



Margo Finance Limited

Corporate Office: 2nd Floor, 15/76,
Old Rajinder Nagar, New Delhi-110060
Tel. : 011-41539444, 25767330
E-mail : mfdelhi.1991@gmail.com
Website : www.margofinance.com
CIN : L65910MH1991PLC080534

September 05, 2020

BSE Limited

Department of Corporate Services
Floor 25, PhirozeJeejeebhoy Towers
Dalal Street, Mumbai – 400 001.

Scrip Code No.: **500206**

Dear Sir/Madam,

Sub.: 29th Annual General Meeting, Annual Report 2019-20 along with Notice of Annual General Meeting

In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its Circular dated 5th May, 2020, read with Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. As intimated to the stock exchange on 1st September, 2020, **Twenty Ninth (29th) Annual General Meeting (AGM) of Margo Finance Limited ("the Company") will be held on Tuesday, September 29, 2020 at 12:30 p.m. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)** in compliance with aforesaid MCA circulars and applicable SEBI circular.

Pursuant to Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report for the Financial Year 2019-20 along with the Notice of 29th Annual General Meeting. The said Annual Report and Notice of Annual General Meeting are also available on the website of the Company at www.margofinance.com. The web-links to the same are given below:

Annual Report 2019-20: <http://www.margofinance.com/upload/Annual%20Report.pdf>

Notice of 29th AGM: <http://www.margofinance.com/upload/Margo%20AGM%20Notice%20final%2005.09.2020.pdf>

The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive) for the purpose of 29th Annual General Meeting of the Company.

The Company is providing electronic voting (remote e-voting) facility to the members through electronic voting platform of National Securities Depository Limited (NSDL). Members holding shares either in physical form or dematerialized form as on cut-off date i.e. Tuesday, 22nd September, 2020 may cast their votes electronically on the resolutions included in the 29th Notice of Annual General Meeting. The remote e-voting shall commence from 9.00 a.m. on Saturday, 26th September, 2020 and shall end at 5.00 p.m. on Monday, 28th September, 2020. The VC/OAVM facility will also be available through NSDL e-voting system.

Kindly take same on record.

Thanking you,

Yours faithfully,

For **Margo Finance Limited**


Kailash

Company Secretary & Compliance Officer

Membership Number: A51199

Encl.: A/a





MARGO FINANCE LIMITED

ANNUAL | 2019-20
REPORT



CORPORATE INFORMATION

Board of Directors	Mr. Anil Kumar Jain	Chairman(Non-Executive)
	Mr. Shri Dass Maheshwari	Whole Time Director - Finance and Chief Financial Officer
	Mr. Govind Prasad Agrawal	Independent Director
	Mr. Ambarish Ratilal Sodha	Independent Director
	Mr. Venkiteswaran Venkitaswaran Parlikad	Independent Director upto 21/08/2020
	Mr. Sushilkumar Krishna Agrawal	Director
	Ms. Smita Kulkarni	Independent Director
	Mr. Anilkumar Gulati	Independent Director upto 11/09/2019

Company Secretary Mr. Kailash Rawat

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 2nd Floor, 15/76 Old Rajinder
Nager, New Delhi 110060

Registered and Share Link Intime India Private Limited

Transfer Agent Noble Heights, 1st floor ,Plot No.
NH-2, C- 1Block,LSC, Near
Savitri Market, Janakpuri,
New Delhi - 110058

Corporate Identification Number:

L65910MH1991PLC080534

Website

www.margofinance.com

Contents

Board's Report & Annexures to Board's Report.....	02-20
Management Discussion & Analysis Report.....	21-22
Corporate Governance Report.....	23-41
Auditor's Report.....	42-47
Balance Sheet.....	48
Statement of Profit and Loss.....	49
Cash Flow Statement.....	51-52
Notes to Financial Statements.....	53-85



BOARD'S REPORT

Dear Members,

The Directors of Margo Finance Limited ("your Company") present the 29th Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31st March, 2020.

Financial Results

The Company's financial performance, for the year ended 31st March, 2020 is summarized below:

(₹ In Lakhs, except EPS)

Particulars	2019-2020	2018-2019*
Total Income	30.26	28.99
Profit/(Loss) before depreciation	(0.98)	(1.83)
Less : depreciation	0.70	0.89
Profit/(Loss) before tax	(1.68)	(2.72)
Less: Tax Expenses/ (Credit)	(1.73)	7.01
Profit/(Loss) after tax	0.05	(9.73)
Balance carried to the Balance Sheet	0.05	(9.73)
EPS (₹)	0.00	(0.21)

*Figures of FY 2018-19 are restated as per IND AS

Operations and the state of Company Affairs

The total income of your Company for the year ended 31st March, 2020 increased by 4.38% to ₹ 30.26 Lakhs as against ₹ 28.99 Lakhs in previous year. The total expenses of the Company increased to ₹ 31.94 Lakhs for the year ended March 31, 2020 from ₹ 31.71 Lakhs in the previous year. This resulted in marginal profit of ₹ 0.05 Lakhs for the year ended 31st March, 2020 as against net loss of ₹ 9.73 Lakhs in the previous year.

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.

Transfer to Reserves

During the financial year ended on 31st March, 2020, no any amount has been transferred to the General Reserve / retained earnings of the Company.

Share Capital

There was no change in capital structure of your Company during the year under review. As on 31st March, 2020, the paid up equity share capital of your Company is ₹ 4,57,00,000/- comprising of 45,70,000 Equity shares of Face Value of ₹ 10/- each. During the financial year 2019-20, your Company has not issued any equity shares with differential rights as to dividends, voting or otherwise, or any convertible securities, warrants or Sweat Equity shares. Your Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme.

Adoption of Indian Accounting Standards

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), your Company is required to prepare financial statements under Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards Rules, 2015) and Companies (Indian Accounting Standards) Amendment Rules, 2016. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

Accordingly, your Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April, 2019 with the transition date of 1st April, 2018 and the Financial Statements for the year ended 31st March, 2020 have been prepared in accordance with Ind AS. The financial statements for the year ended 31st March, 2019 have been restated to comply with Ind AS to make them comparable.

**Directors and Key Managerial Personnel**

During the year under review, Mr. G. P. Agrawal (DIN: 00008429) was re-appointed as a Non-Executive Independent Director of the Company for a Second term of five consecutive years w.e.f. 23rd August, 2019. His re-appointment as an Independent Director was duly approved by the members of the Company at the Annual General Meeting ("AGM") of the Company held on 13th August, 2019.

Pursuant to the recommendation of NRC, Mr. Ambarish Ratilal Sodha (DIN: 00489489) was appointed as an Additional Director of the Company and as a Non-Executive Independent Director of the Company for a first term of five consecutive years w.e.f. 11th September, 2019, subject to the approval of members of the Company. The resolution for the appointment of Mr. Ambarish Ratilal Sodha as an Independent Director of the Company w.e.f. 11th September, 2019 is placed before the members at the ensuing AGM.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") and articles of association of the Company, Mr. Sushilkumar Agrawal (DIN: 00400892) Non-Executive Non-Independent Director of the Company, retires by rotation at the ensuing AGM and being eligible, has offered himself for the re-appointment. The Board recommends his re-appointment for consideration at the ensuing AGM.

As required under the provisions of Listing Regulations, Companies Act, 2013 and Secretarial Standard - 2, details of Directors being appointed/re-appointed are provided in the Notice of Annual General Meeting.

Mr. Anil Kumar Gulati (DIN: 02739661), Non-Executive Independent Director of the Company resigned from the Directorship of the Company w.e.f. 11th September, 2019 due to personal reasons. The Board places on record its appreciation for the valuable guidance and contributions made by Mr. Anil Kumar Gulati as a Board Member during his association with the Company.

As on 31st March, 2020, Mr. Shri Dass Maheshwari, Whole Time Director & Chief Financial Officer and Mr. Kailash Rawat, Company Secretary & Compliance Officer are the Key Managerial Personnel (KMP) of the Company in terms of Section 203 of the Companies Act, 2013.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. The said declarations were taken on record by the Board after assessing due veracity of the same. In the opinion of the Board, all Independent Directors are independent of the management.

Pursuant to Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 as amended w.e.f. 1st December, 2019, Mr. S. K. Agrawal, Mr. G. P. Agrawal, Ms. Smita Kulkarni, Mr. V. V. Parlikad and Mr. Ambarish Sodha have registered themselves in the Independent Directors data bank maintained with the Indian Institute of Corporate Affairs (IICA).

Number of Board Meetings

During the year under review, Five (5) Board Meetings were held on 13th May, 2019, 2nd July, 2019, 11th September, 2019, 27th November, 2019 and 4th February, 2020, the details of which are given in the Corporate Governance Report. The maximum gap between any two consecutive Board meetings did not exceed 120 days.

Company's policy on appointment and remuneration of Directors and Key Managerial Personnel

Pursuant to Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee (NRC) has formulated "Nomination and Remuneration Policy" which deals *inter-alia* with the appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The said policy is uploaded on the website of the Company and web-link thereto is <http://www.margofinance.com/upload/MFL%20Nomination%20and%20Remuneration%20Policy.pdf>

The salient features of the policy are as under:

I. Criteria for appointment:

1. NRC shall identify, ascertain and consider the integrity, qualification, expertise and experience of the person for



the appointment as a Director of the Company and recommend to the Board his / her appointment. The Directors shall uphold ethical standards of integrity and probity and shall exercise their duties and responsibilities in the interest of the Company.

2. A person proposed to be appointed as Director should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. They shall possess appropriate core skills / expertise/ competencies / knowledge in one or more fields of finance, law, management, sales and marketing, administration, research and in the context of business and / or the sector in which the company operates. The NRC has the discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall comply with the provisions of the Act and Listing Regulations and any other laws if applicable for appointment of Director of the Company. The Company shall ensure that provisions relating to limit of maximum directorships, age, term etc. are complied with.

II. Remuneration of the Whole Time /Executive Director(s) / Managing Director :

- a. The remuneration including commission payable to the Whole Time / Executive Director(s) / Managing Director shall be determined and recommended by the NRC to the Board for approval.
- b. While determining the remuneration of the Executive Directors, following factors shall be considered by the NRC/Board:
 - Role played by the individual in managing the Company including responding to the challenges faced by the Company.
 - Individual performance and company performance so that remuneration meets appropriate performance benchmarks.
 - Reflective of size of the Company, complexity of the sector/ industry/company's operations and the Company's financial position.
 - Consistent with recognized best industry practices.
 - Peer remuneration.
 - Remuneration involves balance between fixed and incentive pay reflecting performance objectives appropriate to the working of the Company and its goals.
 - Remuneration is reasonable and sufficient to retain and motivate directors to run the company successfully.

III. Remuneration to Non- Executive / Independent Directors:

Sitting Fees: Independent Directors are entitled for sitting fees for attending meetings of the Board and Committee of the Board or for any other purposes as may be decided by the Board, of such sum as may be approved by the Board of Directors of the Company within the overall limits prescribed under the Act and the rules made there under, Listing regulations or other applicable law.

Annual Evaluation of Board Performance and its Committee and Individual Directors

Criteria of performance evaluation of the Board Committees and Directors are laid down by Nomination and Remuneration Committee (NRC) of the Company. Further, pursuant to the provisions of Section 178(2) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, NRC decided to continue the existing method of performance evaluation through circulation of performance evaluation sheets based on SEBI Guidance Note dated 5th January, 2017 and that only Board should carry out performance evaluation of the Board, its Committees and Individual Directors.

The performance evaluation sheets based on aforesaid SEBI Guidance Note, containing the parameters of performance evaluation along with rating scale was circulated to all the Directors. The Directors rated the performance against each criteria. Thereafter, consolidated score was arrived. Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out performance evaluation of its own, evaluation of working of the Committees and performance evaluation of all Directors in the said manner. The performance of the Board, committees and individual directors was found satisfactory.



A meeting of the Independent Directors of the Company was held on 4th February, 2020, in which Independent Directors *inter-alia* reviewed performance of Mr. Anil Kumar Jain, Non-Executive Chairman and Mr. S. K. Agarwal, Non-Independent and the Board as a whole through performance evaluation sheets.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, state and confirm that:

- in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- such accounting policies as mentioned in the notes to the Financial Statements for the year ended 31st March, 2020, have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the Profit of the Company for the year ended on that date;
- the annual financial statements for the year ended 31st March, 2020, have been prepared on a going concern basis;
- internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;
- proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

Audit Committee

During the year under review, Mr. Ambarish Sodha, Independent Director was appointed as Chairman of the Audit Committee and position of Ms. Smita Kulkarni, Independent Director was changed from Chairperson to Member of Audit Committee w.e.f. 27th November, 2019.

As on 31st March, 2020, the Audit Committee comprises of 5 (Five) members viz., Mr. Ambarish Ratilal Sodha, Non-Executive Independent Director as Chairman, Ms. Smita Kulkarni, Mr. Govind Prasad Agrawal and Mr. Venkiteswaran Venkiteswaran Parlikad, Non-Executive Independent Directors and Mr. Sushilkumar Agrawal as Non-Executive Non-Independent Director. More details on the Audit Committee are given in Corporate Governance Report. All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

Statutory Auditors

In accordance with the provisions of Section 139 of the Act, at the Annual General Meeting ("AGM") held on 21st August, 2017, M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No. 011573C) were appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 26th AGM till the conclusion of 31st AGM, subject to the ratification by members at every AGM.

The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting was omitted vide notification dated 7th May, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors in ensuing AGM of the Company. The Company has received a letter from M/s. Pawan Shubham & Co., Chartered Accountants confirming that they are eligible for continuing as Statutory Auditors of the Company.



Auditor's Report

The Auditors' Report on the standalone financial statements of the Company for the year ended 31st March, 2020 forms part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks or disclaimer. In terms of the provisions of Section 143(12) of the Act, no frauds have been reported by the Statutory Auditors in their report for the year under review. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act, read with rules thereunder, the Board at its meeting held on 27th November, 2019 has appointed M/s. Ashu Gupta & Co., Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the year ended 31st March, 2020. The Secretarial Audit Report issued by Secretarial Auditors in Form No. MR-3 is provided as an “**Annexure 1**” to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India (SEBI), M/s. Ashu Gupta & Co., Practicing Company Secretaries have issued the Annual Secretarial Compliance Report for the financial year ended 31st March, 2020, thereby confirming compliance of the applicable SEBI Regulations and circulars/guidelines issued thereunder by the Company.

Internal control systems and their adequacy

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

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process and Internal Audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

Public Deposits

Your Company is a Non-deposit taking NBFC. During the year under review, Company has not accepted any deposits from public under Chapter V of the Act.

