with a copy to the Chairman of the Audit Committee. The Policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The details of establishment of the Whistle Blower Policy/Vigil mechanism have been disclosed on the website of the Company and can be accessed through the web-link <http://www.margofinance.com/upload/Whistle%20Blower%20Policy%20&%20Vigil%20Mechanism%20Clean.pdf>.

d) Subsidiary Companies

During the year under review, the Company does not have any subsidiary.

e) Code of Conduct

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all the Directors and Senior Management ("the Code"). The Code is applicable to all the members of the Board, the executive officers and all employees of the Company. The Code is available on our website of the Company and can be accessed through web-link <http://www.margofinance.com/upload/Code%20of%20Conduct-All%20Directors%20&%20Senior%20Management.pdf>.

All members of the Board, the executive officers and seniors employees have affirmed compliance to the code of conduct as on 31st March, 2018. A declaration to this effect, signed by Mr. Shri Dass Maheshwari, Whole Time Director-Finance and Chief Financial Officer forms part of this Annual Report.

f) Disclosure of Accounting Treatment

In the preparation of the Financial Statements, the Company has followed the Accounting Standards notified by Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

There is no deviation in following the treatment prescribed in any Accounting Standards in preparation of financial statement for the year 2017-2018.

g) Risk Management

The risk assessment and minimization procedures are in place before and the Board is regularly informed about the business risks and the steps taken to mitigate the same.

h) Reconciliation of Share Capital Audit

In terms of the provisions of Clause 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed capital of the Company. The audit report, inter alia, confirms that the Register of Members is duly updated and that demat / remat requests were confirmed within stipulated time. The said report is also submitted to BSE Limited.

i) Code for Prevention of Insider Trading

The Company has adopted a code of conduct for prevention of Insider Trading in shares of the Company. The code, inter-alia, prohibit purchase/sale of the shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company. Further the Board has adopted a Policy to Regulate, Monitor and Report trading by insiders under SEBI (Prohibition of Insider Trading) Regulation, 2015. This Policy also includes the practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the declaration and disclosures to identified the designated employee, and the Board reviews the policy on a need basis. The policy is available on our website at www.margofinance.com



j) Compliance with Mandatory & Non-Mandatory Requirements

The Company has complied with all mandatory requirements of Corporate Governance specified in the Listing Regulations, 2015. The Company has adopted discretionary requirements specified in Part E of Schedule II of the Listing Regulations, 2015 as given below:

The Board: The Company has a Non-Executive Chairman and he is allowed reimbursement of expenses in relation to performance of his duties.

Shareholders' Rights: Quarterly, half- yearly, annual financial results of the Company are published in English and Marathi newspapers and are also forwarded to BSE Limited. The said results are also uploaded on the website of the Company www.margofinance.com. Hence the same are not sent to the Shareholders of the Company.

Modified Opinion in Auditors Report: There was no qualification or modified opinion in Independent Auditors Report on Financial Statements for the year ended 31st March 2018 or in past 2 years.

Separate posts of Chairperson and Managing Director: Mr. Anil Kumar Jain, Non-executive Director is the Chairperson of the Company and Ms. Rekha Tukaram Bolkar was the Managing Director of the Company, who ceased from the directorship w.e.f.10.02.2018.

Reporting of Internal Auditors: The Internal Auditor of the Company is permanent invitee to the Audit Committee Meeting. He is present in each Audit Committee Meeting and presents his Internal Audit observations to the Audit Committee. He directly interacts with Audit Committee Members during the meeting.

k) The Management Discussion and Analysis report is included in the Annual Report.

l) Compliance with the requirements of Corporate Governance

All the requirements of Corporate Governance specified in Regulation 17 to 27 of the Listing Regulations, 2015 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, 2015 have been complied with.

10. Certificate on Compliance with the conditions of Corporate Governance

During the financial year ended March 31st, 2018 your Company has complied with all the requirements of Corporate Governance specified in Regulation 17 to 27 of SEBI (LODR) Regulations, 2015 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015 have been complied with.

Further, Certificate regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of SEBI (LODR) Regulations, 2015, for the year ended 31st March, 2018 is given by M/s. Ashu Gupta & Co., Practising Company Secretary is attached to this Report.

11. General Shareholder's Information

Margo Finance Limited was incorporated at Delhi on 08-10-1991. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910MH1991PLC080534.

The address of our registered office is office No.3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, District Kolhapur, Maharashtra-416109.

| | |
|--------------------------------|---|
| Listing on the Stock Exchanges | BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Stock Exchange Stock / Scrip Code - 500206 |
| Listing Fee | The Company has paid Listing Fees till 2018-2019 to BSE Limited within prescribed time |
| Annual Custody Fees | The Company has paid the Annual custody fees to Central Depository Services (India) Ltd. and National Securities Depository Limited for the year 2018-19. |
| ISIN | INE680B01019 |



Investor Information

| | | |
|--|---|-------------------------|
| Annual General Meeting | | |
| Date of AGM | 11 th September, 2018 | |
| Time of AGM | 10:00 A.M. | |
| Venue of AGM | Hotel Vrishali Executive, 39 A/2, Circuit House Road, Tarabai Park, Kolhapur, 416003, Maharashtra | |
| Financial Year | 1 st April to 31 st March | |
| Tentative Financial Calendar (for financial year 2018-19) | Board Meeting for approval of | |
| | Financial Results for the 1 st Quarter 2018-19 | On or before 14-08-2018 |
| | Financial Results for the 2 nd Quarter 2018-19 | On or before 14-11-2018 |
| | Financial Results for the 3 rd Quarter 2018-19 | On or before 14-02-2019 |
| | Annual Accounts for 2018-19 | On or before 30-05-2019 |
| Date of Book Closure | Wednesday 5 th September, 2018 to Tuesday 11 th September, 2018 | |

Dividend: No dividend was declared during the year 2017-18.

Market Price Data & Performance Comparison

The monthly high and low quotations of the closing price and volume of shares traded at BSE Ltd. from April, 2017 to March, 2018 are as under and comparison against BSE sensex is as under:

| Month | Margo Finance Limited (BSE Limited) | | | BSE Sensex | |
|-----------------|--|-----------|---------------|------------|-----------|
| | High (Rs.) | Low (Rs.) | Volume (Nos.) | High (Rs.) | Low (Rs.) |
| April -2017 | 15.40 | 10.55 | 11682 | 30,184.22 | 29,241.48 |
| May- 2017 | 12.25 | 10.85 | 8591 | 31,255.28 | 29,804.12 |
| June -2017 | 10.55 | 9.50 | 3315 | 31,522.87 | 30,680.66 |
| July- 2017 | 10.15 | 9.50 | 9546 | 32,672.66 | 31,017.11 |
| August -2017 | 10.65 | 9.27 | 11420 | 32,686.48 | 31,128.02 |
| September -2017 | 12.70 | 9.98 | 14904 | 32,524.11 | 31,081.83 |
| October -2017 | 14.45 | 11.00 | 6292 | 33,340.17 | 31,440.48 |
| November -2017 | 15.34 | 13.21 | 3118 | 33,865.95 | 32,683.59 |
| December- 2017 | 14.65 | 12.10 | 17110 | 34,137.97 | 32,565.16 |
| January -2018 | 16.50 | 10.85 | 32480 | 36,443.98 | 33,703.37 |
| February -2018 | 16.50 | 13.95 | 6859 | 36,256.83 | 33,482.81 |
| March -2018 | 15.85 | 14.05 | 3431 | 34,278.63 | 32,483.84 |

Source: BSE website: www.bseindia.com

Registrar and Share Transfer Agents

Share transfer and other communication regarding shares certificate, change in address etc., may be addressed to:

Link Intime India Pvt. Ltd.

44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I,
Near PVR Cinema, New Delhi-28
Telephone No. 011-41410592 to 594, Fax No. 011- 41410591,
E-mail: delhi@linkintime.co.in

Share Transfer System

Transfer of equity shares in dematerialized form is done through the depositories without any involvement of the Company. Share transfers in physical form are processed by Registrar & Transfer Agent and the share certificates are returned to the shareholders within a period of 15 days from the date of receipt if the documents are in order and complete in all respects. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the BSE Limited.

Share Transfer Committee

As on 31st March, 2018, the Share Transfer Committee comprises of Mr. Anil Kumar Jain, as Chairman, Mr. Sushilkumar Krishna Agrawal and Mr. Venkiteswaran Venkitaswaran Parlikad, as Members. The Share Committee meets whenever required for approval of share transfer, transmission, Issued of duplicate share certificates, split and consolidation requests



as well as other matters that relate to the transfer and registration of shares.