Subsidiaries

During the year under review, your Company does not have any subsidiaries or joint ventures or associate companies as defined under the Act. However, the Company has framed a policy for determining material subsidiaries, which can be accessed at web-link given below:

<http://www.margofinance.com/upload/Margo%20Policy%20on%20Material%20Subsidiaries.pdf>

Corporate Governance Report

Your Company has adopted best practices of Corporate Governance and complied with all the requirement of Corporate Governance laid down by SEBI. A Corporate Governance Report along with Statutory Auditors' Certificate confirming compliance of corporate governance for the year ended 31st March, 2020 is provided separately and forms integral part of this Annual Report.



Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Listing Regulations, Management Discussion and Analysis Report containing information *inter-alia* on industry trends, your Company's performance, future outlook, opportunities and threats for the year ended 31st March, 2020, is provided in a separate section forming integral part of this Annual Report.

Extract of Annual Return

Pursuant to the provisions of Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, Extract of the Annual Return in Form MGT-9 as on 31st March, 2020 is annexed as an "**Annexure 2**" to this report and is also available on the website of the Company at <https://www.margofinance.com/investor-relations/>

In accordance with the provisions of Section 134(3)(a) of the Act, a copy of Annual Return for FY 2018-19 was hosted on the website of the Company and web-link to access the same is <http://www.margofinance.com/upload/MGT-7.pdf>. Further, a copy of Annual Return for the year ended 31st March, 2020 will be hosted on the website of the company www.margofinance.com

Vigil Mechanism/Whistle Blower Policy

Pursuant to the provision of Section 117(10) of the Act and Regulation 22 of the Listing Regulations, the Board of Directors of the Company has established Vigil Mechanism / Whistle Blower Policy. The details of the Vigil Mechanism / Whistle Blower Policy are provided in the Corporate Governance Report. The Vigil Mechanism / Whistle Blower policy can be accessed on the website of the Company at the web-link <http://www.margofinance.com/upload/Whistle%20Blower%20Policy%20Vigil%20Mechanism%20annexure-III.pdf>

Related Party Transactions

All Related Party Transactions entered during FY 2019-20 were on arm's length basis and in the ordinary course of business. Further, there were no material related party transactions during FY 2019 - 20 under Section 188 of the Act and Regulation 23 of Listing Regulations. Hence, pursuant to the provisions of Section 134 of the Act, particulars of contracts/ arrangements with Related Parties are not required to be provided in Form AOC-2. The related party transactions are provided in the notes to the financial statements.

Prior approval of Audit Committee is obtained for all Related Party Transactions. A statement of all Related Party Transactions is reviewed by the Audit Committee and Board on quarterly basis. Your Company has adopted a policy on Related Party Transactions and is uploaded on the website of the Company at <http://www.margofinance.com/upload/Related%20Party%20Transaction-Policy.pdf>

Particulars of Loans, Investments, Guarantees, Securities under Section 186 of the Companies Act, 2013

The Provisions of Section 186 of the Act with respect to the investments, is not applicable to the Company being a NBFC. The details of Investments made by the Company are provided in the notes to the financial statement. During the year under review, no loans were given to any person, nor any Guarantees or securities were provided by the Company.

Risk Management

The Company has designed a Risk Management Policy to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses. Key business risks and their mitigation are considered in the annual business plans and in periodic management reviews.

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

In order to prevent sexual harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The requirement of constitution of Internal Complaints Committee is not applicable to Company.



During the year under review, your Company has not received any complaint pertaining to sexual harassment and no complaint was pending as on 31st March, 2020.

Conservation of Energy, Technology Absorption & Foreign Exchange Earning & Outgo

The Company Operates in a Service Sector as a Non-Banking financial Company (NBFC) and therefore energy consumption is only limited to electricity required for office functioning for administration functions. However, necessary initiatives have been taken by the company from time to time for optimum utilization of energy. Since the conservation impact is minimal, it cannot be quantified. The company has not made any capital investment on energy conservation equipment. During the year under review, there was no foreign exchange inflow or outflow.

Particulars of Employees and Related Disclosures

The information required pursuant to Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is provided as “**Annexure 3-(I)**” and “**Annexure 3-(II)**” to this report regarding remuneration of Directors, Key Managerial Personnel and other related disclosure.

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 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 2019-20 to which the Financial Statements relate and the date of the Board's Report.

Secretarial Standards

During the year under review, your Company has complied with all the applicable secretarial standards issued by the Institute of Company Secretaries of India. The same has also been confirmed by Secretarial Auditors of the Company in the Secretarial Audit Report.

General

1. There was no change in the general nature of business of the Company during FY 2019-20.
2. The provisions pertaining to Corporate Social Responsibility (CSR) were not applicable to the Company during the year under review.

Acknowledgments and Appreciation

Your Directors also place on record sincere appreciation for the contribution and commitment by all the employees of the Company.

Your Directors take this opportunity to thank Central and State Governments, customers, shareholders and bankers for their consistent support and co-operation to the Company.

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

Place : Mumbai
Date : 27th August, 2020

Anil Kumar Jain
Chairman
DIN: 00086106



Form No. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended 31st March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]

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, 2020 ('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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) 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, 2018; **(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, 2018; **(Not Applicable to the Company during the Audit Period).**
- (l) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Other applicable Law:

- a) All the Rules, Regulations, Guidelines, Master Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934;
- b) 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.

and based on the above examination, We hereby report that, during the Review Period.

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified.

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance generally 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.

Decisions at the Board or Committee Meetings were carried out unanimously except in such case where dissent of Director(s) was recorded specifically.

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 : 27th August, 2020

UDIN.: F004123B000618121

Ashu Gupta
Company Secretary
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. Due to COVID-19 pandemic and Nation- wide lockdown to contain the spread of Corona Virus, work place / offices remained closed or working with less staff. In view of advisory issued by Government, very few physical visits to the office of audited could be made and as such physical copies of the secretarial records could not be verified in detail. Reliance has been placed on the soft copy of necessary secretarial records / documents etc. made available to us. A representation in this regard certifying the correctness of the contents of the secretarial records provided has been taken from company's management.
7. 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 : 27th August, 2020
UDIN : F004123B000618121

Ashu Gupta
Company Secretary
FCS No. 4123
CP No.: 6646

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

As on the financial year ended 31st March, 2020

[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 Tel. No. : 0230 - 2463100 & 0230 - 2461929 E-mail : info@margofinance.com Website : www.margofinance.com
vi	Whether Listed Company	:	Yes
vii	Name, Address and Contact details of Registrar and Transfer	:	Link Intime India Pvt. Ltd. Noble Heights, 1 st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 . Tel. No. :011 - 49411000 Fax No. :011 - 41410591 E-mail : delhi@linkintime.co.in Website : www.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:-

Sr. No.	Name and Description 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

Sr. 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 April 1, 2019)				No. of shares held at the end of the year (As on March 31, 2020)				% Change during The Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	856115	0	856115	18.73	871215	0	871215	19.06	0.33
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)	2425531	0	2425531	53.08	2440631	0	2440631	53.41	0.33
(2) Foreign									
a) NRIs- Individuals	15100	0	15100	0.33	0	0	0	0.00	(0.33)
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)	15100	0	15100	0.33	0	0	0	0.00	(0.33)
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 Fund	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	38101	30250	68351	1.50	34638	30250	64888	1.42	(0.08)
(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 ₹1 lakh	820695	996050	1816745	39.76	842244	980050	1822294	39.91	0.12
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	180236	0	180236	3.94	180236	0	180236	3.94	0.00



i) Director & their Relatives	2000	10	2010	0.04	2000	10	2010	0.04	0.00
ii) Non Resident Indians	1200	0	1200	0.02	1400	0	1400	0.03	0.01
iii) Clearing Member	500	0	500	0.01	0	0	0	0.00	(0.01)
iv) Hindu Undivided Family	60227	0	60227	1.32	58441	0	58441	1.28	(0.04)
Sub-Total (B)(2)	1102959	1026310	2129269	46.59	1118959	1010310	2129269	46.59	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	1102959	1026310	2129369	46.59	1119059	1010310	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)	3543690	1026310	4570000	100.00	3559690	1010310	4570000	100.00	0.00

(ii) Shareholding of Promoters

Sr.No.	Shareholder 's Name	Shareholding at the beginning of the year (As on April 1,2019)			Share holding at the end of the year (As on March 31, 2020)			% 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	162700	3.56	0.00	162700	3.56	0.00	0.00
8.	Mrs. Shikha Mohit Jain	100000	2.19	0.00	100000	2.19	0.00	0.00
9.	Commet 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 Promoters 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 (April 1, 2019 to March 31, 2020)	
		No. of Shares at the beginning (April 1, 2019) /end of the year (March 31, 2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Jitendra Kapurchand Parmar	53585	1.17	01-04-2019				
		53585	1.17	31-03-2020	Nil	N.A.	53585	1.17
2.	Balakrishnan Ramaswamy Iyer	26300	0.57	01-04-2019				
		26300	0.57	31-03-2020	Nil	N.A.	26300	0.57
3.	Nikhil Sarda	25319	0.55	01-04-2019				
		25319	0.55	31-03-2020	Nil	NA	25319	0.55
4.	Navnirvan Agencies Limited	25000	0.55	01.04.2019				
		25000	0.55	01.03.2020	Nil	NA	25000	0.55
5.	Upsurge Investment & finance Ltd	23629	0.52	01-04-2019				
		23629	0.52	31-03-2020	Nil	NA	23629	0.52
6.	Viswanath Chandran Vicha	18524	0.41	01-04-2019				
		18524	0.41	31-03-2020	Nil	NA	18524	0.41
7.	G Nirmala Singhee	16793	0.37	01-04-2019				
		16793	0.37	31-03-2020	Nil	N.A.	16793	0.37
8.	Yella Srinivas	16595	0.36	01-04-2019				
		16595	0.36	31-03-2020	Nil	N.A.	16595	0.36
9.	D Nirmal Kumar	15633	0.34	01-04-2019				
		15633	0.34	31-03-2020	Nil	N.A.	15633	0.34
10.	N K Malliga	13618	0.30	01-04-2019				
		13618	0.30	31-03-2020	Nil	N.A.	13618	0.30

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr.No.	Name	Shareholding		Date	Increase (+)/ Decrease (-) in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of Shares at the beginning (April 1, 2019) /end of the year (March 31, 2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Mr. Govind Prasad Agrawal (Director)	2010	0.04	NA	NIL	NA	2010	0.04

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



V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
I) Principal Amount				
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)				
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, 2019, during the year and as on 31st March, 2020.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Mr. Shri Dass Maheshwari (Whole Time Director & CFO)	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,80,880	6,80,880
	(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
3.	Sweat Equity	0	0
4.	Commission		
	- as % of profit	0	0
	- others	0	0
5.	Others	34,044	34044
	Total	7,14,924	7,14,924
	Ceiling as per the Act		Refer Note1

1. 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.



B. Remuneration to other Directors:

(Amount in ₹.)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Anil Kumar Jain	Ms. Smita Kulkarni	Mr. Govind Prasad Agrawal	Mr. Sushilkumar Krishna Agarwal	Mr. Anilkumar Indralal Gulati (upto 11/09/2019)	Mr. Venkiteswaran Venkiteswaran Parlikad	Mr. Ambarish Ratilal Sodha	
1.	Independent Directors Fee for attending Board/Committee Meetings	-	18,000	7,000	-	2,000	16,000	9,000	52,000
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total (1)	-	18,000	7,000	-	2,000	16,000	9,000	52,000
2.	Other Non-Executive Directors Fee for attending Board/Committee Meetings	-	-	-	17,000	-	-	-	17,000
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	17,000	-	-	-	17,000
	Total (B)=(1+2)	-	18,000	7,000	17,000	2,000	16,000	9,000	69,000
	Total Managerial Remuneration (A+B)	Nil	18,000	7,000	17,000	2,000	16,000	9,000	69,000
	Overall Ceiling as per the Act	Upto Rs. One Lac per Director for each meeting of Board/Committee							

Note : Mr. Anil Kumar Jain has voluntarily waived off his entitlement of sitting fees for attending the Board Meetings and Stakeholder's Relationship Committee Meetings of the Company from the meetings of FY 2019 - 20.

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

(Amount in ₹.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Kailash Rawat Company Secretary	Total
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	4,50,000	4,50,000
	(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
3.	Sweat Equity	0	0
4.	Commission		
	- as % of profit	0	0
	- others	0	0
5.	Others	13,000	13,000
	Total	4,63,000	4,63,000



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					

NIL

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

ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106

Place : Mumbai
Date : 27th August, 2020



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, 2020: ₹5,88,962/-

Sr. No	Name of Director & KMP and Designation	Remuneration of Director/Key Managerial Personnel for the year ended March 31, 2020 (Amount in ₹)	% increase in remuneration in FY 2019-2020	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	-	Nil
2.	Mr. Govind Prasad Agrawal Non-Executive Independent Director	7,000/-	Refer Note a below	0.01
3.	Mr. Anilkumar Indralal Gulati (upto 11/09/2019) Non-Executive Independent Director	2,000/-		0.00
4.	Mr.Venkiteswaran Venkitaswaran Parlikad (upto 21/08/2020) Non-Executive Independent Director	16,000/-		0.03
5.	Ms. Smita Kulkarni Non-Executive Independent Director	18,000/-		0.03
6.	Mr. Sushilkumar Krishna Agrawal Non-Executive, Non Independent Director	17,000/-		0.03
7.	.Mr. Ambarish Ratilal Sodha Non-Executive, Independent Director	9,000/-		0.02
8.	Mr. Shri Dass Maheshwari Whole time Director & CFO	7,14,924/-	Not Applicable	1.21
9.	Mr. Kailash Rawat Company Secretary & Compliance Officer	4,63,000/-	Not Applicable	0.79

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 2019-20 and hence calculation of % increase in remuneration is not applicable. Further, Mr. Anil Kumar Jain has voluntarily waived off his entitlement of sitting fees for attending the Board Meetings and Stakeholder's Relationship Committee Meetings of the Company from the meetings of FY 2019-20.
- 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.
- The percentage increase in the median remuneration of employees in the financial year 2019-20 – 51.01%
- As on 31st March, 2020, the Company had 2 Permanent Employees.
- We affirm that the remuneration paid during the year 2019-20 is as per the Remuneration policy of the Company.



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 2019-20:

There are only two employees in the Company and the details of their remuneration drawn in mentioned above in this Report.

ii) List of employees of your Company employed throughout the Financial Year 2019-20 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 ₹ 1.02 Crore and above p.a.

iii) Employees employed for the part of the year and were paid remuneration during the Financial Year 2019-20 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 ₹ 8.5 Lakhs per month and above being employed for the part of the year.

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

Anil Kumar Jain
Chairman
DIN: 00086106

Place : Mumbai
Date : 27th August, 2020



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

NBFCs have played a vital role in the financial system over the last decade. They complement as well as compete with banks, bringing in efficiency and diversity in the financial intermediary segment.

The growth of NBFCs was slower in FY 2019-20, due to the risk perception for players with higher exposure to wholesale lending, asset-liability mismatches, capital adequacy and perceived corporate governance. This led to a scenario where NBFCs with riskier exposures and ALM mismatches finding it difficult to access capital market over the near to medium term.

In the month of March, 2020, the outbreak of Novel Coronavirus (COVID-19) pandemic developed rapidly into a global crisis. This led to declaration of the lockdowns by the governments in the countries all over the world. The RBI and the government have taken several measures to enhance system liquidity and to strengthen governance of NBFCs. In addition, the RBI undertook a series of initiatives to strengthen the financial services industry, like accommodative monetary policies, reducing the benchmark rates, CRR exemption for retail loans, externally benchmarking rates, longterm repo operations and operation twist.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The Company is exposed to specific risks that are particular to its business and the environment within which it operates, including market risk, liquidity risk, geo-political risk or uncertain economic conditions.

The Sensex peaked to its all-time high on 20th January, 2020 to 42,274 level and thereafter fallen down sharply to 25,639 on 24th March, 2020 (a fall of 39% in two months) outbreak of Novel Coronavirus (COVID-19) pandemic. Besides that the equity markets become extremely volatile due to various other factors like policy changes, capital inflows/outflows etc. The Company manages these risks/ threats by maintaining conservative financial profile and by following prudent business and risk management practices.

It is expected that with the opening up of the economy, substantially higher global liquidity, the financial support of the RBI and the Finance Ministry, the markets may remain in an uptrend for the better part of the year.

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

As on March 31, 2020, Company has only two employees on its payroll.

FINANCIAL PERFORMANCE

The total income of your Company for the year ended 31st March, 2020 increased by 4.38% to Rs. 30.26 Lakhs as against Rs. 28.99 Lakhs in previous year. The total expenses of the Company increased to Rs. 31.94 Lakhs for the year ended March 31, 2020 from Rs. 31.71 Lakhs in the previous year. This resulted in marginal profit of Rs. 0.05 Lakhs for the year ended 31st March, 2020 as against net loss of Rs. 9.73 Lakhs in the previous year.

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 ₹ 5,000/- 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.

For and on behalf of the Board of Directors

For Margo Finance Limited

Anil Kumar Jain

Chairman

DIN: 00086106

Place : Mumbai

Date : 27th August, 2020



CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations"), a report on Corporate Governance for the year ended 31st March, 2020 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.

2. Board of Directors

a) Composition

As on 31st March, 2020, the Board comprises of 7 Directors out of which 3 are Non-Executive Non-Independent Directors and 4 are Non-Executive Independent Directors including one Woman Director. All Directors are competent and experienced personalities in their respective fields.

The Board is headed by Mr. Anil Kumar Jain, Non - Executive, Non-Independent Chairman of the Company. During the year 2019-20, there were changes at the Board level as under:

- Mr. G. P. Agrawal (DIN:00008429) was re-appointed as a Non-Executive Independent Director of the Company for the second term of five consecutive years w.e.f. 23rd August, 2019 by the members of the Company at the AGM held on 13th August, 2019
- Mr. Ambarish Ratilal Sodha (DIN: 00489489) was appointed as a Non-Executive Independent Director of the Company for Five Consecutive year w.e.f. 11th September, 2019 to 10th September, 2024.

Name of the Directors	DIN	Category	No. of Directorship held in Other Public Companies #	No. of Directorships held in other listed companies along with nature of Directorship	No. of Chairmanship /Membership in Board Committees @	
					Member	Chairman
Mr. Anil Kumar Jain	00086106	C & NENID	2	Indo Count Industries Limited – C & WTD Pranavaditya Spinning Mills Ltd – NENID	3	NIL
Mr. Shri Dass Maheshwari	00181615	WTD	1	NIL	NIL	NIL
Mr. Anilkumar Indralal Gulati*	02739661	NEID	0	NIL	NIL	NIL
Mr. Govind Prasad Agrawal	00008429	NEID	5	Rama Vision Ltd. – NEID Avonmore Capital & Management Services Ltd. - NENID	4	1
Mr. Sushilkumar Krishna Agrawal	00400892	NENID	6	Pranavaditya Spinning Mills Ltd – C & NEID Reliance Home Finance Limited – NEID	6	4
Mr. Venkiteswaran Venkiteswaran Parlikad	07006240	NEID	1	NIL	3	NIL
Ms. Smita Kulkarni	08127803	NEID	–	NIL	2	1
Mr. Ambarish Ratilal Sodha**	00489489	NEID	–	NIL	2	1

**Abbreviations:**

C = Chairman

WTD = Whole-time Director

NENID = Non-Executive Non-Independent Director

NEID = Non-Executive Independent Director

Notes:

*Ceased to be Director of the Company w.e.f. 11th September, 2019 and information on number of directorships and committee positions are as on date of cessation.

**Appointed as the Non-Executive Independent Director on w.e.f. 11th September, 2019.

#Number of Directorships held in other public companies excludes Directorship of Margo Finance Limited, Directorships in private companies, deemed public companies, foreign companies and 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, number of Memberships does not include number of Chairmanships.

Memberships or Chairmanships of the stipulated Board Committees held by all Directors are within the limit specified under Regulation 26 (1) of the Listing Regulations. Further, none of the Directors hold Directorships in more than 20 Companies including 10 Public Companies pursuant to the provisions of Section 165 of the Companies Act, 2013. Further, the other directorships held by all Directors including Independent Directors are within the limit prescribed under Listing Regulations.

During the year under review, All Independent Directors of the Company fulfill the criteria of Independence as specified under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and have furnished declaration of independence to that effect pursuant to Section 149 (7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations. The said declarations of independence were reviewed and taken on record by the Board and in the opinion of the Board, all Independent Directors of the Company fulfill the criteria of independence and all conditions specified in the Listing Regulations and are independent of the management.

There is no inter-se relationship among any of the Directors of the Company.

(b) Board Meetings

During the financial year 2019-2020, the Board of Directors met on 5 (Five) occasions i.e. on 13th May, 2019; 2nd July, 2019; 11th September, 2019; 27th November, 2019 and 4th February, 2020. 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 the AGM
	Held	Attended	13 th August, 2019
Mr. Anil Kumar Jain	5	5	No
Mr. Shri Dass Maheshwari	5	3	No
Mr. Govind Prasad Agrawal	5	2	No
Mr. Anil kumar Indralal Gulati*	2	1	No
Mr. Sushil kumar Krishna Agrawal	5	5	No
Mr. Venkiteswaran Venkitaswaran Parlikad	5	5	No
Ms. Smita Kulkarni	5	5	No
Mr. Ambarish Ratilal Sodha**	3	3	No

*Resigned w.e.f. 11th September, 2019

**Appointed w.e.f. 11th September, 2019.

In view of unprecedented flood like situation in the past few days before AGM in and around Kolhapur and difficulties in travelling, none of the Directors could travel to Kolhapur to attend the AGM, therefore chairman of the AGM was selected amongst the Shareholders present.



(c) Independent Directors Meeting

During the year under review, a Meeting of Independent Directors of the Company was held on 4th February, 2020 wherein all Independent Directors were present. At the said meeting, Independent Directors discussed and evaluated performance of the Chairman, other Non-Executive Non-Independent Directors, the Board and its various committees as a whole and also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties effectively.

Your Company has in place Familiarization Programme for the Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. At the time of appointment of a Director (including Independent Director), a formal letter of appointment is given to them, which inter alia explains the role, function, duties and responsibilities expected from them as Directors of the Company. The draft letter of appointment containing terms and conditions of their appointment is available on the website of the Company www.margofinance.com. The Director is also explained the compliances required from him/her under the Companies Act, 2013, Listing Regulations and other applicable laws. The Chairman also does one to one discussion with the newly appointed Directors to familiarize them with the Company's operations. On the request of the individual director, site visits to plant locations are also organized by the company for the directors to enable them to understand the operations of the Company. Further, on an ongoing basis as a part of Agenda of Board meetings, discussions are made on various matters inter alia covering the Company's business and operations, Industry and regulatory updates etc.

(d) Familiarization Program

The Familiarisation Program and details of Familiarization Program imparted during 2019-20 are uploaded on the website of the Company www.margofinance.com and can be accessed through web-link http://www.margofinance.com/upload/Familiarisation_Program_imparted-2019-2020-converted.pdf respectively.

(e) Matrix of skills/competence/expertise of Directors

The following matrix summarizes list of core skills/ expertise/competencies identified by the Board as required in the context of its business and the sector in which the Company operates.

Board Competency Matrix

Industry Knowledge/Experience	Technical Skills/Expertise/Competencies	
Industry Experience	Finance & Accounting	Leadership
Knowledge of Sector (Finance)	Legal & Governance	Business Administration
Understanding of government legislation/ legislative process	Strategy and Business Development	Corporate Restructuring
Risk Management	Information Technology	Human Resource Management & Labour Laws

The Company's Board comprises of qualified members, who possesses aforesaid knowledge, experience, technical skills, expertise and competencies for effective contribution to the Board and its Committees. Details of the skills / expertise / competencies possessed by the Directors who were part of the Board as on 31st March, 2020, are as follows:



Name	Qualification	Years of Experience	Expertise
Mr. Anil Kumar Jain (Chairman)	B.Com (Hons.)	40+	Business & Corporate Strategy Industry Experience, Textile field expertise
Mr. S. K. Agarwal	Chartered Accountant & Fellow Member of Institute of Chartered Accountants of India	40+	Finance, Taxation, Accounts & Audit
Mr. G. P. Agrawal	Company Secretary & Fellow Member of Institute of Company secretary of India	35+	Corporate Laws, Finance and Legal
Ms.Smita Kulkarni	B.com	30+	Corporate Secretarial
Mr. V. V. Parlikad	B.Com & ICWA Inter Pass	40+	Finance
Mr. Ambarish Ratilal Sodha	Chartered Accountant & Fellow Member of Institute of Chartered Accountants of India	40+	Finance, Taxation, Accounts & Audit
Mr. Shri Dass Maheshwari	B.com (H)	40+	Finance, Taxation, Accounts & Audit

(f) Board Meetings Procedure

In order to ensure maximum presence of all Directors in the Board Meeting, dates of the Board Meetings are fixed in advance after consultation with individual directors and consideration of their convenience. 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 financial results along with Auditors' 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 Part A of Schedule II of Listing Regulations

3. Audit Committee

(a) Terms of reference

The terms of reference of the Audit Committee covers matters specified under Part C of Schedule II of Listing Regulations and Section 177 of the Companies Act, 2013 as amended from time to time. 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 disclosure of its financial information
- Reviewing with the Management the quarterly unaudited financial results and Auditors Review Report thereon and make necessary recommendation to the Board.
- Reviewing with the Management audited annual financial statements and Auditors' Report thereon and make necessary recommendation to the Board This would, *inter-alia*, include reviewing changes in the accounting policies, if any, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements arising out of audit findings, disclosure of related party transactions, compliance with legal and other regulatory requirements with respect to the financial statements.
- Reviewing the Management Discussion & Analysis of financial and operational performance and Board's Report.
- 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

- Review the adequacy and effectiveness of the Company's internal control system. Evaluation of Internal Financial Controls and risk Management Systems, Review and discuss with management, the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- Review adequacy of internal audit function, internal audit reports and discussion with Internal Auditors on significant findings and follow-up thereon.
- To oversee and review the functioning of a Vigil Mechanism / Whistle Blower Policy
- Approval of Related Party Transactions (RPT) or any subsequent modifications of RPT and review of RPT on quarterly basis.
- Approval of appointment of Chief Financial Officer

Audit & Auditors

- Review and monitor Auditor's Independence and performance and effectiveness of Audit process.
- Reviewing with the management, performance of internal and statutory auditors, adequacy of internal control systems.
- Review the scope of the Statutory Auditor, the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board, appointment, remuneration and terms of appointment of the Auditors including Internal Auditors.
- 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.

(b) Composition and Meetings

During the year under review, Ms. Smita Kulkarni, Non-Executive Independent Director ceased to be Chairmanship of the Audit Committee w.e.f. 27th November, 2019 and became member w.e.f. 27th November, 2019 and Mr. Ambarish Ratilal Sodha, Non-Executive Independent Director has been appointed as a Chairman of the Audit Committee w.e.f. 27th November, 2019. As on 31st March, 2020, the Committee consists of 5 (Five) 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 2019-20, 4 (four) meetings of the Audit Committee were held viz. on 13th May, 2019; 11th September, 2019; 27th November, 2019 and 4th February, 2020.



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

Name of the Director	Category	Position	Attendance at the Audit Committee Meetings	
			Held	Attended
Mr. Ambarish Ratilal Sodha* (Chairman of the Committee)	Non-Executive, Independent Director	Chairman	1	1
Ms. Smita Kulkarni**	Non-Executive, Independent Director	Member	4	4
Mr. Govind Prasad Agrawal	Non-Executive, Independent Director	Member	4	2
Mr. Venkiteswaran Venkitaswaran Parlikad	Non-Executive, Non-Independent Director	Member	4	4
Mr. Sushilkumar Krishna Agrawal	Non-Executive, Non-Independent Director	Member	4	4

*Appointed as a Chairman of the Committee w.e.f. 27th November, 2019.

**Ceased to be Chairmanship of the Committee w.e.f. 27th November, 2019 and became member w.e.f. 27th November, 2019.

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

In view unprecedented flood like situation in past few days before AGM in and around Kolhapur and difficulties in traveling, Ms. Smita Kulkarni was Chairman of the Audit Committee was not able to travel to Kolhapur to attend the last Annual General Meeting of the Company held on 13th August, 2019.

4. Stakeholders' Relationship Committee

(a) Composition and Meetings

During the year under review, Mr. Ambarish Ratilal Sodha, Non-Executive Independent Director has been appointed as a Member of the Stakeholders' Relationship Committee w.e.f. 27th November, 2019. As on 31st March, 2020, the Stakeholders' Relationship Committee (SRC) consists of 5 Directors / Members viz. Ms. Smita Kulkarni, Non-Executive Independent Director as Chairman, Mr. Anil Kumar Jain, Non-Executive Non-Independent Director, Mr. Venkiteswaran Venkitaswaran Parlikad & Mr. Ambarish Ratilal Sodha Non-Executive Independent Directors and Mr. Sushilkumar Krishna Agrawal, Non-Executive Non Independent Director as Members.

During the year under review, 1 (one) Meeting of the Stakeholders' Relationship Committee was held on 4th February, 2020 and the said meeting was attended by all Members of the Committee.