Distribution of Shareholding as on 31st March, 2018:

| No. of equity Shares | No. of share holders | % of share holders | No. of shares held | % of share holding |
|----------------------|----------------------|--------------------|--------------------|--------------------|
| 1- 500 | 8637 | 95.41 | 1343881 | 29.41 |
| 501- 1000 | 277 | 3.06 | 225566 | 4.94 |
| 1001- 2000 | 70 | 0.77 | 102479 | 2.24 |
| 2001- 3000 | 14 | 0.15 | 35763 | 0.78 |
| 3001-4000 | 6 | 0.07 | 22752 | 0.50 |
| 4001 -5000 | 12 | 0.13 | 57411 | 1.26 |
| 5001-10000 | 14 | 0.15 | 110805 | 2.42 |
| Above 10001 | 23 | 0.26 | 2671343 | 58.45 |
| Total | 9053 | 100.00 | 4570000 | 100.00 |

Shareholding pattern as on 31st March, 2018

| Category | No. of equity shares held | As a percentage of total paid up Share Capital |
|---|---------------------------|--|
| A. Shareholding of Promoter and Promoter Group | | |
| 1. Indian Individual/Hindu Undivided Family Bodies Corporate | 871215 | 19.064 |
| | 1569416 | 34.342 |
| Sub Total (A) (1) | 2440631 | 53.406 |
| 2. Foreign Individual (Non-Resident Individual/Foreign Individual) | 0 | 0 |
| Sub Total (A) (2) | 0 | 0 |
| Total Shareholding Promoter and Promoter Group (A)(1) +(A)(2) | 2440631 | 53.406 |
| B. Public Shareholding | | |
| 1. Institutions Financial Institutions/Banks/Insurance Companies including Central/ State Government Institutions | 100 | 0.002 |
| Sub Total (B) (1) | 100 | 0.002 |
| 2. Non Institutions | | |
| i. Individual shareholders holding nominal share capital in up to Rs. 2 lakh | 1871872 | 40.960 |
| ii. individual shareholders holding nominal share capital in excess to Rs. 2 lakh | 131340 | 2.874 |
| Any Other | | |
| - HUF | 61492 | 1.346 |
| - NRI/OCB | 1000 | 0.022 |
| - Clearing Member | 1436 | 0.031 |
| - Bodies Corporates | 60119 | 1.316 |
| - Directors and Directors' Relatives | 2010 | 0.044 |
| Sub Total (B) (2) | 2129269 | 46.592 |
| Total Public Shareholding (B)(1) +(B)(2) | 2129369 | 46.594 |
| Total (A)+(B) | 4570000 | 100.000 |
| C. Shares held by Custodian and against which depository receipts have been issued | 0 | 0 |
| Grand Total (A+B+C) | 4570000 | 100.000 |

Dematerialization of shares and liquidity

The equity shares of the Company are available for dematerialization with Central Depository Services India Limited (CDSL) and National Securities Depository Limited (NSDL) . As per directive of SEBI the Equity Shares of the Company are compulsorily traded in dematerialized form with effect from 26.03.2001.



As on 31st March, 2018, 76.52% of the Company's Shares Capital is dematerialized and rest is in physical form. The Company's Shares were regularly traded on the BSE. Requests for dematerialization of shares are processed and confirmed within the prescribe time of receipt from NSDL and CDSL.

Shares held in demat and physical mode as on 31st March, 2018

| Category | Numbers of | | % of total equity |
|--------------------|--------------|----------------|-------------------|
| | Shareholders | Shares | |
| Demat Mode | | | |
| NSDL | 1971 | 1880335 | 41.15 |
| CDSL | 802 | 1616655 | 35.37 |
| Total | 2773 | 3496990 | 76.52 |
| Physical Mode | 6280 | 1073010 | 23.48 |
| Grand Total | 9053 | 4570000 | 100.00 |

Outstanding GDRs/ADRs/ Warrants or any convertible instrument, conversion date and likely impact on Equity:

As on 31st March, 2018, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instrument.

Service of documents through electronic mode:

As a part of Green initiative, the Members who wish to receive documents like the Notice convening the General Meetings, Financial Statements, Director's Report, Auditors Report etc., through e-mail, may kindly intimate their E-mail address to Company/Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).

Address for correspondence

The Shareholders may contact Company or Registrar & Transfer Agent on below address:

Company Secretary
Margo Finance Limited
2nd, 15/76,
Old Rajendra Nagar,
New Delhi – 110060
Phone: +011-41539444

Registered Office: Office No. 3, Plot No. 266 Village Alte, Kumbhoj Road, Taluka Hatkanangale Dist.Kolhapur-416109, Maharashtra

Head Office: 301, Arcadia, Nariman Point Mumbai-400021, Maharashtra

Registrar & Transfer Agent

44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I,
Near PVR Cinema, New Delhi-28
Telephone No. 011-41410592 to 594, Fax No. 011- 41410591,
E-mail: delhi@linkintime.co.in

For and on behalf of the Board of Directors
For Margo Finance Limited

Place: Mumbai
Date: 28th June, 2018

ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

Pursuant to Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 entered into by the Company with the stock exchange.

This is to confirm that the Company has adopted the Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website at www.margofinance.com.

I confirm that the Company has in respect of the year ended 31st March, 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For **Margo Finance Limited**

(Shri Dass Maheshwari)
(DIN: 00181615)
Whole Time Director-Finance &
Chief Financial Officer

Date: 30th April, 2018

Place: Mumbai



CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

To,
The Members
Margo Finance Limited,

We have examined the compliance of conditions of Corporate Governance by Margo Finance Limited ('hereinafter referred as Company') for the Financial year ended March 31, 2018, as prescribed in Regulations 17 to 27, clause (b) to (i) of sub regulation(2) of regulation 46 and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) for the period from April 1, 2017 to March 31, 2018.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the examinations of relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned LODR.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **ASHU GUPTA & CO.,**
Company Secretaries in Practice

Date: 28th June, 2018
Place: New Delhi

ASHU GUPTA
Proprietor
C.P. No. 6646
FCS No. 4123



INDEPENDENT AUDITOR'S REPORT

To the Members,
Margo Finance Limited

Report on Financial Statements

We have audited the accompanying financial statements of the company **Margo Finance Limited** ("the company"), which comprises the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016.

This responsibilities also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2018 and its profit and its cash flows for the year ended on that date.

**Report on other Legal and Regulatory Matters**

1. As required by the Companies (Auditors' Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the '**Annexure A**' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, We report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - (i) There are no pending litigations affecting financial position hence no disclosure is required to be made.
 - (ii) There are no long term contracts including derivatives contracts hence no provision is required to be made.
 - (iii) The clause is not applicable as there is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For Pawan Shubham & Co.
Chartered Accountants
Firm Registration No. 011573C

Pawan Kumar Agarwal
Partner
Membership No-092345

Place : New Delhi
Dated : 1st May, 2018

**Annexure A to the Independent Auditors' Report**

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification with respect to records of books.
- (c) The title deed of immovable property is held in the name of the Company.
- (ii) There is no inventory, therefore this clause of the order is not applicable to the Company.
- (iii) This clause is not applicable, since during the year the Company has not granted any loans to parties which are covered in the registers maintained under section 189 of the Companies Act, 2013.
- (iv) This clause is not applicable, since Company's ordinary course of business is providing loans and in respect of such loans interest has been charged at a rate not less than bank rate declared by the Reserve Bank of India. Moreover, company has not given directly or indirectly any loan to any person exceeding sixty per cent of its paid-up capital, free reserves and security premium account.
- (v) According to the information given to us, the Company has not accepted any deposits from the public.
- (vi) The provisions of Section 148(1) of the Companies Act, 2013 regarding maintenance of cost records are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the extent applicable, have generally been regularly deposited.
- (b) According to the information and explanations given to us, the Company does not have any Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited with the appropriate authority on account of any dispute.
- (viii) According to information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions.
- (ix) The clause is not applicable, since the company has not raised any money by way of initial public offer or further public offer or by way of term loan during the year.
- (x) Based on the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officer or employee has been noticed or reported during the course of our audit.
- (xi) According to information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandates by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) This clause is not applicable, since Company is not a Nidhi Company therefore it not required to comply with the requirement of the Net Owned Funds to Deposits in the ratio of 1:20 etc.
- (xiii) According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.



-
- (xiv) This clause is not applicable, since company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to information and explanations given to us, company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is already registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Pawan Shubham & Co.
Chartered Accountants
Firm Registration No. 011573C

Pawan Kumar Agarwal
(Partner)
Membership No-092345

Place : New Delhi
Dated : 1st May, 2018



Annexure B to the Auditors' Report**Independent Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of the company **Margo Finance Limited** as at 31 March 2018 in conjunction with our audit of financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management of the company is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required by the Guidelines issued under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

Internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Divisional Office's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Pawan Shubham & Co.
Chartered Accountants
Firm Registration No. 011573C

Pawan Kumar Agarwal
Partner
Membership No-092345
Place : Delhi
Dated : 1st May, 2018

To the Board of Directors,
Margo Finance Limited

We have audited the Balance Sheet of Margo Finance Limited as at March 31, 2018, Statement of Profit & Loss and Cash Flow Statement for the year ended on that date.

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 issued by the Reserve Bank of India and we submit as under:

- i). The company is engaged in the business of non-banking financial institution and it has obtained a Certificate of Registration (COR) from the Reserve Bank of India.
- ii). The company is entitled to continue to hold such COR in terms of its asset / income pattern as on March 31, 2018.
- iii). The Board of Directors has passed a resolution for non- acceptance of any public deposit.
- iv). The company has not accepted any public deposits during the year ended on 31-3-2018.
- v). The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- vi). The company is not a Systematically Important Non-deposit taking NBFCs as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 therefore the clause is not applicable to the company.

For Pawan Shubham & Co.
Chartered Accountants
Firm Registration No. 011573C

Pawan Kumar Agarwal
Partner
Membership No-092345

Place : New Delhi
Dated : 1st May, 2018

**BALANCE SHEET**

As at 31 March, 2018

(Amount in Indian Rupees)

| Particulars | Notes | As at 31 March 2018 | As at 31 March 2017 |
|-----------------------------------|-------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1) Shareholders' funds | | | |
| a) Share capital | 2.01 | 4,57,00,000 | 4,57,00,000 |
| b) Reserves and Surplus | 2.02 | 1,23,67,572 | 1,03,29,443 |
| 2) Non-current liabilities | | | |
| a) Long-term provisions | 2.03 | 1,39,252 | 1,21,784 |
| 3) Current liabilities | | | |
| a) Short-term borrowings | 2.04 | 91,082 | - |
| b) Trade payables | 2.05 | 1,34,847 | 1,01,052 |
| c) Other current liabilities | 2.06 | 26,444 | 15,892 |
| d) Short-term provisions | 2.07 | 47,929 | 54,320 |
| TOTAL | | 5,85,07,126 | 5,63,22,491 |
| II. ASSETS | | | |
| 1) Non-current assets | | | |
| a) Fixed assets | | | |
| (i) Tangible assets | 2.08 | 2,48,700 | 3,12,678 |
| (ii) Intangible assets | 2.09 | 3,581 | 8,981 |
| b) Non-current investments | 2.10 | 4,18,07,619 | 4,00,91,777 |
| c) Long-term loans and advances | 2.11 | 15,43,640 | 55,125 |
| d) Other non-current assets | 2.12 | 1,32,55,634 | 2,11,333 |
| 2) Current assets | | | |
| a) Trade receivables | 2.13 | 2,97,433 | 3,83,797 |
| b) Cash and bank balances | 2.14 | 3,16,477 | 1,32,00,433 |
| c) Short-term loans and advances | 2.15 | 6,69,473 | 4,20,087 |
| d) Other current assets | 2.16 | 3,64,569 | 16,38,280 |
| TOTAL | | 5,85,07,126 | 5,63,22,491 |
| | | - | - |

Significant accounting policies

1

Notes to Financial Statements

2

The notes referred to above form an integral part of the financial statements

As per our report attached

For Pawan Shubham & Co.

Chartered Accountants

Firm Registration No.:011573C

For and on behalf of the Board of **Margo Finance Limited****Pawan Kumar Agarwal**

Partner

Membership No.:092345

Place: Delhi

Date: 1st May, 2018**Anil Kumar Jain**

Chairman

Din No. 00086106

Place: Mumbai

Date: 30th April, 2018**Shri Dass Maheshwari**

Whole Time Director-Finance &

Chief Financial Officer

Din No. : 00181615

Place: Mumbai

Date: 30th April, 2018**Jyotsna Jindal**

Company Secretary

Membership No. : 37276

Place: Mumbai

Date: 30th April, 2018



STATEMENT OF PROFIT AND LOSS

For the year ended on 31 March, 2018

(Amount in Indian Rupees)

| Particulars | Notes | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-------|-----------------------------|-----------------------------|
| I) Income | | | |
| i) Revenue from operations | 2.17 | 53,27,956 | 47,44,549 |
| ii) Other income | 2.18 | - | 14,69,546 |
| Total Revenue | | 53,27,956 | 62,14,095 |
| II) Expenses | | | |
| i) Employee benefits expense | 2.19 | 15,23,073 | 14,89,933 |
| ii) Finance cost | 2.20 | 565 | 1,145 |
| iii) Depreciation and amortization expense | 2.21 | 89,726 | 88,733 |
| iv) Other expenses | 2.22 | 15,75,029 | 14,97,588 |
| Total expenses | | 31,88,393 | 30,77,399 |
| III. Profit/(Loss) before exceptional and extraordinary items and tax (I-II) | | 21,39,563 | 31,36,696 |
| IV. Exceptional items | | 35,886 | 40,662 |
| V. Profit/(Loss) before extraordinary items and tax (III-IV) | | 21,03,677 | 30,96,034 |
| VI. Extraordinary items | | - | - |
| VII. Profit/(Loss) before tax (V-VI) | | 21,03,677 | 30,96,034 |
| VIII. Tax expense | | | |
| (i) Current Tax/ MAT | | 1,09,500 | 1,28,105 |
| (ii) MAT credit available | | (22,514) | (1,28,105) |
| (iii) Current Tax for previous year | | (21,438) | (10,256) |
| (iv) Deferred tax | | - | - |
| IX. Profit/(Loss) for the year | | 20,38,129 | 31,06,290 |
| X. Earning per equity share: | 2.23 | | |
| (1) Basic | | 0.45 | 0.68 |
| (2) Diluted | | 0.45 | 0.68 |

Significant accounting policies

1

Notes to Financial Statements

2

The notes referred to above form an integral part of the financial statements

As per our report attached

For Pawan Shubham & Co.

Chartered Accountants

Firm Registration No.:011573C

For and on behalf of the Board of Margo Finance Limited

Pawan Kumar Agarwal

Partner

Membership No.:092345

Place: Delhi

Date: 1st May, 2018

Anil Kumar Jain

Chairman

Din No. 00086106

Place: Mumbai

Date: 30th April, 2018

Shri Dass Maheshwari

Whole Time Director-Finance &

Chief Financial Officer

Din No. : 00181615

Place: Mumbai

Date: 30th April, 2018

Jyotsna Jindal

Company Secretary

Membership No. : 37276

Place: Mumbai

Date: 30th April, 2018



CASH FLOW STATEMENT

For the year ended on 31 March, 2018

(Amount in Indian Rupees)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before taxes | 21,03,677 | 30,96,034 |
| Adjustments for : | | |
| Depreciation, amortization and impairment | 89,726 | 88,733 |
| (Excess) / Provision for Diminution of value of Investment | - | (13,94,372) |
| (Excess) / Provision for Other Liability | - | (2,500) |
| Bad Debts written off | - | 15,299 |
| Excess provision on doubtful debt written back | - | (15,299) |
| Contingent provisions on Standard Assets | 3,785 | 974 |
| Interest Paid | 565 | 1,145 |
| | 94,076 | (13,06,020) |
| Operating gain before working capital changes | 21,97,753 | 17,90,014 |
| Adjustments for : | | |
| Decrease/ (increase) in sundry debtors | 86,364 | (1,54,798) |
| Decrease/ (increase) in loans and advances | (17,41,686) | 5,74,790 |
| (Increase)/Decrease in other non current assets | (1,30,44,301) | 1,23,20,373 |
| (Increase)/Decrease in investments | (17,15,842) | (77,97,724) |
| (Increase)/Decrease in other current assets | 12,73,711 | 10,63,701 |
| (Increase)/Decrease in other deposits | 1,22,61,706 | (74,61,706) |
| Increase/(Decrease) in current liabilities and provisions | 55,424 | 1,18,090 |
| | (28,24,624) | (13,37,274) |
| Cash generated from operating activities before taxes | (6,26,871) | 4,52,740 |
| Direct taxes paid (net of refunds) | (65,548) | (10,256) |
| Net cash generated from/ (used in) operating activities | (6,92,419) | 4,62,996 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (20,348) | (7,590) |
| Net cash generated from / (used in) investing activities | (20,348) | (7,590) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase in short term bank borrowings (net) | 91,082 | (2,64,488) |
| Interest Paid | (565) | (1,145) |
| Net cash generated from/ (used in) financing activities | 90,517 | (2,65,633) |
| INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | (6,22,250) | 1,89,773 |
| Cash and cash equivalents at the beginning of the year | 9,38,727 | 7,48,954 |
| Cash and cash equivalents at the end of the year | 3,16,477 | 9,38,727 |



CASH FLOW STATEMENT (Contd.)