(b) Terms of reference

The role of the Stakeholders' Relationship Committee ("SRC") *inter- alia* includes terms of reference as specified in Point B of Part D of Schedule II of Listing Regulations as under:

- Resolving the grievances of the security holders of the Company
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**(c) Investor Complaints**

Your Company takes all effective steps to resolve complaints from shareholders of the Company.

The Complaints are duly attended by the Company/ Registrar & Transfer Agent and the same are resolved within prescribed time.

During the year FY 2019-20, no complaint was received from shareholders of the Company. No complaint was pending as on 31st March, 2020. Further, there were no complaints of shareholders received from BSE Limited and SEBI on SCORES platform.

(d) Compliance Officer

Mr. Kailash Rawat, Company Secretary is the Compliance Officer of the Company.

5. Nomination and Remuneration Committee**(a) Brief description of terms of reference**

The terms of reference of the Nomination and Remuneration Committee ("NRC") includes the matters stipulated in Point A of Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013 as under:

- Formulation of 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 (KMP) and other employees.
- Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors and KMP and other Senior Management positions; Recommendation to the Board about appointment, re-appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down.
- Recommendation to the Board on remuneration payable to the Directors of the Company.
- Formulation of the criteria for evaluation of performance of every Director and carry out performance evaluation of Directors and to recommend to the Board on whether to extend or continue the term of appointment of Independent Director.
- Devising a policy on Board Diversity.
- Recommendation to the board, all remuneration, in whatever form, payable to senior management

(b) Composition, Meetings and Attendance

During the year under review, Mr. Anil Kumar Jain, Non-Executive Non-Independent Director ceased to be member of Nomination and Remuneration Committee w.e.f. 27th November, 2019 and Mr. Ambarish Ratilal Sodha, Independent Director was appointed as Members of the NRC w.e.f. 27th November, 2019.

As on 31st March, 2020, NRC comprises of 4 Independent Directors headed by Mr. Govind Prasad Agrawal, Non Executive Independent Director as Chairman, Ms. Smita Kulkarni & Mr. Ambarish Ratilal Sodha, Non-Executive Independent Directors and Mr. Sushilkumar Krishna Agrawal, Non-Executive Non-Independent Director as Members.

During the year under review, two meeting of NRC were held on 13th May, 2019 & 11th September, 2019



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	Position	Attendance at the Nomination and Remuneration Committee Meetings	
			Held	Attended
Mr. Govind Prasad Agrawal (Chairman of the Committee)	Non-Executive, Independent Director	Chairman	2	1
Mr. Ambarish Ratilal Sodha*	Non-Executive, Independent Director	Member	0	0
Mr. Sushilkumar Krishna Agrawal	Non-Executive, Non-Independent Director	Member	2	2
Ms. Smita Kulkarni	Non-Executive, Non-Independent Director	Member	2	2
Mr. Anil Kumar Jain**	Non-Executive, Non-Independent Director	Member	2	2

*Appointed as member of the Committee w.e.f. 27th November, 2019.

**Ceased to be member of the Committee w.e.f. 27th November, 2019.

c) Nomination and Remuneration Policy

Pursuant to Section 178 of the Companies Act, 2013, NRC has formulated "Nomination and Remuneration Policy" which deals *inter-alia* with nomination and remuneration of Directors, Key Managerial Personnel, Senior Management. The said policy is uploaded on the website of the Company and web-link thereto is:

<http://www.margofinance.com/upload/MFL%20Nomination%20and%20Remuneration%20Policy.pdf>

d) Criteria for evaluation of Independent Directors

NRC has formulated following criteria for Performance evaluation of Independent Directors:

1. Participation at Board / Committee Meetings
2. Contributions at Meetings
3. Knowledge and skills
4. Discharging Role, Functions and Duties
5. Personal Attributes

More information on performance evaluation is given in the Board's Report.



5. Remuneration of Directors

(i) The details Remuneration of Mr. Shri Dass Maheshwari, Whole-time Director-Finance & CFO for Financial Year 2019-20 are as under:

	Remuneration		Amount in ₹
1.	Basic Salary	:	4,01,328
2.	Housing Rent Allowance	:	1,67,220
3.	Other Allowances	:	1,00,332
4.	Arrear	:	12,000
5.	Bonus / Exgratia	:	34,044
Gross Salary			6,80,880
Contribution to provident Fund as per the rule of the Company.			
Total			7,14,924

(i) Remuneration of Non-Executive Directors

At present, all Non-Executive Directors of the Company are entitled to receive sitting fees of ₹ 2,000/- each for attending Board Meetings and ₹1000/- each for Audit Committee Meetings, Nomination and Remuneration Committee Meetings, Stakeholders' Relationship Committee Meetings and Independent Directors Meeting. Details of sitting fees paid to all Directors of the Company for the financial year ended 31st March, 2020 are as under:

Details of sitting fees paid to Non-Executive Directors of the Company for the financial year ended 31st March, 2020 are as under:

Name of the Director	Remuneration for the Financial Year ended March 31, 2020 (Amount in ₹) Sitting Fees	No. of equity shares of the Company held by Non-Executive Directors
Mr. Anil Kumar Jain*	NIL	NIL
Mr. Govind Prasad Agrawal	7,000	2010
Mr. Shushikumar Krishna Agarwal	17,000	NIL
Mr. Anilkumar Indralal Gulati**	2,000	NIL
Mr. Venkiteswaran Venkitaswaran Parlikad	16,000	NIL
Ms. Smita Kulkarni	18,000	NIL
Mr. Ambarish Ratilal Sodha#	9,000	NIL

*Mr. Anil Kumar Jain had voluntarily decided not to take the sitting fees for attending Board and other Committee Meetings of the Company w.e.f. 1st April, 2018

**Resigned w.e.f. 11th September, 2019

#Appointed w.e.f. 11th September, 2019

Notes:

1. There is no separate provision for payment of severance fees.
2. There are no variable components and performance linked incentives.
3. There are no pecuniary relationships or transactions between Non-Executive Directors and the Company during the year 2019-20.
4. The Company does not have any Employee Stock Option Scheme



7. General body Meetings

a) Annual General Meetings:

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

AGM	Date	Venue of the Last Three AGMs	Special Resolution(s) passed
26 th	Monday, 21 st August, 2017 at 10.00 a.m.	Hotel Vrishali Executive, 39 A/2, Circuit House Road, Tarabai Park, Kolhapur - 416 003, Maharashtra	No
27 th	Tuesday, 11 th September, 2018 at 10.00 a.m.	Hotel Vrishali Executive, 39 A/2, Circuit House Road, Tarabai Park, Kolhapur - 416 003, Maharashtra	One Special Resolution was passed for Appointment of Mr. Shri Dass Maheshwari Kolhapur- 41 6003, Maharashtra (DIN: 00181615) as a Whole Time Director-Finance of the Company for a period of 3 years w.e.f. 30 th April, 2018.
28 th	Tuesday, 13 th August, 2019 at 10.00 a.m.	Hotel Vrishali Executive, 39 A/2, Circuit House Road, Tarabai Park, Kolhapur - 416 003, Maharashtra	One Special Resolution was passed for the re-appointment of Mr. G. P. Agrawal as Non-Executive Independent Director of the Company for a second term of five consecutive years w.e.f. 23 rd August, 2019.

- a) **Extraordinary General Meeting:** No Extraordinary General Meeting was held during the year under review.
- b) **Postal Ballot:** No Postal Ballot was conducted during the year under review. At present, there is no proposal to pass any resolution 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 made to the stock exchanges, intimation of board meeting dates, newspaper, advertisements etc.
- **Financial Results:** Pursuant to Regulation 33 of the Listing Regulations, 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. "Navshakti" and one English newspaper viz. "Free Press Journal" within 48 hours of approval thereof. Also they are uploaded on the Company's website
- **Annual Report:** Annual Report containing inter alia Standalone Financial Statements, Auditors' Report, Board's Report, Management discussion and Analysis Report, Corporate Governance Report is sent to all Members of the Company and is also available on the website of the Company www.margofinance.com
- **Designated Exclusive Email ID:** The Company has designated Email Id mflinvestors@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 compliance and all other corporate communications and disclosures are filed electronically on BSE Listing Center.
- **Presentations:** No presentations were made to analysts, Institutional Investors during the year under review.



9. Disclosures

a) Related Party Transactions

All transactions entered with Related Parties as defined under the Companies Act, 2013 and Listing Regulations during the financial year 2019-20 were in the ordinary course of business and on arm's length basis. During the year under review, there were no materially significant transactions with related parties that may have potential conflict with the interest of the Company at large. Necessary disclosures regarding Related Party Transactions are given in the notes to the Financial Statements.

The Company has formulated a policy for Related Party Transactions and the said policy was amended to include revised threshold limits as per notification of Ministry of Corporate Affairs dated 18th November, 2019. The revised policy on RPT was reviewed by the Audit Committee and approved by the Board at its meeting held on 4th February, 2020.

The said policy has been hosted on the website of the Company under the web-link :

<http://www.margofinance.com/upload/Revised%20policy%20MFL.pdf>

b) Statutory Compliance by the Company, penalties, structures

The Company has complied with all the requirements of the Stock Exchanges / SEBI and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets during last three years. The Company has also obtained Secretarial Audit report and Annual Compliance Certificate for the year ended 31st March 2020 as per Regulation 24A of Listing Regulations from M/s. Ashu Gupta & Associates, Practicing Company Secretaries. The said report & certificate does not contain any qualifications or adverse remarks.

c) Whistle Blower policy and Vigil Mechanism

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, your Company has formulated Vigil Mechanism / Whistle Blower Policy to enable Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance and / or reputation, in a secure and confidential manner. The said policy provides adequate safeguards against victimization of Directors/employees and direct access to Chairman of Audit Committee, in exceptional cases. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company under the web-link:

<http://www.margofinance.com/upload/Whistle%20Blower%20Policy%20Vigil%20Mechanism%20annexure-III.pdf>

d) Subsidiary Companies

Your Company does not have any subsidiary. However, your Company has formulated a policy on material subsidiaries. The said policy is hosted on website of the Company under the web-link:

<http://www.margofinance.com/upload/Margo%20Policy%20on%20Material%20Subsidiaries.pdf>

e) Code of Conduct

The Company has adopted a Code of Conduct applicable for all Directors and Senior Management of the Company which is in consonance with the requirements of Listing Regulations. The said code is available on the website of the Company and can be accessed through web-link:

<http://www.margofinance.com/upload/insider%20policy%20Code%20of%20cundcut-annexure-IV.pdf>

All members of the Board, the executive officers and seniors employees have affirmed compliance to the code of conduct as on 31st March, 2020. 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) Compliance with Indian Accounting Standards (Ind-AS)**

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind-AS) notified by Ministry of Corporate Affairs from time to time. 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 treatments prescribed in Indian Accounting Standards (Ind-AS) in the preparation of financial statements for the year 2019-20.

g) Risk Management

The risk assessment and minimization procedures are in place and the Board is regularly informed about the business risks and the steps taken to mitigate the same. More details of Risk Management are included in Management Discussion and Analysis.

h) CEO & CFO Certification

Pursuant to the provisions of Regulation 17(8) of Listing Regulations, Mr. Shri Dass Maheshwari, Whole Time Director & Chief Financial Officer of the Company have furnished certificate to the Board for the year ended 31st March, 2020, in the prescribed format. The said certificate has been reviewed by the Audit Committee and taken on record by the Board.

i) Reconciliation of Share Capital Audit

In terms of the provisions of Clause 76A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a C.B. Mishra & Associates, Practicing Company Secretary the said report is also submitted to BSE Limited.

j) Code for Prevention of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, your Company has adopted a code of conduct to regulate, monitor and report trading by designated persons and their immediate relatives for prevention of Insider Trading in the shares of the Company. This code is applicable *inter-alia* to all Directors and Designated persons / employees of the Company who are expected to have access to unpublished price sensitive information. This code, *inter-alia*, prohibits purchase / sale / dealing in the equity shares of the Company by Designated persons and their immediate relatives while in possession of unpublished price sensitive information about the Company and during the time when trading window is closed. The Code also contains procedure for pre-clearance of trade, disclosure requirements etc. The Code is available on the website of the Company at www.margofinance.com.

k) Certificate on Non-disqualification of Directors

M/s Ashu Gupta & Associates, Practicing Company Secretaries have certified that as on 31st March 2020 and during FY 2019-20, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority. A certificate issued by M/s. Ashu Gupta & Associates to that effect is attached as Annexure II forming part of this report.

l) Recommendation of the committees

During FY 2019-20, the Board has accepted all recommendations made by Audit Committee and Nomination and Remuneration Committee.

m) Total fees paid to Statutory Auditors

During FY 2019-20, ₹ 65,000/- was paid to M/s. Pawan Shubham & Co., Statutory Auditors.

n) Compliance with Mandatory & Non-Mandatory Requirements

The Company has complied with all mandatory requirements of Corporate Governance specified in Listing Regulations. The Company has adopted discretionary requirements specified in Part E of Schedule II of Listing Regulations 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.

Shareholder's 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 by email or physically.

Modified Opinion in Audit Report: There was no qualification or modified opinion in the Independent Auditors' Report on Audited Financial Statements for the year ended 31st March, 2020, nor 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 Mr. Shri Dass Maheshwari, Whole Time Director is the CFO of the Company.

o) General

During the year under review, the Company has no borrowing or raised any fund, hence disclosure pertaining to utilization of funds and Credit Rating is not applicable.

p) Compliance with the requirements of Corporate Governance

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

10. Certificate on Compliance with the conditions of Corporate Governance

The certificate regarding compliance of the conditions of corporate governance for the year ended 31st March, 2020 given by M/s. Ashu Gupta & Co. Practicing Company Secretary is attached to this Report. as Annexure 1 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, Kumbhøj 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 2019-20 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 2020-21.
ISIN	INE680B01019



Investor Information

Annual General Meeting		
Date of AGM	29 th AGM of the Company will be held on Tuesday 29 th September, 2020 at 12.30 p.m. (IST) through Video Conferencing/ Other Audio Visual Means.	
Financial Year	1 st April to 31 st March	
Tentative Financial Calendar (for financial year 2019-20)	Board Meeting for approval of	
	Financial Results for the Quarter ended 30 th June, 2020(Unaudited)	On or before 14-08-2020
	Financial Results for the Quarter ended 30 th September, 2020(Unaudited)	On or before 14-11-2020
	Financial Results for the Quarter ended 31 st December, 2020 (Unaudited)	On or before 14-02-2021
	Financial Results for the Quarter ended 31 st March, 2020 (Audited)	On or before 30-05-2021

Dividend: No dividend was declared during the year 2019-20.