For the year ended on 31 March, 2018

(Amount in Indian Rupees)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| Notes : | | |
| Cash and cash equivalents include : | | |
| Cash, cheques in hand and remittances in transit | 37,793 | 20,279 |
| With banks in : | | |
| Current accounts | 67,351 | 44,512 |
| Overdraft A/c | - | 6,03,936 |
| Deposit with banks | 2,11,333 | 2,70,000 |
| Cash and cash equivalents at the end of the year | 3,16,477 | 9,38,727 |
| Fixed Deposits | - | 1,22,61,706 |
| Cash & Bank balances at the end of the year | 3,16,477 | 1,32,00,433 |

- i) The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow Statement, notified by Central Government in the Companies (Accounting Standard) Rules, 2006.
- ii) Previous year figures have been regrouped/reclassified/rearranged wherever considered necessary.

As per our report attached

For Pawan Shubham & Co.
Chartered Accountants
Firm Registration No.:011573C

For and on behalf of the Board of **Margo Finance Limited**

Pawan Kumar Agarwal
Partner
Membership No.:092345
Place: Delhi
Date: 1st May, 2018

Anil Kumar Jain
Chairman
Din No. 00086106
Place: Mumbai
Date: 30th April, 2018

Shri Dass Maheshwari
Whole Time Director-Finance &
Chief Financial Officer
Din No. : 00181615
Place: Mumbai
Date: 30th April, 2018

Jyotsna Jindal
Company Secretary
Membership No. : 37276
Place: Mumbai
Date: 30th April, 2018



I. SIGNIFICANT ACCOUNTING POLICIES

1.01 System of Accounting

- a). The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except accounting for income from non-performing assets as defined in the guidelines of the Reserve Bank of India on prudential norms for income recognition of Non-Banking Financial Companies, penal interest on delayed payments on lease & finance installments and dividend which have been accounted for on cash basis.
- b). The Company follows Prudential Norms for Asset classification, Income Recognition, Provisioning for bad and doubtful debts as prescribed by the Reserve Bank of India for Non-Banking Finance Companies.
- c). The accounting policies are consistently applied by the company with those applied in the previous year except otherwise stated. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

1.02 Use of Estimates

The preparation of Financial Statements in generally accepted accounting principles requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities at the date of the financials and the results of operations during the reported period end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Adjustments as a result of differences between actual and estimates are made prospectively.

1.03 Fixed Assets

Tangible Assets: Tangible assets are stated at acquisition cost plus directly attributable costs of bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment losses, if any.

Intangible Assets: Intangible assets are stated at cost and amortized over the period the Company expects to derive economic benefits from their use.

1.04 Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable is estimated at each balance sheet date. An impairment loss is recognized whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization loss had been recognized.

1.05 Investments

Investment are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investment intended to be held for more than one year are classified as long-term investments.

Long-term investments, including investments in subsidiaries, if any, are stated at cost price. Any diminution of permanent nature in the value of the long-term investments is suitably provided for by charging off to revenue. Diminution is considered to be permanent based on the criteria that include the extent to which cost exceeds the market value, the duration of the market value, decline and the financial health of and specific prospects of the issuer.

The investments intended to be held for less than one year are classified as current investments are stated at lower of cost or fair value, computed category-wise.



1.06 Revenue Recognition

Income / revenue is generally accounted on accrual as they are earned except income from non-performing assets as defined in the guidelines of the Reserve Bank of India on prudential norms for income recognition of Non Banking Financial Companies & penal interest on delayed payments which are accounted for on cash basis.

The income is deemed as earned:

- a. Interest is recognized as earned on day to day basis.
- b. Dividend income is recognized when the right to receive the income is established.
- c. In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

In case of uncertainties as to the risks & rewards, the conservative accounting policy is adopted by way of making suitable provisions for expenses and deferring the recognition of revenues.

1.07 Expenditure

Expenses are recognized on accrual basis and provisions are made for all known losses and liabilities.

1.08 Borrowing Cost

Borrowing cost that are directly attributable to the acquisition, construction or production of qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for intended use or sale.

All other borrowing costs are recognized as expense for the period in which they are incurred calculated taking into account the amount outstanding and the rate applicable on the borrowing.

1.09 Depreciation

- i) In respect of tangible assets acquired during the year, depreciation is charged on straight line basis so as to write off the cost of the assets over the useful lives as prescribed in Schedule II to the Companies Act, 2013.
- ii) Intangible Assets are amortized over the period, the company expects to derive economic benefits from their use.
- iii) Leasehold improvements are amortized over the lease period as stated in the lease agreement or over the estimated useful life of the assets, whichever is shorter.

1.10 Earnings per share

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential shares outstanding during the year, except where the results would be anti-dilutive.

1.11 Taxation

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax for the year determined in accordance with the provisions of income tax laws based on the estimated taxable income, as the case may be, after taking into consideration, estimates of benefits/ deductions admissible under the provisions of Income Tax, 1961. Deferred Tax charge or credit reflects the tax effects of impact of timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Any major deficiency or reversal in relation to the estimate of preceding year(s) is shown separately as relating to earlier years.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.



Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation and tax losses deferred tax are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the company reassesses unrecognized deferred tax assets. It recognizes deferred tax assets to the extent it has become reasonable certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are review at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be. That sufficient future taxable income will be available.

1.12 Employee benefits

The Company's obligations towards various employee benefits have been recognised as follows:

(a) Short term benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

(b) Provident fund (Defined contribution plan)

Provident fund is a defined contribution plan. The contribution towards provident fund which are being deposited with the Regional Provident Fund Commissioner are charged to the Statement of Profit and Loss.

(c) Gratuity (Defined benefit plan)

The company pays gratuity to employees who retire or resign after a minimum period of 5 years of continuous service. The company has taken a policy from LIC to meet such liability for some of the employees. In case of rest of the employees not covered by LIC policy, the present value of obligations is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method.

In terms of our report of even date annexed

For Pawan Shubham & Co.

Chartered Accountants
Firm Registration No. 011573C

Pawan Kumar Agarwal

Partner
Membership No : 092345

Place : Delhi
Dated : 1st May, 2018


Notes to the Financial Statements

(Amount in Indian Rupees)

2.01 SHARE CAPITAL

| Particulars | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---------------------|---------------------|---------------------|--------------|
| | No. of shares | Amount | No. of shares | Amount |
| Authorised | | | | |
| Equity shares of Rs.10 each * | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |
| | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |
| Issued, subscribed and fully paid up | | | | |
| Equity shares of Rs.10 each fully paid up | | | | |
| At the beginning of the year | 45,70,000 | 4,57,00,000 | 45,70,000 | 4,57,00,000 |
| Add: Issued during the year | - | - | - | - |
| At the end of the year | 45,70,000 | 4,57,00,000 | 45,70,000 | 4,57,00,000 |
| Total | 45,70,000 | 4,57,00,000 | 45,70,000 | 4,57,00,000 |

* Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders. During the year ended 31 March 2018, the Company has recorded per share dividend of Rs. Nil (previous year: Rs.Nil) to equity shareholders.

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

| Name of the Shareholder | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---------------------|------------------------|---------------------|------------------------|
| | Number of shares | % holding in the class | Number of shares | % holding in the class |
| Equity shares of Rs.10 each fully paid up held by | | | | |
| a) Anil Kumar Jain (HUF) | 4,05,245 | 8.87 | 4,05,245 | 8.87 |
| b) Mrs. Gayatri Devi Jain | 3,24,870 | 7.11 | 3,24,870 | 7.11 |
| c) YarnTex Exports Limited | 2,65,370 | 5.81 | 2,65,370 | 5.81 |
| d) Rini Investment & Finance Private Limited | 4,55,046 | 9.96 | 4,55,046 | 9.96 |
| e) Skyrise Properties Private Limited | 3,13,300 | 6.86 | 3,13,300 | 6.86 |
| Total | 17,63,831 | 38.61 | 17,63,831 | 38.61 |

2.02 RESERVES & SURPLUS

| Particulars | As at | As at |
|--|--------------------|---------------|
| | 31 March 2018 | 31 March 2017 |
| (a) General reserve | | |
| Balance at the beginning of the year | 12,49,000 | 12,49,000 |
| Balance at the end of the year | 12,49,000 | 12,49,000 |
| (b) Special Reserve Fund | | |
| Balance at the beginning of the year | 32,67,112 | 26,45,854 |
| Add: Addition During the year | 4,07,626 | 6,21,258 |
| Less: Deduction during the year | - | - |
| Balance at the end of the year | 36,74,738 | 32,67,112 |
| (c) Share Warrant Option Premium | | |
| Balance at the beginning of the year | 33,80,000 | 33,80,000 |
| Balance at the end of the year | 33,80,000 | 33,80,000 |
| (d) (Deficit)/ surplus in the Statement of Profit and Loss | | |
| Balance at the beginning of the year | 24,33,331 | (51,701) |
| Add/ (less): Profit/ (loss) for the year | 20,38,129 | 31,06,290 |
| Less: Appropriations | | |
| Transfer to special reserve | 4,07,626 | 6,21,258 |
| Balance at the end of the year | 40,63,834 | 24,33,331 |
| Total | 1,23,67,572 | 1,03,29,443 |



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

2.03 LONG TERM PROVISIONS

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits | 1,39,252 | 1,21,784 |
| | 1,39,252 | 1,21,784 |

2.04 SHORT TERM BORROWINGS

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Loans repayable on demand | | |
| From a bank * | 91,082 | - |
| Total | 91,082 | - |
| * Bank overdraft limit from Karnataka Bank Limited is secured by Fixed Deposit with the same bank. | | |
| Default in payment of loans | - | - |
| Default in payment of Interest | - | - |

2.05 TRADE PAYABLE

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|----------------|------------------------|------------------------|
| Trade Payables | 1,34,847 | 1,01,052 |
| | 1,34,847 | 1,01,052 |

Based on the information available with the company, there are no suppliers registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006".