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, 2019 to March, 2020 are as under and comparison against BSE sensx is as under:

Month	Margo Finance Limited			BSE Sensx	
	Share price			High (Rs.)	Low (Rs.)
	High (Rs.)	Low (Rs.)	Traded Volume (Nos.)	High (Rs.)	Low (Rs.)
April - 2019	07.74	07.74	1	39,487.45	38,460.25
May - 2019	07.95	07.95	500	40,124.96	36,956.10
June - 2019	07.95	07.95	500	40,312.07	38,870.96
July - 2019	07.95	07.95	500	40,032.41	37,128.26
August - 2019	07.95	07.95	1	37,807.55	36,102.35
September - 2019	07.95	07.95	1	39,441.12	35,987.80
October - 2019	07.95	07.95	1	40,392.22	37,415.83
November - 2019	07.95	07.95	16	41,163.79	40,014.23
December - 2019	07.90	07.49	2120	41,809.96	40,135.37
January - 2020	07.81	06.70	7080	42,273.87	40,476.55
February - 2020	06.93	06.50	1213	41,709.30	38,219.97
March - 2020	06.50	06.50	102	39,083.17	25,638.90

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.

Noble Heights, 1st floor,
Plot No NH-2, C-1 Block, LSC,
Near Savitri Market, Janakpuri,
New Delhi – 110058
Telephone No. 011-41410592 to 594; Fax No. 011-41410591,
E-mail: delhi@linkintime.co.in



Share Transfer System

W.e.f. 1st April, 2019, as per SEBI press release PR No.: 12/2019 dated 27th March, 2019 the transfer of shares is done only in dematerialized mode except for transmission and transposition. Transfer of equity shares in dematerialized form is done through the depositories without any involvement of the Company. Share transfers received in physical form if any and complying with the requirements specified in said press release are processed by Registrar & Transfer Agent and the share certificates duly transferred 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 Listing Regulations and files a copy of the certificate with the BSE Limited

Share Transfer Committee

As on 31st March, 2020, 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, 2020:

No. of equity Shares	No. of share holders	% of share holders held	No. of share holding	% of share
1- 500	8617	95.34	1340354	29.32
501- 1000	277	3.06	225701	4.94
1001- 2000	76	0.85	109946	2.40
2001- 3000	15	0.17	38667	0.85
3001-4000	5	0.05	18752	0.41
4001 -5000	12	0.13	57217	1.26
5001-10000	12	0.13	94234	2.06
Above 10001	24	0.27	2685129	58.76
Total	9038	100.00	4570000	100.00

Shareholding pattern as on 31st March, 2020:

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	871215	19.06
Bodies Corporate	1569416	34.34
Shareholding of Promoter and Promoter Group Total (A)	2440631	53.41
B. Public Shareholding		
1. Institutions		
Financial Institutions/Banks/Insurance Companies including Central/ State Government Institutions	100	0.00
Sub Total (B) (1)	100	0.00
(i) Individuals	2004530	43.86
(ii) Bodies Corporate	64888	1.42
(iii) Clearing Members	0	0.00
(iv) Hindu Undivided Family	58441	1.28
(iv) NRI's	1400	0.03
(v) Trusts	0	0.00
Sub Total (B)(2)	2129269	46.59
Total Public Shareholding B=(B)(1)+(B)(2)	2129369	46.59
Grand Total (A+B)	4570000	100



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. ISIN of the Company for dematerialization is INE680B01019.

As on 31st March 2020, 35,59,690 Equity Shares of the Company constituting over 77.89% of the issued, subscribed and paid-up share capital of the Company are held in dematerialized form and 1010310 Equity Shares of the Company constituting over 22.11% are held in physical form. The company's shares were traded on BSE Limited.

Shares held in demat and physical mode as on 31st March, 2020

Category	Numbers of		% of total equity
	Shareholders	Shares	
Demat Mode			
NSDL	2094	1318554	28.85
CDSL	967	2241136	49.04
Total	3061	3559690	77.89
Physical Mode	5977	1010310	22.11
Grand Total	9038	4570000	100.00

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

As on 31st March, 2020, 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

Registrar & Transfer Agent

Link Intime India Private Limited
Noble Heights, 1st floor,
Plot No NH-2, C-1 Block, LSC,
Near Savitri Market, Janakpuri,
New Delhi - 110058
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

Anil Kumar Jain
Chairman
DIN: 00086106

Place : Mumbai
Date : 27th August, 2020

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

Pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management Personnel of Margo Finance Limited have affirmed compliance with the Code of Business Conduct for the year ended 31st March, 2020.

For Margo Finance Limited**Shri Dass Maheshwari
(DIN:00181615)****Whole-Time Director-Finance &
Chief Financial Officer****Date :** 27th August, 2020**Place:** New Delhi



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
MARGO FINANCE LIMITED
Office No.3, Plot No. 266,
Village Alte, Kumbhoj Road,
Taluka Hatkanangale,,
Kolhapur-416109

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Margo Finance Limited** (hereinafter referred to as 'the Company') having CIN: L65910MH1991PLC080534 and having registered office at Office No. 3, Plot No. 266, Village Alte Kumbhoj Road, Taluka Hatkanangale Kolhapur - MH 416109, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 as stated below, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority(ies).

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Anil Kumar Jain	00086106	18/10/1991
2.	Sushilkumar Agrawal	00400892	11/08/2016
3.	Anilkumar Indral Gulati*	02739661	13/11/2014
4.	Shri Dass Maheshwari	00181615	30/04/2018
5.	Govind Prasad Agrawal	00008429	18/10/1991
6.	Ambarish Ratilal Sodha**	00489489	11/09/2019
7.	V. Venkataswaran Parlikad	07006240	13/11/2014
8.	Smita Kulkarni	08127803	08/05/2018

*Ceased to be Directors of the Company w.e.f 11th September, 2019

**Appointed w.e.f. 11th September, 2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ASHU GUPTA & CO.,
Company Secretaries
ASHU GUPTA
Proprietor
FCS No. 4123
C.P. No. 6646

Place: New Delhi
Date: 24th June, 2020
UDIN : F004123B000373602



**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 conditions of Corporate Governance by Margo Finance Limited (CIN L65910MH1991PLC080534) for the year ending 31st March 2020 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, 2019 to March 31, 2020.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company, for ensuring the compliance with 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.

Place: New Delhi
Date : 3rd September, 2020
UDIN : F004123B000657688

For ASHU GUPTA & CO.,
Company Secretaries
ASHU GUPTA
Proprietor
FCS No. 4123
C.P. No. 6646



INDEPENDENT AUDITOR'S REPORT

To the Members of **Margo Finance Limited**

Opinion

We have audited the Ind AS financial statements of Margo Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, Cash Flows Statement and the Statement of change in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 31, 2020, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the IndAS Financial Statements

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure-A' a statement on the matters specified in paragraphs 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the afore said Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'.
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. 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 disclosure 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

Place: New Delhi
 Date: 29th June, 2020

Krishna Kumar
(Partner)
M. No. - 523411

**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 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 registered 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, Goods and Services 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 Goods and Services 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 Ind AS 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

Place: New Delhi
Date: 29th June, 2020

Krishna Kumar
(Partner)
M. No. - 523411



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 March 31, 2020 in conjunction with our audit of IndAS 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 the Companies Act, 2013 ('the Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Ind AS financial statements

Internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. Internal financial control over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at 31st March, 2020 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

Krishna Kumar
(Partner)
M. No. - 523411

Place: New Delhi
Date: 29th June, 2020

**BALANCE SHEET**

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

Particulars	Notes	As at March 31,2020	As at March 31,2019	As at April 1,2018
Assets				
Financial assets				
Cash and cash equivalents	3	20.23	3.07	1.05
Bank balances other than above	4	222.55	223.84	134.67
Receivables				
Trade receivables	5	4.74	10.82	6.62
Other receivables	6	0.10	-	-
Loans	7	1.52	5.85	19.19
Investments	8	1,694.98	3,082.37	5,200.31
		1,944.12	3,325.95	5,361.84
Non-financial assets				
Income tax assets (net)	9	2.89	1.62	1.10
Property, plant and equipment	10	1.17	1.82	2.49
Intangible assets	11	-	-	0.03
Investment property	12	16.14	16.14	16.14
Other non-financial assets	13	4.71	3.61	1.85
		24.91	23.19	21.61
Total Assets		1,969.03	3,349.14	5,383.45
Liabilities and Equity				
Liabilities				
Financial liabilities				
Payables				
Trade payables	14			
(a) Total outstanding dues to micro enterprises and small enterprises		-	-	-
(b) Total outstanding dues to other than micro enterprises and small enterprises		2.37	1.11	1.35
Borrowings other than debt securities	15	-	-	0.91
		2.37	1.11	2.26
Non-financial liabilities				
provisions	16	1.13	1.99	1.92
Deferred tax liabilities (net)	17	340.22	700.99	1,221.49
Other non-financial liabilities	18	0.09	0.19	0.22
		341.44	703.17	1,223.63
Equity				
Equity Share Capital	19	457.00	457.00	457.00
Other equity	20	1,168.22	2,187.86	3,700.56
		1,625.22	2,644.86	4,157.56
Total Liabilities and Equity		1,969.03	3,349.14	5,383.45

Summary of significant accounting policies

2

The accompanying notes form an integral part of these financial statements
Per our report of even date.

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

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

Anil Kumar Jain
Chairman
DIN No. 00086106

Shri Dass Maheshwari
Whole Time Director-Finance &
Chief Financial Officer
DIN No. : 00181615

Krishna Kumar
Partner
Membership No. 523411
New Delhi, June 29,2020

Kailash Rawat
Company Secretary
Membership No. : 51199
New Delhi, June 29,2020

**STATEMENT OF PROFIT AND LOSS**

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations			
Interest income	21	19.79	15.54
Dividend income	22	10.45	7.60
Fees ad commission income	23	-	1.65
Others [Net gain/(loss) on sale of investments]	24	-	3.58
		30.24	28.37
Other income	25	0.02	0.62
		0.02	0.62
Total Income		30.26	28.99
Expenses			
Finance costs	26	0.01	0.01
Employee benefits expenses	27	12.87	14.40
Deprecation and amortization	28	0.70	0.89
Other expenses	29	18.36	16.41
Total Expenses		31.94	31.71
Profit/ (loss) before exceptional items and tax		(1.68)	(2.72)
Exceptional items		-	-
Profit/(loss) before tax		(1.68)	(2.72)
Tax expense			
Current tax	39	-	-
Adjustment for prior years	39	0.77	(0.56)
Deferred tax charge	39	(2.50)	7.57
		(1.73)	7.01
Profit/(loss) after tax		0.05	(9.73)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	33	1.38	0.06
-Changes in fair value of financial instruments	39	(1,379.34)	(2,031.10)
Income tax relating to items that will not be reclassified to profit or loss			
-Tax on remeasurement of defined benefit plans		(0.36)	(0.02)
-Tax on changes in fair value of financial instruments		358.63	528.09
Other comprehensive income for the year		(1,019.69)	(1,502.97)
Total Comprehensive income		(1,019.64)	(1,512.70)
Earnings per equity share (in ₹) :			
Nominal value of ₹. 10 each (Previous year ₹ 10 each)			
-Basic & Diluted earning per share	30	0.00	(0.21)

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

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New Delhi, June 29,2020

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Shri Dass Maheshwari
Whole Time Director-Finance &
Chief Financial Officer
DIN No. : 00181615



STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2020

(All amounts are in Lacs unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	
Balance as at April 1, 2018	457.00
Change in equity share capital during 2018-19	—
Balance as at March 31, 2019	457.00
Change in equity share capital during 2019-20	—
Balance as at March 31, 2020	457.00

B. OTHER EQUITY

Particulars	Attributable to owners of the company						Total
	Reserve & Surplus				Changes in fair value of financial instruments	Remeasurement of defined benefit plan	
	Share Warrant Option Premium	Special Reserve	General Reserve	Retained Earnings			
Balance as at April 1, 2018	33.80	36.75	12.49	40.64	-	-	123.68
Impact of Ind AS adjustments (Refer Note 38)	-	-	-	-	3,576.89	-	3,576.89
Restated balance at beginning of reporting period	33.80	36.75	12.49	40.64	3,576.89	-	3,700.56
Profit for the year	-	-	-	(9.73)	-	-	(9.73)
Other Comprehensive income	-	-	-	-	(1,503.02)	0.04	(1,502.98)
Total Comprehensive income for the year	-	-	-	(9.73)	(1,503.02)	0.04	(1,512.71)
Balance as at March 31, 2019	33.80	36.75	12.49	30.91	2,073.87	0.04	2,187.86
Profit for the year	-	-	-	0.05	-	-	0.05
Other comprehensive income	-	-	-	-	(1,020.71)	1.02	(1,019.69)
Total comprehensive income for the year	-	-	-	0.05	(1,020.71)	1.02	(1,019.64)
Balance as at March 31, 2020	33.80	36.75	12.49	30.96	1,053.16	1.06	1,168.23

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

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

Krishna Kumar
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DIN No. : 00181615

**CASH FLOW STATEMENT**

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

	Particulars	For the year ended March 31,2020	For the year ended March 31,2019
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	(1.68)	(2.72)
	Adjustments for :		
	Depreciation, Amortization and impairment	0.70	0.89
	Excess provision on doubtful debt written back	-	(0.54)
	(Excess) / Contingent provisions on Standard Assets	-	(0.03)
	Loss on write off of Fixed Assets	-	0.02
	Interest paid	0.01	0.01
	Operating gain before working capital changes	(0.97)	(2.37)
	Adjustments for :		
	Decrease in trade receivables	5.98	3.31
	Decrease / (Increase) in other bank balance	1.29	(98.20)
	Decrease in loans	4.33	11.08
	(Increase) in other non financial assets	(1.10)	-
	Decrease in investments	8.05	86.84
	(Increase) / Decrease in trade payable	1.26	(0.24)
	(Decrease) in other financial liabilities	(0.10)	(0.05)
	Increase in provisions	0.51	0.11
	Cash generated from operating activities before taxes	19.25	0.48
	Less : Direct taxes paid (net of refund)	(2.04)	0.56
	Net cash generated from operating activities (A)	17.21	1.04
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment	(0.04)	(0.21)
	Net cash used in investing activities (B)	(0.04)	(0.21)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	(Decrease) in borrowings (net)	-	(0.91)
	Interest Paid	(0.01)	(0.01)
	Net cash used in financing activities (c)	(0.01)	(0.92)
	INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	17.16	(0.09)
	Cash and Cash equivalents at the beginning of the year	3.07	3.16
	Cash and Cash equivalents at the end of the year	20.23	3.07
	Notes to statement of cash flow :		
(i)	Components of cash and bank balances (refer note 3 and 4)		
	Cash and cash equivalents		
	- Cash on hand	0.19	0.80
	- Cheques on hand	-	0.42
	- Deposits with bank (Less than 3 months)	9.44	-

**CASH FLOW STATEMENT**

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

- Balances with banks in current account	10.60	1.85
Other bank balances		
- Term deposits with remaining maturity less than 12 months	115.98	132.47
- Term deposits with remaining maturity more than 12 months	106.57	91.37
Cash and bank balance at the end of year	242.78	226.91

- (ii) There are no material balances in the balance sheet for liabilities arising from financing activities requiring reconciliation.
- (iii) The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS-7 on "Cash Flow Statements" specified under section 133 of the Companies Act 2013, as applicable
- (iv) The above statement of cash flow should be read in conjunction with the accompanying notes 1 to 43

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

For Pawan Shubham & Co.
Charter Accountants
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Krishna Kumar
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New Delhi, June 29,2020

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Company Secretary
Membership No. : 51199
New Delhi, June 29,2020

Shri Dass Maheshwari
Whole Time Director-Finance &
Chief Financial Officer
DIN No. : 00181615



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
3. Cash and cash equivalents			
Cash on hand	0.19	0.80	0.38
Cheques on hand	-	0.42	-
Balances with banks			
-on current accounts	10.60	1.85	0.67
-Term deposits with remaining maturity less than 3 months	9.44	-	-
	20.23	3.07	1.05
4. Bank balances other than cash and cash equivalents			
Term deposits with remaining maturity more than 3 months and less than 12 months	115.98	132.47	2.11
Term deposits with remaining maturity more than 12 months	106.57	91.37	132.56
	222.55	223.84	134.67
5. Trade receivables			
Unsecured, considered good			
Receivable for fees, commission and others	-	0.20	2.97
Interest accrued on			
-Fixed deposits	3.72	9.59	2.62
-Bonds and securities	1.02	1.03	1.03
	4.74	10.82	6.62
6. Other receivables			
Unsecured, considered good	0.10	-	-
Unsecured, considered doubtful	68.02	68.02	68.55
Less: Allowance for impairment	(68.02)	(68.02)	(68.55)
	0.10	-	-
7. Loans			
Unsecured			
Loan to			
- Staff	-	0.03	0.15
-Others	1.52	5.82	19.04
	1.52	5.85	19.19
Out of the above			
Loans in India			
-Public Sector	-	-	-
Less: Impairment loss allowance	-	-	-
- Others			
Less: Impairment loss allowance	1.52	5.85	19.19
Total in India	1.52	5.85	19.19
Loans Outside India	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

8. INVESTMENT	As at March 31,2020	As at March 31,2019	As at April 1, 2018
(A) Investment in quoted equity instruments(At fair value through OCI)			
Ajanta Pharma Limited	–	–	2.78
Nil (March 31, 2019 Nil, April 1, 2018 200) equity shares of Rs. 2 fully paid up			
Allahabad Bank	–	–	0.05
Nil (March 31, 2019 Nil, April 1, 2018 100) equity shares of Rs.10 fully paid up			
Avonmore Capital & Management Services Ltd.	0.00	0.00	0.00
10 (March 31, 2019 10, April 1, 2018 10) equity shares of Rs.10 fully paid up			
Andhra Bank	–	–	0.04
Nil (March 31, 2019 Nil, April 1, 2018 100) equity shares of Rs.10 fully paid up			
Axis Bank Limited	–	–	2.55
Nil (March 31, 2019 Nil, April 1, 2018 500) equity shares of Rs.2 fully paid up			
Bank of Baroda	0.02	–	0.14
40 (March 31, 2019 Nil, April 1, 2018 100) equity shares of Rs.2 fully paid up			
Bank of India	–	–	0.10
Nil (March 31, 2019 Nil, April 1, 2018 100) equity shares of Rs.10 fully paid up			
Canara Bank	–	2.34	2.11
Nil (March 31, 2019 800, April 1, 2018 800) equity shares of Rs.10 fully paid up			
Central Bank of India	–	–	0.07
Nil (March 31, 2019 Nil, April 1, 2018 100) equity shares of Rs.10 fully paid up			
Corporation Bank	–	–	0.03
Nil (March 31, 2019 Nil, April 1, 2018 100) equity shares of Rs.2 fully paid up			
Housing Development Finance Corporation Limited	9.13	11.02	10.22
560 (March 31, 2019 560, April 1, 2018 560) equity shares of Rs.2 fully paid up			
HDFC Bank Limited	20.68	17.37	14.15
2,399 (March 31, 2019 750, April 1, 2018 750) equity shares of Rs.2 fully paid up			
HDFC Standard Life Insurance	0.44	0.38	0.45
100 (March 31, 2019 100, April 1, 2018 100) equity shares of Rs.10 fully paid up			
Hindustan Zinc Limited	–	–	1.50
Nil (March 31, 2019 Nil, April 1, 2018 500) equity shares of Rs.2 fully paid up			
ICICI Bank	2.60	3.19	2.23
800 (March 31, 2019 800, April 1, 2018 800) equity shares of Rs.2 fully paid up			
Indian Bank	–	–	0.30
Nil (March 31, 2019 Nil, April 1, 2018 100) equity shares of Rs.10 fully paid up			
Indo Count Industries Limited	362.52	737.21	1292.03
1,520,020 (March 31, 2019 1,520,020, April 1, 2018 1,520,020)equity shares of Rs.2 fully paid up			
Jindal Saw Limited	–	0.35	0.42
Nil (March 31, 2019 400, April 1, 2018 400) equity shares of Rs.2 fully paid up			
Jindal Stainless Limited	–	0.32	0.68
Nil (March 31, 2019 800, April 1, 2018 800) equity shares of Rs.2 fully paid up			
Jindal Steel & Power Limited	0.25	0.54	0.66
300 (March 31, 2019 300, April 1, 2018 300) equity shares of Rs.1 fully paid up			
Karnataka Bank Limited	–	–	0.57
Nil (March 31, 2019 Nil, April 1, 2018 500) equity shares of Rs.10 fully paid up			
Kotak Mahindra Bank	–	6.68	10.27
Nil (March 31, 2019 500, April 1, 2018 980) equity shares of Rs.5 fully paid up			
KPR Mill Limited	–	18.93	22.14
Nil (March 31, 2019 3,300, April 1, 2018 3,500)equity shares of Rs.5 fully paid up			
Larsen & Tubro Limited*	5.45	9.34	8.85
675 (March 31, 2019 675, April 1, 2018 675) equity shares of Rs.2 fully paid up			
Maruti Suzuki India Limited	0.30	0.47	0.62
7 (March 31, 2019 7, April 1, 2018 7) equity shares of Rs.5 fully paid up			
Punjab National Bank	–	–	0.10
Nil (March 31, 2019 Nil, April 1, 2018 100) equity shares of Rs.2 fully paid up			
Reliance Industries Limited	9.34	2.73	1.77
840 (March 31, 2019 200, April 1, 2018 200) equity shares of Rs.10 fully paid up			
State Bank of India	0.59	0.96	0.75
300 (March 31, 2019 300, April 1, 2018 300) equity shares of Rs.1 fully paid up			



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

	As at March 31,2020	As at March 31,2019	As at April 1,2018
Syndicate Bank 100 (March 31, 2019 100, April 1, 2018 100) equity shares of Rs.10 fully paid up	0.02	0.04	0.06
Trident Limited Nil (March 31, 2019 1,800, April 1, 2018 1,800)equity shares of Rs.10 fully paid up	–	1.29	1.07
Union Bank Nil (March 31, 2019 Nil, April 1, 2018 100) equity shares of Rs.10 fully paid up	–	–	0.09
Vijaya Bank Nil (March 31, 2019 100, April 1, 2018 100) equity shares of Rs.10 fully paid up	-	0.05	0.05
Total value of investment in quoted equity instruments	411.34	813.21	1,376.85
(B) Investments in unquoted equity instruments (at fair value through OCI)			
Indocount Securities Limited 4,27,000 (March 31, 2019 4,27,000, April 1, 2018 4,27,000) equity shares of Rs.10 fully paid up	1,101.66	2,096.48	3,580.86
Hindustan Breweries & Bottling Limited 25,000 (March 31, 2019 25,000, April 1, 2018 25,000) equity shares of Rs.10 fully paid up	2.51	2.51	2.51
Shiva Services Limited 10,000 (March 31, 2019 10,000, April 1, 2018 10,000) equity shares of Rs.10 fully paid up	1.00	1.00	1.00
Less: Provision for diminution in value of investment	(3.51)	(3.51)	(3.51)
Total value of investments in unquoted equity instruments	1,101.66	2,096.48	3,580.86
(C) Investments in debentures & bonds (At fair value through OCI)			
Housing and Urban Development Corporation Limited 200 ((March 31, 2019 200, April 1, 2018 200) bonds of Rs. 1,000 each	2.22	2.17	2.28
Indian Railway Finance Corporation Limited 1,000 (March 31, 2019 1,000, April 1, 2018 1,000) bonds of Rs. 1,000 each	12.89	10.78	11.35
National Highway Authority of India 500 (March 31, 2019 500, April 1, 2018 500) bonds of Rs.1,000 each	5.39	5.46	5.57
National Highway Authority of India 1,000 (March 31, 2019 1,000, April 1, 2018 1,000) bonds of Rs.1,000 each	12.55	11.50	11.90
Total value of Investments in debentures & bonds	33.05	29.91	31.10
(D) Investments in Mutual Funds (At fair value through OCI)			
Birla Sunlife Balanced Advantage Fund	–	–	6.22
HDFC Mutual Fund	20.84	20.03	19.10
ICICI Prudential Balanced Fund	–	–	97.09
ICICI Prudential Mutual Fund	–	13.02	12.21
ICICI Prudential Credit & Risk Fund	39.14	39.45	--
IDFC Balanced Fund	–	–	10.77
Mirae Asset Short Term Fund-Growth	4.45	–	–
Mirae Asset Long Term	13.02	–	–
LIC Mututal Fund	1.29	1.26	1.17
SBI Dynamic Bond Fund-Growth	1.30	1.14	1.06
SBI Short-term Debt Fund -Growth	63.12	57.94	59.21
SBI Magnum Balance Fund	–	–	4.67
SBI Equity Hybrid Fund Growth	5.77	9.93	–
Total value of investments in mutual funds	148.93	142.77	211.50
Total Value of Investments (A)+(B)+(C)+(D)	1,694.98	3,082.37	5,200.31
9. Income tax assets (net)			
Income tax assets	2.89	1.62	1.10
	2.89	1.62	1.10



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

10. Tangible assets

Current Year

Gross block (at cost)					Accumulated Depreciation				Net block
Description	As at April 1, 2019	Additions during the year	Disposal/ Adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Disposal/ Adjustment	As at March 31, 2020	As at March 31, 2020
Furniture and fixtures	0.22	–	–	0.22	0.02	0.02	–	0.04	0.18
Office equipments	0.78	0.04	–	0.82	0.24	0.12	0.01	0.35	0.47
Vehicles	1.64	–	–	1.64	0.56	0.56	–	1.12	0.52
Total	2.64	0.04	–	2.68	0.82	0.70	0.01	1.51	1.17

Previous year

Gross block (at cost)					Accumulated Depreciation				Net block
Description	Deemed cost as at April 1, 2018	Additions during the year	Disposal/ Adjustment	As at March 31, 2019	As at April 1, 2018	For the year	Disposal/ Adjustment	As at March 31, 2019	As at March 31, 2019
Furniture and fixtures	0.28	–	0.06	0.22	--	0.02	–	0.02	0.20
Office equipments	0.57	0.21	–	0.78	--	0.28	0.04	0.24	0.54
Vehicles	1.64	–	–	1.64	--	0.56	–	0.56	1.08
Total	2.49	0.21	0.06	2.64	--	0.86	0.04	0.82	1.82

Footnotes:

(i) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition, for details refer note 38. (ii) The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2020 and March 31, 2019. (iii) Please refer note 31 for capital commitments. (iv) There are no impairment losses recognised during the year. (v) There are no exchange differences adjusted in Property, Plant & Equipment.

11. Intangible assets

Current Year

Gross block (at cost)					Accumulated Amortisation				Net block
Description	As at April 1, 2019	Additions During the year	Disposal/ Adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Disposal/ Adjustment	As at March 31, 2020	As at March 31, 2020
Computer software	0.03	–	–	0.03	0.03	–	–	0.03	–
Total	0.03	–	–	0.03	0.03	–	–	0.03	–

Previous year

Gross block (at cost)					Accumulated Depreciation				Net block
Description	Deemed cost as at April 1, 2018	Additions during the year	Disposal/ Adjustment	As at March 31, 2019	As at April 1, 2018	For the year	Disposal/ Adjustment	As at March 31, 2019	As at March 31, 2019
Computer software	0.03	–	–	0.03	–	0.03	–	0.03	–
Total	0.03	–	–	0.03	–	0.03	–	0.03	–

Footnotes:

(i) There are no internally generated intangible assets. (ii) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition, for details refer note 38. (iii) The Company has not carried out any revaluation of intangible assets for the year ended March 31, 2020 and March 31, 2019. (iv) There are no other restriction on title of intangible assets other than as already disclosed. (v) There are no exchange differences adjusted in intangible assets. (vi) The company does not have acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.


NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

12. Investment Property

	As at March 31,2020	As at March 31,2019	As at April 1,2018
A. Reconciliation of carrying amount			
Opening balance	16.14	16.14	16.14
Additions during the year	-	-	-
Total carrying amount	16.14	16.14	6.14
B. Measurement of fair value			
Investment property	12.50	13.75	13.75
	12.50	13.75	13.75

C. Estimation of fair values

The Company obtains independent valuations for each of its investment property by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility.

Valuation technique:

Under the market comparable method (or market comparable approach), a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. The unit of comparison applied by the Company is the price per square metre (sqm).

Fair value hierarchy:

The fair value measurement for the investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

The valuation techniques and the inputs used in the fair value measurement categorised within Level 2 of the fair value hierarchy is as follows:

Valuation technique

Market method

Observable inputs
Guideline rate (Per sq. m.)
Similar piece of land rate (Per sq.m.)

Investment property consists of land in Vrindavan. During the year the company has revalued the investment property at fair value.