2.06 OTHER CURRENT LIABILITIES

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Statutory Liabilities | 21,685 | 14,918 |
| Contingent Provision on Standard Asset | 4,759 | 974 |
| | 26,444 | 15,892 |

2.07 SHORT TERM PROVISIONS

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits | 47,929 | 54,320 |
| | 47,929 | 54,320 |

2.08 TANGIBLE ASSETS

| Description | Cost | | | | | |
|------------------------|-----------------------|-----------|---------------------------|-----------------------|-----------|---------------------------|
| | As at 1 April 2016 | Additions | As at 31 March 2017 | As at 1 April 2017 | Additions | As at 31 March 2018 |
| Furniture and fixtures | 1,70,595 | - | 1,70,595 | 1,70,595 | 20,348 | 1,90,943 |
| Office equipments | 10,46,445 | 7,590 | 10,54,035 | 10,54,035 | - | 10,54,035 |
| Vehicles | 4,69,128 | - | 4,69,128 | 4,69,128 | - | 4,69,128 |
| Total | 16,86,168 | 7,590 | 16,93,758 | 16,93,758 | 20,348 | 17,14,106 |



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

| Description | Depreciation | | | | | |
|------------------------|-----------------------|---------------|---------------------------|-----------------------|---------------|---------------------------|
| | As at 1 April 2016 | Additions | As at 31 March 2017 | As at 1 April 2017 | Additions | As at 31 March 2018 |
| Furniture and fixtures | 1,62,063 | - | 1,62,063 | 1,62,063 | 768 | 1,62,831 |
| Office equipments | 9,41,702 | 27,601 | 9,69,303 | 9,69,303 | 27,826 | 9,97,129 |
| Vehicles | 1,93,982 | 55,732 | 2,49,714 | 2,49,714 | 55,732 | 3,05,446 |
| Total | 12,97,747 | 83,333 | 13,81,080 | 13,81,080 | 84,326 | 14,65,406 |

| Description | Net Block | |
|------------------------|------------------------|------------------------|
| | As at 31 March 2017 | As at 31 March 2018 |
| Furniture and fixtures | 8,532 | 28,112 |
| Office equipments | 84,732 | 56,906 |
| Vehicles | 2,19,414 | 1,63,682 |
| Total | 3,12,678 | 2,48,700 |

2.09 INTANGIBLE ASSETS

| Description | Cost | | | | | |
|--------------|-----------------------|-----------|------------------------|-----------------------|-----------|------------------------|
| | As at 1 April 2016 | Additions | As at 31 March 2017 | As at 1 April 2017 | Additions | As at 31 March 2018 |
| Software | 23,000 | - | 23,000 | 23,000 | - | 23,000 |
| Total | 23,000 | - | 23,000 | 23,000 | - | 23,000 |

| Description | Amortisation | | | | | |
|--------------|-----------------------|--------------|------------------------|-----------------------|--------------|------------------------|
| | As at 1 April 2016 | Additions | As at 31 March 2017 | As at 1 April 2017 | Additions | As at 31 March 2018 |
| Software | 8,619 | 5,400 | 14,019 | 14,019 | 5,400 | 19,419 |
| Total | 8,619 | 5,400 | 14,019 | 14,019 | 5,400 | 19,419 |

| Description | Net Block | |
|--------------|------------------------|------------------------|
| | As at 31 March 2017 | As at 31 March 2018 |
| Software | 8,981 | 3,581 |
| Total | 8,981 | 3,581 |

2.10 NON CURRENT INVESTMENTS

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|------------------------|------------------------|
| (A) Investments in Property | 16,14,650 | 16,14,650 |
| Land at Vrindavan | 16,14,650 | 16,14,650 |
| (B) Investment in Equity Instruments - Unquoted | | |
| Indocount Securities Limited | | |
| 427,000 (previous year 427,000) equity shares of Rs.10 fully paid up. | 42,70,000 | 42,70,000 |
| Hindustan Breweries & Bottling Limited | | |
| 25,000 (previous year 25,000) equity shares of Rs.10 fully paid up. | 2,51,250 | 2,51,250 |
| Shiva Services Limited | | |
| 10,000 (previous year 10,000) equity shares of Rs.10 fully paid up. | 1,00,000 | 1,00,000 |
| | 46,21,250 | 46,21,250 |
| Less: Provision for diminution in value of investment | 3,51,248 | 3,51,248 |
| TOTAL VALUE OF UNQUOTED EQUITY SHARES | 42,70,002 | 42,70,002 |
| (C) Investment in Equity Instruments - Quoted | | |



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

2.10 INVESTMENTS (contd.)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Ajanta Pharma Limited 200 (previous year 520) equity shares of Rs.2 fully paid up. | 3,07,730 | 7,70,313 |
| Allahabad Bank 100 (previous year Nil) equity shares of Rs.10 fully paid up. | 7,124 | - |
| Avonmore Capital & Management Services Ltd. 10 (previous year 10) equity shares of Rs.10 fully paid up. | 380 | 380 |
| Alok Industries Limited Nil (previous year 50000) equity shares of Rs.10 fully paid up. | - | 1,85,312 |
| Andhra Bank 100 (previous year Nil) equity shares of Rs.10 fully paid up. | 5,693 | - |
| Arvind Limited Nil (previous year 300) equity shares of Rs.10 fully paid up. | - | 1,13,077 |
| Axis Bank Limited 500 (previous year Nil) equity shares of Rs.2 fully paid up. | 2,49,224 | - |
| Bank of Baroda 100 (previous year Nil) equity shares of Rs.2 fully paid up. | 16,748 | - |
| Bank of India 100 (previous year Nil) equity shares of Rs.10 fully paid up. | 16,989 | - |
| Canara Bank 800 (previous year Nil) equity shares of Rs.10 fully paid up. | 2,89,180 | - |
| Central Bank of India 100 (previous year Nil) equity shares of Rs.10 fully paid up. | 7,470 | - |
| Corporation Bank 100 (previous year Nil) equity shares of Rs.2 fully paid up. | 4,001 | - |
| EIH Associated Hotels Limited Nil (previous year 1) equity shares of Rs.10 fully paid up. | - | 153 |
| Greenlam Industries Limited Nil (previous year 300) equity shares of Rs.5 fully paid up. | - | 2,01,383 |
| Greenply Industries Limited Nil (previous year 600) equity shares of Rs.1 fully paid up. | - | 1,74,467 |
| GHCL Limited Nil (previous year 500) equity shares of Rs.10 fully paid up. | - | 1,35,515 |
| Havell's India Limited Nil (previous year 400) equity shares of Rs.1 fully paid up. | - | 1,76,478 |
| Housing Development Finance Corporation Limited 560 (previous year 100) equity shares of Rs.2 fully paid up. | 9,38,053 | 1,40,586 |
| HDFC Bank Limited 750 (previous year 100) equity shares of Rs.2 fully paid up. | 12,54,521 | 1,30,645 |
| HDFC Standard Life Insurance 100 (previous year Nil) equity shares of Rs.10 fully paid up. | 37,051 | - |
| Himatsingka Seide Limited Nil (previous year 800) equity shares of Rs.5 fully paid up. | - | 2,94,794 |
| Hindustan Zinc Limited 500 (previous year 500) equity shares of Rs.2 fully paid up. | 1,56,632 | 70,557 |
| ICICI Bank 800 (previous year Nil) equity shares of Rs.2 fully paid up. | 2,78,739 | - |
| Indian Bank 100 (previous year Nil) equity shares of Rs.10 fully paid up. | 38,176 | - |



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

2.10 INVESTMENTS (contd.)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Indian Hotels Company Limited | | |
| Nil (previous year 2) equity shares of Rs.1 fully paid up. | - | 128 |
| Indo Count Industries Limited | | |
| 1520020 (previous year 1520020) equity shares of Rs.2 fully paid up. | 52,57,320 | 52,57,320 |
| James Warren Tea Limited | | |
| Nil (previous year 3) equity shares of Rs.10 fully paid up | - | - |
| Jindal Saw Limited | | |
| 400 (previous year Nil) equity shares of Rs.2 fully paid up. | 47,012 | - |
| Jindal Stainless Limited | | |
| 800 (previous year 1000) equity shares of Rs.2 fully paid up | 67,924 | 30,521 |
| Jindal Steel & Power Limited | | |
| 300 (previous year Nil) equity shares of Rs.1 fully paid up. | 50,074 | - |
| Karnataka Bank Limited | | |
| 500 (previous year Nil) equity shares of Rs.10 fully paid up. | 75,036 | - |
| Kotak Mahindra Bank | | |
| 980 (previous year Nil) equity shares of Rs.5 fully paid up. | 9,52,535 | - |
| KPR Mill Limited | | |
| 3500 (previous year 3300) equity shares of Rs.5 fully paid up | 23,39,753 | 18,47,188 |
| Larsen & Tubro Limited* | | |
| 675 (previous year 150) equity shares of Rs.2 fully paid up | 7,83,354 | 2,70,102 |
| Maruti Suzuki India Limited | | |
| 7 (previous year Nil) equity shares of Rs.5 fully paid up. | 69,117 | - |
| Prime Urban Development India Ltd. (Formerly Prime Textile Limited) | | |
| Nil (previous year 200) equity shares of Rs.2 fully paid up | - | 12,195 |
| Punjab National Bank | | |
| 100 (previous year Nil) equity shares of Rs.2 fully paid up. | 18,239 | - |
| Reliance Industries Limited** | | |
| 200 (previous year Nil) equity shares of Rs.10 fully paid up. | 1,41,271 | - |
| State Bank of India | | |
| 300 (previous year Nil) equity shares of Rs.1 fully paid up. | 94,581 | - |
| Syndicate Bank | | |
| 100 (previous year Nil) equity shares of Rs.10 fully paid up. | 7,807 | - |
| Trident Limited | | |
| 1800 (previous year 2800) equity shares of Rs.10 fully paid up. | 1,35,815 | 2,00,896 |
| Union Bank | | |
| 100 (previous year Nil) equity shares of Rs.10 fully paid up. | 14,223 | - |
| Vijaya Bank | | |
| 100 (previous year Nil) equity shares of Rs.10 fully paid up. | 6,697 | - |
| Welspun India Limited | | |
| Nil (previous year 31690) equity shares of Rs.1 fully paid up | - | 24,03,559 |
| Warren Tea Limited | | |
| Nil (previous year 3) equity shares of Rs.10 fully paid up | - | - |
| | 1,36,68,469 | 1,24,15,569 |
| Less: Provision for diminution in value of investment | - | - |
| TOTAL VALUE OF QUOTED EQUITY SHARES | 1,36,68,469 | 1,24,15,569 |
| (D) Investments in debentures & bonds | | |
| Housing and Urban Development Corporation Limited | | |
| 200 (previous year 200) bonds of Rs.1000 each | 2,00,000 | 2,00,000 |



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Indian Railway Finance Corporation Limited 1000 (previous year 1000) bonds of Rs.1000 each | 10,00,000 | 10,00,000 |
| National Highway Authority of India 500 (previous year Nil) bonds of Rs.1000 each | 5,37,250 | - |
| National Highway Authority of India 1000 (previous year 1000) bonds of Rs.1000 each | 10,00,000 | 10,00,000 |
| TOTAL VALUE OF DEBENTURE & BONDS | 27,37,250 | 22,00,000 |
| (E) Investments in Mutual Funds | | |
| Axis Bank Mutual Fund | - | 5,00,000 |
| Birla Sunlife Balanced Advantage Fund | 6,17,747 | - |
| Birla Sunlife Cash Manager Growth | - | 6,00,000 |
| HDFC Mutual Fund | 19,07,929 | 18,28,934 |
| ICICI Prudential Balanced Fund | 94,78,851 | - |
| ICICI Prudential Mutual Fund | 12,00,000 | 91,00,621 |
| IDFC Balanced Fund | 10,76,373 | - |
| IDFC Mutual Fund | - | 7,50,000 |
| LIC Mutual Fund | 92,301 | 92,301 |
| SBI Mutual Fund | 51,44,047 | 67,19,700 |
| TOTAL VALUE OF MUTUAL FUND UNITS | 1,95,17,248 | 1,95,91,556 |
| TOTAL VALUE OF INVESTMENTS (A)+(B)+(C)+(D)+(E) | 4,18,07,619 | 4,00,91,777 |
| Aggregate book value of quoted equity investments | 1,36,68,469 | 1,24,15,569 |
| Market value of quoted investments | 16,20,16,921 | 33,25,20,607 |

Note

*675 shares includes 225 bonus shares

**200 shares includes 100 bonus shares

2.11 LONG-TERM LOANS & ADVANCES

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Loans & advances- Unsecured considered good | 15,43,640 | 55,125 |
| | 15,43,640 | 55,125 |
| Aggregate balance of loans and advances to related parties , unsecured - considered good | - | - |

2.12 OTHER NON-CURRENT ASSETS

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--------------------------|------------------------|------------------------|
| Other Deposit With Banks | 1,32,55,634 | 2,11,333 |
| | 1,32,55,634 | 2,11,333 |

2.13 TRADE RECEIVABLE

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|------------------------|------------------------|
| Debtors exceeding six months from the date they are due for payment | | |
| Unsecured, considered doubtful | - | - |
| Other debts - Considered good | | |
| Unsecured | 2,97,433 | 3,83,797 |
| Debts due from related parties, unsecured | - | - |
| | 2,97,433 | 3,83,797 |
| Less: Provision for doubtful debts | - | - |
| | 2,97,433 | 3,83,797 |

2.14 CASH & BANK BALANCES



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Cash & cash equivalents | | |
| Cash in hand | 37,793 | 20,279 |
| Balance with banks in | | |
| Current accounts* | 67,351 | 44,512 |
| Overdraft account | - | 6,03,936 |
| Deposit with banks** | 2,11,333 | 2,70,000 |
| | 3,16,477 | 9,38,727 |
| Other bank balances | | |
| Deposits with banks** | - | 1,22,61,706 |
| | 3,16,477 | 1,32,00,433 |
| * Details of Balance in Current accounts: | | |
| Canara Bank Limited | 67,351 | 39,217 |
| Karnataka Bank Limited | - | 5,295 |
| | 67,351 | 44,512 |
| ** Details of Deposits having maturity period of : | | |
| (a) less than 3 months | 2,11,333 | 2,70,000 |
| (b) between 3 months to 12 months | - | 1,22,61,706 |
| (c) more than 12 months | 1,32,55,634 | 2,11,333 |

2.15 SHORT TERM LOANS & ADVANCES

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|------------------------|------------------------|
| Loans & advances- Unsecured considered good, | | |
| Others | 3,59,875 | 2,23,300 |
| Loans to employees | 15,000 | - |
| Prepaid expenses | 14,269 | 10,979 |
| Mat credit entitlement | 1,60,149 | 1,37,635 |
| Balance with tax authorities | 10,132 | - |
| Advance income-tax / Income Tax Refundable (Net of provision of income tax) | 1,10,048 | 48,173 |
| | 6,69,473 | 4,20,087 |
| Aggregate balance of loans and advances to related parties , unsecured - considered good | - | - |

2.16 OTHER CURRENT ASSETS

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Unsecured considered good, unless otherwise stated | | |
| Interest accrued on fixed deposits | 2,61,599 | 13,55,980 |
| Interest accrued on investments | 1,02,970 | 82,300 |
| Recoverable security deposits | - | 2,00,000 |
| Other advances | 68,54,979 | 68,54,979 |
| | 72,19,548 | 84,93,259 |
| Less: Provision for doubtful other advances | 68,54,979 | 68,54,979 |
| | 3,64,569 | 16,38,280 |
| Aggregate balance receivable from related parties | - | - |



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

2.17 REVENUE FROM OPERATIONS

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--|-----------------------------|-----------------------------|
| Interest Income | 12,28,720 | 16,17,861 |
| Dividend Received | 13,52,129 | 10,26,869 |
| Net gain on sale of investments | 23,78,555 | 14,62,760 |
| Interest Received on Investments | 1,92,052 | 2,35,894 |
| Commission & Service Charges | 1,57,000 | 4,00,000 |
| Other Operating Income * | 19,500 | 1,165 |
| | 53,27,956 | 47,44,549 |
| * Other Operating Income Miscellaneous Income | 19,500 | 1,165 |
| | 19,500 | 1,165 |