13. Other non-financial assets

	As at March 31,2020	As at March 31, 2019	As at April 1,2018
Balance with government authorities	4.58	3.49	1.70
Prepaid expenses	0.13	0.12	0.15
	4.71	3.61	1.85



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

14. Trade payables

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade payables			
- to micro and small enterprises (refer note 32)	–	–	–
- to others	2.37	1.11	1.35
	2.37	1.11	1.35

15. Borrowings other than debt securities

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
In India			
Secured loans			
- Cash credit (refer footnote below)	–	–	0.91
Total borrowings in India	–	–	0.91

Outside India

Footnotes:

- (i) Cash credit represents overdrafts from Karnataka Bank Limited which are repayable on demand.
(ii) The overdraft facility is secured by fixed deposit with the same bank. (Refer Note 4)
(iii) The Company's exposure to liquidity risks and interest rate risks are disclosed in note 36

16. Provisions

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for employee benefits (refer note 33)			
Provision for gratuity	1.12	1.98	1.87
Other provisions			
'Contingent provision on standard assets	0.01	0.01	0.05
	1.13	1.99	1.92

17. Deferred tax liabilities (net)

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred tax Liabilities (refer note 39)	340.22	700.99	1221.49
	340.22	700.99	1221.49

18. Other non-financial liabilities

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory dues payable	0.09	0.19	0.22
	0.09	0.19	0.22



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

19. Equity Share Capital

	As at March 31,2020	As at March 31, 2019	As at April 1,2018
Equity shares			
Authorised			
1,00,00,000 (March 31, 2019: 1,00,00,000) equity shares of ₹ 10 each	1000.00	1000.00	1000.00
	1000.00	1000.00	1000.00
Issued, subscribed and fully paid-up			
45,70,000 (March 31, 2019: 45,70,000) equity shares of ₹ 10 each fully paid up	457.00	457.00	457.00
	457.00	457.00	457.00

a) Terms and rights attached to equity shares

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

During the year ended March 31, 2020, the company has recorded per share dividend of Rs. Nil (previous year Nil) to its equity holders.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any.

Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of number of shares outstanding at the beginning and end of the year :

	Year ended March 31, 2020		Year ended March 31, 2019	
	No. of shares	Amount	No. of Shares	Amount
At the beginning of year	45,70,000	457.00	45,70,000	457.00
Add: Share issued during the year	–	–	–	–
Outstanding at the end of the year	45,70,000	457.00	45,70,000	457.00

c) Details of shareholders holding more than 5% of the company

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% Holding	No. of Shares	% Holding
Shri. Anil Kumar Jain (HUF)	4,05,245	8.87	4,05,245	8.87
Mrs. Gayatri Devi Jain	3,24,870	7.11	3,24,870	7.11
Yarntex Export Limited	2,65,370	5.81	2,65,370	5.81
Rini Investment & Finance Private Limited	4,55,046	9.96	4,55,046	9.96
Skyrise Properties Private Limited	3,13,300	6.86	3,13,300	6.86
	17,63,831	38.61	17,63,831	38.61



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

- d) There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.
- e) No class of shares have been bought back by the Company during the period of five years immediately preceding the reporting date.

20. Other Equity

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a) General reserve			
Balance at beginning of the year	12.49	12.49	12.49
Additions during the year	-	-	-
Balance at end of the year	12.49	12.49	12.49
b) Special reserve			
Balance at beginning of the year	36.75	36.75	32.67
Additions during the year	0.01	-	4.08
Balance at end of the year	36.76	36.75	36.75
c) Share warrant option premium (refer footnote iii)			
Balance at beginning of the year	33.80	33.80	33.80
Additions during the year	-	-	-
Balance at end of the year	33.80	33.80	33.80
d) Retained earnings			
Balance at beginning of the year	30.90	40.63	24.33
Add: Profit/(loss) for the year	0.05	(9.73)	20.38
Less: Transfer to special reserve	(0.01)	-	(4.08)
Balance at end of the year	30.94	30.90	40.63
e) Other comprehensive income			
Balance at beginning of the year	2073.92	3576.89	--
Add: Other comprehensive income for the year	(1019.69)	(1502.97)	3576.89
Balance at end of the year	1,054.23	2,073.92	3,576.89
Total Other equity	1,168.22	2,187.86	3,700.56

Nature and purpose of other reserves:

i) General reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

ii) Special reserve

Special reserve is created at the rate of 20% of the profits for every year per the provisions of the RBI Act, 1934..

iii) Share warrant option premium

The Company allotted 20,00,000 Option Warrants to the Promoter Group in pursuance of the approval given by the shareholders in the Extra Ordinary General Meeting held on 12th December, 1994. Each option warrant holder was entitled to apply for one Equity Share at the premium of ₹ 6.90 per share within a period of 18 months from the date of allotment of warrants. A warrant option premium @ 1.69 per warrant was payable on allotment to be adjusted against the issue price of the equity shares. The Company received ₹ 33.80 lacs on allotment of 20,00,000 Option warrants,



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

being the warrant option premium which had reflected in Schedule 2 of Balance Sheet 1994-95 as Share Warrant Option Premium. The Promoter Group did not exercise to opt the same and hence the Board forfeited the option warrant premium of ₹ 33.80 lacs in their Board Meeting held on 26th November, 1996.

iv) Retained earnings

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, special reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

v) Other comprehensive income

The company recognises change on account of remeasurement of the net defined benefit liability as part of other comprehensive income with separate disclosure, which comprises of:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability; and
- any change in the effect of the asset ceiling excluding amounts included in net interest on the net defined benefit liability.

The Company has elected to recognise changes in the fair value of certain investments in equity securities and debt instrument in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised or sold. Any impairment loss on such instruments is reclassified to Profit or Loss.

	For the year ended March 31, 2020	For the year ended March 31, 2019
21. Interest income		
Interest income on		
- Loans	0.30	1.82
- Deposit	17.25	11.47
- Investment	2.24	2.25
	19.79	15.54
22. Dividend Income		
Dividend Income	10.45	7.60
	10.45	7.60
23. Fees and commission income		
Commission income	-	1.65
	-	1.65
24. Others [Net gain/(loss) on sale of investments]		
Gain on sale of investments	-	3.58
	-	3.58
25. Other Income		
Provisions written back	-	0.57
Interest received on income tax refund	0.02	0.05
	0.02	0.62
26. Finance costs		
Interest expense	0.01	0.01
	0.01	0.01
27. Employee benefits expenses		
Salaries, wages and bonus	12.10	13.15
Contribution to provident and other funds	0.03	0.34
Contribution to retirement benefits	0.59	0.57
Staff welfare expense	0.15	0.34
	12.87	14.40
28. Depreciation and amortisation expenses		
Depreciation on property, plant and equipment (refer note 10.)	0.70	0.86
Amortisation of intangible assets (refer note 11)	-	0.03
	0.70	0.89



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

	For the year ended March 31,2020	For the year ended March 31,2019
29. Other Expenses		
Advertisement and publicity	0.82	0.78
Loss on sale of fixed assets	–	0.02
Loss on sale of investments	2.63	–
Rates and taxes	1.33	1.13
Charity and donations	0.05	0.05
Director sitting fees	0.72	0.73
Legal and professional expenses (refer footnote)	4.67	2.61
Share transfer expenses	0.48	0.88
Listing fees	3.00	2.50
Insurance	0.15	0.17
Travelling and conveyance	0.55	0.70
Printing and stationery	1.49	2.24
Repair and maintenance on		
- Vehicles	0.50	0.60
- Others	0.09	0.27
Training expenses	0.12	–
Telephone expenses	0.38	0.38
Postage expenses	0.96	2.83
Miscellaneous Expenses	0.42	0.52
	18.36	16.41
Footnote:		
Payment of remuneration to auditors (excluding GST)		
Statutory audit	0.65	0.65
Other matters	–	0.12
	0.65	0.77
30. Earnings per share		
Basic and diluted earnings per share (refer footnote)	0.00	(0.21)
Nominal value per share (in ₹.)	10.00	10.00
Footnotes:		
(a) Profit attributable to equity shareholders		
Profit for the year	0.05	(9.73)
Profit attributable to equity holders of the company for Basic and Diluted EPS	0.05	(9.73)
(b) Weighted average number of shares used as the denominator		
Opening balance of issued equity shares	45.70	45.70
Effect of shares issued during the year, if any	–	–
Weighted average number of equity shares for Basic and Diluted EPS	45.70	45.70
(c) At present, the Company does not have any dilutive potential equity share		



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

31. Contingent liabilities and commitments

There are no contingent liabilities and commitments as at March 31, 2020 (March 31, 2019 ₹. Nil, April 1, 2018: Nil).

32. Disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

	As at March 31,2020 Amount in ₹	As at March 31,2019 Amount in ₹	As at April 1,2018 Amount in ₹
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:			
Principal amount due to micro and small enterprises	—	—	—
Interest due on above	—	—	—
	—	—	—
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—	—
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	—	—	—
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	—	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—	—
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	—	—	—

33. Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and EDLI, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

	Year ended March 31, 2020	Year ended March 31,2019
Contribution to provident fund	0.03	0.34

(ii) Defined benefit plan:

Gratuity

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The gratuity liability is entirely unfunded.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	As at March 31,2020	As at March 31,2019	As at April 1, 2018
Net defined benefit (asset)/liability			
Gratuity (unfunded)	1.12	1.99	1.87
Total employee benefit liabilities	1.12	1.99	1.87
Non-current	1.12	1.98	1.39
Current	-	-	0.48

B. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/liability and its components:

	Year ended March 31, 2020			Year ended March 31, 2019		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	5.67	3.69	1.98	5.28	3.41	1.87
Included in profit or loss						
Current service cost	0.46	-	0.46	0.43	-	0.43
Interest cost (income)	0.33	0.28	0.06	0.37	0.25	0.12
Past service cost	-	-	-	-	-	-
	0.79	0.28	0.52	0.80	0.25	0.55
Included in OCI						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
– financial assumptions	0.02	-	0.02	(0.03)	-	(0.03)
– demographic assumptions	-	-	-	-	-	-
– experience adjustments	(1.68)	-	(1.68)	0.13	-	0.13
Return on plan assets	-	(0.28)	0.28	-	0.03	(0.03)
	(1.66)	(0.28)	(1.38)	0.10	0.03	0.08
Other						
Contributions paid by the employer						
Acquisition adjustment	-	-	-	-	-	-
Fund management charges	-	-	-	-	-	-
Benefits paid	-	-	-	(0.51)	-	(0.51)
	-	-	-	(0.51)	-	(0.51)
Balance at the end of the year	4.81	3.69	1.12	5.67	3.69	1.99



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

Expenses recognised in the Statement of profit and loss

	Year ended March 31,2020	Year ended March 31,2019
Service cost	0.00	0.00
Net interest cost	0.00	0.00
	0.00	0.00

C. Plan assets

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies.

	As at March 31,2020	As at March 31,2019
Funds Managed by Insurer (investment with insurer)	3.69	3.69

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk. The Company's policy and objective for plan assets management is to maximise return on plan assets to meet future benefit payment requirements while at the same time accepting a low level of risk.

D. Actuarial assumptions

a) Economic assumption

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

	As at April 1,2019	As at March 31,2019	As at March 31,2020
Discount rate	7.30%	7.51%	6.61%
Expected rate of future salary increase	7.50%	7.50%	7.50%
Expected rate of return on assets	7.30%	7.51%	6.61%

b) Demographic assumptions

	As at 01.04.2018	As at 31.03.2019	As at 31.03.2020
i) Retirement age (years)	60	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006-08)	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Withdrawal rate	11%	11%	11%

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Sensitivity due to mortality is not material and hence impact of change not calculated. Sensitivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.


NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(0.03)	0.03	(0.13)	0.14
Expected rate of future salary increase (0.5% movement)	0.03	(0.02)	0.15	(0.14)
Withdrawal rate (0.5% movement)	0.01	(0.01)	0.00	(0.00)

Description of risk exposures:
F. Expected maturity analysis of the defined benefit plans in future years

	As at 31.03.2020	As at 3.03.2019
Duration of defined benefit obligation		
Less than 1 year	3.13	3.02
Between 1-2 years	0.22	0.31
Between 2-5 years	0.56	0.84
Over 5 years	1.05	1.82
Total	4.96	5.99

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 is ₹ 2.52 lacs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9.1 years (March 31, 2019: 9.15 years).

34. Related party disclosures

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

(a) List of related parties

Relationship	Name of related party
Enterprises in which key management personnel and their relatives are able to exercise control or significant influence	Indo Count Industries Limited Indocount Securities Limited Slab Properties Private Limited
Key Management Personnel	Shri Dass Maheshwari (Whole-time Director and Chief Financial Officer)



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

(b) Details of related party transactions are as below:

Particulars	Year ended March 31,2020	Year ended March 31,2019
Employee Benefit expenses		
Remuneration to key management personnel		
-Mr. Shri Dass Maheshwari	7.15	7.07
Income		
Expenses recovered on behalf of:		
-Indocount Securities Limited	0.40	0.12
Investments made		
Indocount Securities Limited	42.70	42.70
Indo Count Industries Limited	52.57	52.57
Deposits for confirmation of directors		
Indocount Securities Limited		
-Received during the year	-	0.75
-Returned during the year	-	0.75

Terms and conditions of transactions with the related parties

I The terms and conditions of the transactions with key management personnel were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

ii) All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

35 Operating segments

A Basis of segmentation

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure. The chief operating decision maker identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The 'Board of Directors' have been identified as the Chief Operating Decision Maker (CODM), since they are responsible for all major decision with respect to the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The Board of Directors examines the Company's performance both from a product and geographic perspective and have identified the following reportable segments of its business:



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

The following summary describes the operations in each of the Company's reportable segments:

Reportable segments	Operations
Finance activities*	It includes interest income on loan given.
Income from investment activities	It comprises dividend received, interest on fixed deposits and profit on sale of investments.

* The Board of Directors in their meeting held on 13/05/2019 passed a resolution to not to carry on lending business in future. The existing loans & income therefrom are Classified under 'Finance Activities'.

B. Information about reportable segments

Segment assets, segment liabilities and Segment profit and loss are measured in the same way as in the financial statements.