2.18 OTHER INCOME

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--|-----------------------------|-----------------------------|
| Liability no longer payable written off | - | 35,498 |
| Excess provision on diminution in value of investment reversed | - | 13,94,372 |
| Reversal of provision of other liability | - | 2,500 |
| Interest on Income Tax Refund | - | 21,877 |
| Excess provision for doubtful debts written back | - | 15,299 |
| | - | 14,69,546 |

2.19 EMPLOYEE BENEFITS EXPENSE

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| Salaries, Wages and Bonus* | 13,88,410 | 13,20,077 |
| Employer's Contribution to provident and other fund | 53,139 | 53,259 |
| Retirement Benefits | 54,040 | 95,510 |
| Staff welfare expense | 27,484 | 21,087 |
| | 15,23,073 | 14,89,933 |
| * Including managerial remuneration | | |

2.20 FINANCE COST

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---------------|-----------------------------|-----------------------------|
| Interest paid | 565 | 1,145 |
| | 565 | 1,145 |

2.21 DEPRECIATION & AMORTIZATION EXPENSES

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|-----------------------------------|-----------------------------|-----------------------------|
| Depreciation on tangible assets | 84,326 | 83,333 |
| Amortization of intangible assets | 5,400 | 5,400 |
| | 89,726 | 88,733 |

2.22 OTHER EXPENSES

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---------------------------|-----------------------------|-----------------------------|
| Advertisement & Publicity | 38,454 | 38,108 |
| Bad Debts written off | - | 15,299 |



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--|-----------------------------|-----------------------------|
| Contingent Provision on Standard Assets | 3,785 | 974 |
| Rent | 4,500 | 9,000 |
| Rates, Taxes & Fee | 4,08,139 | 3,01,983 |
| Donation | 5,000 | 5,100 |
| Director Sitting Fees | 59,000 | 59,000 |
| Professional Charges paid | 3,75,259 | 3,31,586 |
| Insurance Expense | 14,775 | 12,822 |
| Conveyance Expenses | 99,245 | 52,009 |
| Printing & Stationary | 1,35,503 | 2,82,105 |
| Repair & Maintenance | | |
| -Vehicles | 50,295 | 37,430 |
| -Others | 10,202 | 9,588 |
| Communication Expense | 1,13,831 | 3,16,338 |
| Security Deposit Written Off | 2,00,000 | - |
| Miscellaneous Expense | 57,041 | 26,246 |
| | 15,75,029 | 14,97,588 |
| Professional Charges paid include payment to auditors | | |
| Audit fee | 65,000 | 65,000 |
| Certification | - | 94,813 |
| Taxation matters | - | 18,975 |
| Others | - | - |
| For reimbursement of expenses including service tax | - | 9,750 |
| | 65,000 | 1,88,538 |

2.23 EARNING PER SHARE

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|-------------------------------------|------------------------|------------------------|
| Profit for calculation of EPS (Rs.) | 20,38,129 | 31,06,290 |
| Weighted No. of Equity Shares | 45,70,000 | 45,70,000 |
| Basic/Diluted EPS (Rs.) | 0.45 | 0.68 |

2.24 CONTINGENT LIABILITIES & COMMITMENTS

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|------------------------|------------------------|
| I) Contingent liabilities: | - | - |
| II) Capital Commitments (net of advances) | - | - |

2.25 TRANSACTIONS WITH RELATED PARTIES

| List of related parties: | |
|--|--|
| 1) Entities under common control a) Indo Count Industries Limited b) Indocount Securities Limited c) Slab Properties Private Limited | 2) Key Managerial Personnel a) Ms. Rekha Tukaram Bolkar Managing Director (Upto 9th Feb 2018) b) Mr. Shri Dass Maheshwari CFO |



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

Transactions during the year with related parties

| Nature of Transactions | Entities under common control | Key Managerial Personnel / Relative of KMP | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--|-------------------------------|--|--------------------------|--------------------------|
| | (1) | (2) & (3) | (Rs.) | (Rs.) |
| Investments | | | | |
| Indocount Securities Limited | 42,70,000 | - | 42,70,000 | 42,70,000 |
| Indo Count Industries Limited | 52,57,320 | - | 52,57,320 | 52,57,320 |
| Deposit for confirmation of Directors | | | | |
| Indocount Securities Limited | | | | |
| i) Opening Balance | - | - | - | - |
| ii) Received during the year | 1,00,000 | - | 1,00,000 | - |
| iii) Returned during the year | 1,00,000 | - | 1,00,000 | - |
| iv) Closing Balance | - | - | - | - |
| Slab Properties Private Limited | | | | |
| i) Opening Balance | - | - | - | - |
| ii) Received during the year | - | - | - | 1,00,000 |
| iii) Returned during the year | - | - | - | 1,00,000 |
| iv) Closing Balance | - | - | - | - |
| Expenditure | | | | |
| i) Remuneration to Key Managerial Personnel | | | | |
| Ms. Rekha Tukaram Bolkar | - | 2,85,120 | 2,85,120 | 2,88,847 |
| Mr. S.D. Maheshwari | - | 4,40,880 | 4,40,880 | 3,89,660 |
| Income | | | | |
| i) Rent & Expenses recovered | | | | |
| Indo Count Industries Limited | - | - | - | 1,996 |

Related parties enlisted above are those having transaction with the company.

2.26 Employee Benefits as per Accounting Standard 15

'As per the defined benefit gratuity plan of the company covering eligible employees in accordance with the Payment of Gratuity Act, 1972, every employee who completes five year of service gets gratuity on departure at 15 days salary (last drawn) for each year of completed service.

i) Present value of the defined benefit obligation :

| Particulars | Gratuity | |
|-------------------------------------|---------------|---------------|
| | 31-March-2018 | 31-March-2017 |
| Opening defined benefit obligation | 4,55,413 | 3,42,217 |
| Interest cost | 22,201 | 19,442 |
| Current service cost | 54,320 | 44,455 |
| Benefits paid | - | - |
| Past service cost | 1,446 | - |
| Actuarial (gain)/loss on obligation | (5,340) | 49,299 |
| Closing defined benefit obligation | 5,28,040 | 4,55,413 |

ii) Fair value of plan assets

| Particulars | Gratuity | |
|-----------------------------------|---------------|---------------|
| | 31-March-2018 | 31-March-2017 |
| Opening fair value of plan assets | 2,79,309 | 2,27,185 |
| Expected return | 12,371 | 23,401 |
| Contributions by employer | 41,738 | 33,321 |
| Benefits paid | - | - |
| Actuarial gain/(losses) | 7,441 | (4,598) |
| Closing fair value of plan assets | 3,40,859 | 2,79,309 |



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

iii) Provisions for gratuity

| Particulars | Gratuity | |
|--------------------------------------|---------------|---------------|
| | 31-March-2018 | 31-March-2017 |
| Defined benefit obligation | 5,28,040 | 4,55,413 |
| Charged to profit & loss account | - | - |
| Fair value of plan assets | 3,40,859 | 2,79,309 |
| Less: Unrecognised past service cost | - | - |
| Plan Liability / (Asset) | 1,87,181 | 1,76,104 |

iv) Principle actuarial assumptions

| Particulars | Gratuity | |
|--------------------------------|-----------------|-----------------|
| | 31-March-2018 | 31-March-2017 |
| Discount rate | 7.30% | 6.60% |
| Expected return on plan assets | 6.60% | 6.60% |
| Salary growth rate | 7.50% | 7.50% |
| Withdrawal rate | 11% at all ages | 11% at all ages |

The liability is yet to be funded.

2.27 DEFERRED TAX ASSETS / LIABILITIES

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Deferred tax asset | | |
| Provision for Doubtful Advances | 17,65,157 | 21,18,189 |
| Provision for Retirement Benefits | 35,857 | 37,631 |
| Contingent Provision on Standard Assets | 1,225 | 301 |
| Provision for diminution in investments | 90,446 | 1,08,536 |
| Difference in the written down value of fixed assets as per the Companies Act and the Income Tax Act | 38,991 | 33,189 |
| Gross deferred tax asset | 19,31,676 | 22,97,846 |
| Deferred tax liability | | |
| Difference in the written down value of fixed assets as per the Companies Act and the Income Tax Act | - | - |
| Gross deferred tax liability | - | - |
| Net deferred tax asset/(liability) * | 19,31,676 | 22,97,846 |

*In compliance of the Accounting Standard 22 issued by the Institute of Chartered Accountants of India, the company has not made provision for net deferred tax assets.

2.28 SEGMENT REPORTING

For the year ended 31 March 2018

| Particulars | Business Segments | | | |
|---|-------------------|------------|-------------|-----------|
| | Finance | Investment | Unallocable | Total |
| Segment Revenue | | | | |
| Segment Revenue | 12,96,526 | 40,31,430 | - | 53,27,956 |
| Segment Results | | | | |
| Segment Results including other income but before taxes & exceptional items | 12,96,526 | 40,31,430 | (32,24,279) | 21,03,677 |
| Add: Exceptional Items | - | - | - | - |



Notes to the Financial Statements (contd.)

(Amount in Indian Rupees)

| | | | | |
|--|-----------|-------------|-------------|-------------|
| Profit before Tax | 12,96,526 | 40,31,430 | (32,24,279) | 21,03,677 |
| Less: Provision for taxes | - | - | 65,548 | 65,548 |
| Net Profit after tax | 12,96,526 | 40,31,430 | (32,89,827) | 20,38,129 |
| Other Information | | | | |
| Segmental Assets | 81,85,600 | 4,96,54,503 | 6,46,675 | 5,84,86,778 |
| Segmental Liabilities | - | - | 4,39,554 | 4,39,554 |
| Capital Expenditure | - | - | 20,348 | 20,348 |
| Depreciation | - | - | 89,726 | 89,726 |
| Non cash expenditure other than depreciation (net of non-cash income) | - | - | 3,785 | 3,785 |

For the year ended 31 March 2017

| Particulars | Business Segments | | | |
|--|-------------------|-------------|-------------|-------------|
| | Finance | Investment | Unallocable | Total |
| Segment Revenue | | | | |
| Segment Revenue | 20,34,325 | 41,22,395 | - | 61,56,720 |
| Segment Results | | | | |
| Segment Results including other income but before taxes & exceptional items | 20,34,325 | 41,22,395 | (30,60,686) | 30,96,034 |
| Add: Exceptional Items | - | - | - | - |
| Profit before Tax | 20,34,325 | 41,22,395 | (30,60,686) | 30,96,034 |
| Less: Provision for taxes | - | - | (10,256) | (10,256) |
| Net Profit after tax | 20,34,325 | 41,22,395 | (30,50,430) | 31,06,290 |
| Other Information | | | | |
| Segmental Assets | 1,43,77,444 | 4,01,77,874 | 17,59,583 | 5,63,14,901 |
| Segmental Liabilities | - | - | 2,93,048 | 2,93,048 |
| Capital Expenditure | - | - | 7,590 | 7,590 |
| Depreciation | - | - | 88,733 | 88,733 |
| Non cash expenditure other than depreciation (net of non-cash income) | - | - | (13,97,846) | (13,97,846) |



2.29 Others

| Particulars | | As at 31 March 2018 | As at 31 March 2017 |
|-------------|---|------------------------|------------------------|
| i) | During the year company identified 'Investment' activities as segment. Accordingly corresponding figures for earlier year have been re-classified/re-grouped/re-arranged. | | |
| ii) | In the opinion of the management, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. | | |
| iii) | Paise have been rounded off to nearest rupee. | | |
| iv) | Debit & Credit balances are subject to confirmation | | |
| v) | Previous Year's figures have been regrouped and / or rearranged. | | |
| vi) | Additional Information | Nil | Nil |

As per our report attached

For Pawan Shubham & Co.
Chartered Accountants
Firm Registration No.:011573C

For and on behalf of the Board of **Margo Finance Limited**

Pawan Kumar Agarwal
Partner
Membership No.:092345
Place: Delhi
Date: 1st May, 2018

Anil Kumar Jain
Chairman
Din No. 00086106
Place: Mumbai
Date: 30th April, 2018

Shri Dass Maheshwari
Whole Time Director-Finance &
Chief Financial Officer
Din No. : 00181615
Place: Mumbai
Date: 30th April, 2018

Jyotsna Jindal
Company Secretary
Membership No. : 37276
Place: Mumbai
Date: 30th April, 2018



**“Schedule to the Balance Sheet
of a non-deposit taking non-banking financial company”**
(as required in terms of paragraph 13 of Non-Banking Financial
(Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. in lakhs)

| Particulars | | | |
|------------------|---|--------------------|----------------|
| Liabilities side | | | |
| (1) | Loans and advances availed by non-banking financial company inclusive of interest accrued thereon but not paid: | Amount Outstanding | Amount Overdue |
| | (a) Debentures : Secured | - | - |
| | : Unsecured | - | - |
| | (other than falling within the meaning of public deposits*) | | |
| | (b) Deferred Credits | - | - |
| | (c) Term Loans | - | - |
| | (d) Inter-corporate loans and borrowing | - | - |
| | (e) Commercial Paper | - | - |
| | (f) Other Loans: | | |
| | Loan repayable on demand from bank | 0.91 | - |
| | (Bank Overdraft limit from Karnataka Bank Limited secured by Fixed Deposit with the same Bank) | | |

(Rs. in lakhs)

| Assets side | | | |
|-------------|---|--------------------|-------|
| (2) | Break-up of Loans and Advances including bills receivables (other than those included in (4) below: | Amount Outstanding | |
| | (a) Secured | - | |
| | (b) Unsecured | | 19.04 |
| (3) | Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities | | |
| | (i) Lease assets including lease rentals under sundry debtors: | | |
| | (a) Financial lease | - | |
| | (b) Operating lease | - | |
| | (ii) Stock on hire including hire charges under sundry debtors: | | |
| | (a) Assets on hire | - | |
| | (b) Repossessed Assets | - | |
| | (iii) Other loans counting towards AFC activities | | |
| | (a) Loans where assets have been repossessed | - | |
| | (b) Loans other than (a) above | - | |
| (4) | Break-up of Investments: | | |
| | Current Investments: | | |
| | (1) Quoted: | | |
| | (i) Shares : (a) Equity | - | |
| | (b) Preference | - | |
| | (ii) Debentures and Bonds | - | |
| | (iii) Units of mutual funds | - | |
| | (iv) Government Securities | - | |
| | (v) Others (please specify) | - | |
| | (2) Unquoted: | | |
| | (i) Shares : (a) Equity | - | |
| | (b) Preference | - | |
| | (ii) Debentures and Bonds | - | |
| | (iii) Units of mutual funds | - | |
| | (iv) Government Securities | - | |
| | (v) Others (please specify) | - | |



(Rs. in lakhs)

| Particulars | | |
|-------------|---|---------------|
| (4) | Break-up of Investments: (Contd/-) | |
| | Long Term Investments: | |
| | (1) Quoted: | |
| | (i) Shares : (a) Equity | 136.68 |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | 27.37 |
| | (iii) Units of mutual funds | 195.17 |
| | (iv) Government Securities | - |
| | (v) Others (please specify) | - |
| | (2) Unquoted: | |
| | (i) Shares : (a) Equity | 46.21 |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others (please specify) | - |
| | Investment in Immovable Property | 16.15 |
| | Total | 421.58 |

| (5) Borrower group-wise classification of assets financed as in (2) and (3) above: | | | |
|---|--------------------------|--------------|--------------|
| Category | Amount net of provisions | | |
| | Secured | Unsecured | Total |
| (1) Related Parties** | | | |
| (a) Subsidiaries | - | - | - |
| (b) Companies in the same group | - | - | - |
| (c) Other related parties | - | - | - |
| (2) Other than related parties | - | 19.04 | 19.04 |
| Total | - | 19.04 | 19.04 |

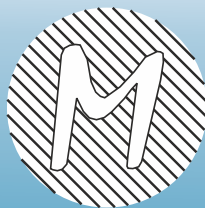
| (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): | | | |
|---|---|-----------------------------------|---|
| Category | Market Value/ Break up or fair value or NAV | Book Value (Net of Provisions) | |
| | (1) Related Parties** | | |
| (a) Subsidiaries | - | - | - |
| (b) Companies in the same group | 1,384.25 | 91.76 | |
| (c) Other related parties | - | - | - |
| (2) Other than related parties | 328.50 | 310.17 | |
| Total | 1,712.75 | 401.93 | |

** As per Accounting Standard of ICAI

(Rs. in lakhs)

| (7) Other information | | |
|------------------------------|---|--------|
| | Particulars | Amount |
| (i) | Gross Non-Performing Assets | |
| | (a) Related Parties | - |
| | (a) Other than related parties | - |
| (ii) | Net Non-Performing Assets | |
| | (a) Related Parties | - |
| | (a) Other than related parties | - |
| (iii) | Assets acquired in satisfaction of debt | - |

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MARGO FINANCE LIMITED

CIN: L65910MH1991PLC080534

Corporate Office: 2nd Floor, 15/76, Old Rajinder Nagar, New Delhi-110060

Tel No.: +91 (011) 25767330/41539444

Email Id: info@margofinance.com

Website: www.margofinance.com