Information regarding the results of each reportable segment is included below. Performance is measured based on

For the year ended March 31, 2020	Reportable segment			
	Finance activities	Investment activities	Unallocable	Total
- Segment revenue	0.29	29.95	-	30.24
- Inter segment revenue	-	-	-	-
Revenue from external customers	0.29	29.95	-	30.24
Segment profit before tax	0.29	27.32	(29.29)	(1.68)
Segment assets	1.52	1947.86	19.65	1969.03
Segment liabilities	-	340.22	3.59	343.81

For the year ended March 31, 2019	Reportable segment			
	Finance activities	Investment activities	Unallocable	Total
- Segment revenue	12.16	16.21	-	28.37
- Inter segment revenue	-	-	-	-
- Revenue from external customers	12.16	16.21	-	28.37
Segment profit before tax	12.16	16.21	(31.09)	(2.72)
Segment assets	73.51	3265.49	10.16	3349.16
Segment liabilities	-	700.99	3.31	704.30



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

C. Reconciliations of information on reportable segments

i) Revenues

	For the year ended March 31,2020	For the year ended March 31,2019
Total revenue for reportable segments		
Finance activities	0.29	12.16
Investment activities	29.95	16.21
Unallocable	-	-
Inter-segment eliminations	-	-
Total revenue	30.24	28.37

ii) Total comprehensive income

	For the year ended March 31,2020	For the year ended March 31,2019
Total profit before tax for reportable segments	(1.68)	(2.72)
Elimination of inter-segment profits	-	-
Profit before tax	(1.68)	(2.72)
Tax expense	(1.73)	7.01
Profit after tax	0.05	(9.73)

Other comprehensive income

	For the year ended March 31,2020	For the year ended March 31,2019
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	1.38	0.06
Changes in fair value of financial instruments	(1379.34)	(2,031.10)
Tax on remeasurement of defined benefit plans	(0.36)	(0.02)
Tax on changes in fair value of financial instruments	358.63	528.09
Other comprehensive income for the year	(1019.69)	(1502.97)
Total comprehensive income for the year	(1019.69)	(1502.97)

iii). Assets

	For the year ended March 31, 2020	For the year ended March 31,2019
Total assets for reportable segments		
Finance activities	1.52	73.51
Investment activities	1947.86	3265.49
Unallocable	19.65	10.16
Inter-segment eliminations	-	(0.02)
Total assets	1969.03	3349.14

iv).Liabilities

	For the year ended March 31,2020	For the year ended March 31,2019
Finance activities	-	-
Investment activities	340.22	700.99
Unallocable	3.59	3.31
Intersegment eliminations	-	(0.02)
Total liabilities	343.81	704.28

v). There are no other material items to be reported

D. Geographic information

The Company operates from one geographical segment i.e. in India and accordingly there are no reportable geographical segments.

E. Major customers

There are no major customers which contribute more than 10% of the Group's total revenues in the current financial year.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

36. Fair value measurement and financial instruments

a). Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

I) As at April 1, 2018

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Investments	-	5200.31	-	5200.31	1619.45	3580.86	-
Loans	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Trade receivables	6.62	-	-	6.62	-	6.62	-
Cash and cash equivalents	-	-	1.05	1.05	-	-	-
Balances other than cash and cash equivalents	-	-	134.67	134.67	-	-	-
Loans	19.19	-	-	19.19	-	19.19	-
Other financial assets	-	-	-	-	-	-	-
Total	25.81	5200.31	135.72	5361.84			
Financial liabilities							
Borrowings	0.91	-	-	0.91	-	0.91	-
Other financial liabilities	-	-	-	-	-	-	-
Trade payables	-	-	1.35	1.35	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
Total	0.91	-	1.35	2.26			

ii) As at March 31, 2019

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Investments	-	3082.37	-	3082.37	985.89	2096.48	-
Loans	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Trade receivables	10.82	-	-	10.82	-	10.82	-
Cash and cash equivalent	-	-	3.07	3.07	-	-	-
Balances other than cash and cash equivalents	-	-	223.84	223.84	-	-	-
Loans	5.85	-	-	5.85	-	5.85	-
Other financial assets	-	-	-	-	-	-	-
Total	16.67	3082.37	226.91	3325.95			
Financial liabilities							
Borrowings	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
Trade payables	-	-	1.11	1.11	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
Total	-	-	1.11	1.11			



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

iii) As at March 31, 2019

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Investments	-	1694.98	-	1694.98	593.32	1101.66	-
Loans	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Trade receivables	4.74	-	-	4.74	-	4.74	-
Cash and cash equivalents	-	-	20.23	20.23	-	-	-
Balances other than cash and cash equivalents	-	-	222.55	222.55	-	-	-
Loans	1.52	-	-	1.52	-	1.52	-
Other financial assets	-	-	0.10	0.10	-	-	-
Total	6.27	1694.98	242.88	1944.12			
Financial liabilities							
Borrowings	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
Trade payables	-	-	2.37	2.37	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
Total	-	-	2.37	2.37			

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

Valuation processes

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

b) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has policies covering specific areas, such as interest rate risk, foreign currency risk, other price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

b) Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet:

Particulars	As at	As at	As at
	March 31, 2020	March 31,2019	April 1,2018
Trade receivables	4.74	10.82	6.62
Cash and cash equivalents	20.23	3.07	1.05
Bank balances other than cash and cash equivalent	222.55	223.84	134.67
Investments	1694.98	3082.37	5200.31
Loans	1.52	5.85	19.19
Other financial assets	0.10	-	-

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company's credit risk is primarily to the amount due from customer and investments. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business. On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counter party fails to make payments for receivable more than 180 days past due. However, the Company based upon historical experience determines an impairment allowance for loss on receivables.

The Company's exposure to credit risk for trade receivables are as follows:

Particulars	Gross carrying amount		
	As at March 31,2020	As at March 31,2019	As at April 1,2018
0-90 days past due	4.74	10.82	6.62
91 to 180 days past due	-	-	-
More than 180 days past due #	-	-	-
Total	4.74	10.82	6.62



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. Further, the Company does not anticipate any material credit risk of any of its other receivables.

The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

There was no movement in the allowance for impairment in respect of trade receivables.

b). Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of ₹ 242.78 lacs as at March 31, 2020 (March 31, 2019: ₹ 226.91 lacs, April 1, 2018: ₹ 135.72 lacs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at March 31, 2020	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Borrowings	-	-	-	-
Trade payables	2.37	2.37	-	2.37
Total	2.37	2.37	-	2.37

As at March 31, 2019	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Borrowings	-	-	-	-
Trade payables	1.11	1.11	-	1.11
Total	1.11	1.11	-	1.11



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

As at April 1, 2018	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Borrowings	0.91	0.91	-	0.91
Trade payables	1.35	1.35	-	1.35
Total	2.26	2.26	-	2.26

The above amounts reflects the contractual undiscounted cash flows which may differ from the carrying value of the liabilities at the reporting date.

38. First-time Adoption of Ind AS

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended March 31, 2020. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for the company's Ind AS Opening Balance Sheet is April 1, 2018 (the date of transition to Ind AS).

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2018 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2020, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2018 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2018, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A) Exemption and exceptions availed

In the Ind AS Opening Balance Sheet as at April 1, 2018, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2018 are generally recognized and measured according to Ind AS in effect as on March 31, 2020. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The company has used the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after taking necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

A.1.2 Leases

Under previous GAAP, leasehold land was capitalized at an amount equal to the up-front payments made at the time lease. However, under Ind AS 116, such leases are capitalised at the present value of the total minimum lease payments to be paid over the lease term. Accordingly, future lease rentals have now been recognised as 'finance lease obligation' at their present values.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS's at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

As at April 1, 2018	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Borrowings	0.91	0.91	-	0.91
Trade payables	1.35	1.35	-	1.35
Total	2.26	2.26	-	2.26

The above amounts reflects the contractual undiscounted cash flows which may differ from the carrying value of the liabilities at the reporting date.

b). Financial risk management (continued)

iii). Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to one type of market risk, interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. During the year ended March 31, 2019 & March 31, 2020 the Company does not have any variable rate borrowings hence no exposure of interest rate risk.

37. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Borrowings	-	-	0.91
Less: Cash and cash equivalents	(20.23)	(3.07)	(1.05)
Adjusted net debt (A)	(20.23)	(3.07)	(0.14)
Total equity (B)	1625.22	2644.86	4157.56
Adjusted net debt to adjusted equity ratio (A/B)-	1.24%	(0.12%)	0.00%

A2.2 Classification and measurement of financial assets

Ind AS 101 requires the company to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted on amortised cost basis on fact and circumstances existing as at the date of transition, if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Measurement of financial assets has been done retrospectively except where the same is impracticable.

A2.3 Derecognition of financial assets and liabilities

As per Ind AS 101 an entity should apply derecognition requirements in Ind AS 109 prospectively for transaction occurring on or after the date of transition to Ind AS.

B) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Particulars	Note	April 1, 2018			March 31, 2019		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
Assets							
Financial assets							
Cash and cash equivalents		1.05	-	1.05	3.07	-	3.07
Other bank balances		134.67	-	134.67	223.84	-	223.84
Receivables							
Trade receivables	c	6.62	-	6.62	10.82	-	10.82
Loans		19.19	-	19.19	5.85	-	5.85
Investments	a	401.93	4798.38	5200.31	315.09	2767.28	3082.37
Total financial assets		563.46	4798.38	5361.84	558.67	2767.28	3325.95
Non-financial assets							
Income tax assets (net)		1.10	0.00	1.10	1.62	(0.00)	1.62
Property, plant and equipment	e	2.49	-	2.49	1.82	-	1.82
Intangible assets	e	0.04	(0.01)	0.03	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

Particulars	Note	April 1, 2018			March 31, 2019		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
Investment property		16.15	(0.01)	16.14	16.14	-	16.14
Other non-financial assets		1.85	-	1.85	3.61	-	3.61
Total non-financial assets		21.63	(0.02)	21.61	23.19	(0.00)	23.19
Total Assets		585.09	4798.36	5383.45	581.86	2767.28	3349.14

Particulars	Note	April 1, 2018			March 31, 2019		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
Liabilities & Equity							
Liabilities							
Financial liabilities							
Payables							
Trade payables		1.35	-	1.35	1.11	-	1.11
Borrowings other than debt securities		0.91	-	0.91	-	-	-
Total financial liabilities		2.26	-	2.26	1.11	-	1.11
Non-financial liabilities							
Provisions		1.92	-	1.92	1.99	-	1.99
Deferred tax liabilities (net)	d	-	1,221.49	1,221.49	-	700.99	700.99
Other non-financial liabilities		0.22	-	0.22	0.20	(0.01)	0.19
Total non-financial liabilities		2.14	1,221.49	1,223.63	2.19	700.98	703.17
Equity							
Equity share capital		457.00	-	457.00	457.00	-	457.00
Other equity	f & g	123.68	3,576.88	3,700.56	121.57	2,066.29	2,187.86
Total equity		580.68	3,576.88	4,157.56	578.57	2,066.29	2,644.86
Total Liabilities and Equity		585.08	4,798.37	5,383.45	581.87	2,767.27	3,349.14



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

C) Reconciliation of total profit and loss for the year ended March 31, 2019

Particulars	Note	Previous GAAP*	Adjustments	Ind Ass
Income				
Revenue from operations		28.37	-	28.37
Other income		0.62	-	0.62
Total Income		28.99	-	28.99
Expenses				
Finance costs		0.01	-	0.01
Employee benefits expenses	b	14.34	0.06	14.40
Depreciation and amortisation		0.89	-	0.89
Other expenses		16.42	0.01	16.41
Total Expenses		31.66	0.07	31.71
Profit before exceptional items and tax		(2.67)	(0.07)	(2.72)
Exceptional items		0.06	(0.06)	-
Profit before tax		(2.73)	0.01	(2.72)
Current tax				
Current year	d	(0.56)	(0.00)	(0.56)
Deferred tax	d	7.57	(0.00)	7.57
Total tax expense		7.01	(0.01)	7.00
Profit for the year		(9.74)	0.02	(9.72)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans	b	-	0.06	0.06
Changes in fair value of financial instruments	a	-	(2,031.10)	(2,031.10)
Income tax relating to above	d	-	-	528.07
Total other comprehensive income for the year		-	(2,031.04)	(1,502.97)
Total comprehensive income for the year	g	(9.74)	(2,031.03)	(1,512.70)

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

D) Reconciliation of total equity as at March 31, 2019 and April 1, 2018

Particulars	Note	March 31, 2019	April 1, 2018
Total equity (shareholder's funds) as per previous GAAP		578.57	580.68
Adjustments:			
Opening Ind AS adjustments		3,576.89	-
Changes in fair value of financial instruments	a	(2,031.10)	4,798.38
Tax impact of above adjustments	d	520.50	(1,221.49)
Total adjustments		2,066.29	3,576.89
Total equity as per Ind AS		2,644.86	4,157.57



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

E) Reconciliation of total comprehensive income for the year ended March 31, 2019

Particulars	Note	March 31, 2019
Profit after tax as per previous GAAP		(9.74)
Adjustments:		
Actuarial loss on defined benefit plans (net of tax)	b	(0.06)
Prior period items	l	0.06
Total adjustments		(0.00)
Profit after tax as per Ind AS		(9.74)
Other comprehensive income (net of tax):		
Changes in fair value of financial instruments		(1,503.02)
Actuarial loss on defined benefit plans (net of tax)	b	0.04
Total comprehensive income as per Ind AS		(1,512.72)

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2019

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	h	1.04	-	1.04
Net cash flow from investing activities	h	(0.21)	-	(0.21)
Net cash flow from financing activities	h	(0.92)	-	(0.92)
Net increase/(decrease) in cash and cash equivalents		(0.09)	-	(0.09)
Cash and cash equivalents as at April 1, 2018		3.16	-	3.16
Cash and cash equivalents as at March 31, 2019		3.07	-	3.07

Notes to first-time adoption:

(a) Changes in fair value of financial instruments

Under Indian GAAP, Investment in equity shares of other than subsidiary are recorded at cost. However, under Ind AS 32, investment in equity shares which meet the definition of financial assets are classified as financial assets at fair value through other comprehensive income. Therefore, such financial assets have been fair valued as on April 1, 2018, being the transition date. The profit/(loss) on transition date due to fair valuation has been adjusted against the retained earnings. In the subsequent years, the fair value of investments have been increased/decreased by recognition of corresponding financial income/expenses in the other comprehensive income.

(b) Re-measurement of employee benefits :

Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. However, Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in Other Comprehensive Income.

C) Trade receivables :

Under the previous GAAP, provision for doubtful debts are recognised when loss event indicators are visible. However, as per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Expected credit losses are defined as the difference between the contractual cash folwo due to the Company and cash flow that the Company expect to receive. As a result, the allowances for doubtful debts are recognised in the books of account with a corresponding decrease in retained earnings/trade receivables.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

d) Deferred taxes

The above changes increased (decreased) the deferred tax asset as follows based on a tax rate of 25.75% and 26.00% in financial year 2017-18 & 2018-19 respectively:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

The above changes (decreased) the deferred tax asset as follows:

Particulars	Note	April 1, 2018	March 31, 2019
Impact of change in temporary differences between carrying amount and tax base of assets	b & e	21.89	17.58
Impact of change in temporary differences between carrying amount and tax base of liability	a	(1,243.37)	(718.58)
Total		(1,221.48)	(701.00)

(e) Property, plant and equipment and Intangible Assets

Under Previous GAAP cost of property, plant and equipment is recorded at historical cost, however under Ind AS, the Company has opted for deemed cost exemption at date of transition. Hence at the date of transition to Ind AS, property, plant and equipment has been measured at the carrying value as per previous GAAP.

(f) Other equity:

Retained earnings as at April 1, 2018 has been adjusted consequent to the above Ind AS transition adjustments.

(g) Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans (net of tax) and changes in fair value of investments. Hence, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(h) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

(i) Prior period income/expense

Under Indian GAAP, any income or expense pertaining to any period which has not been recognised in profit and loss account for that year was allowed to be recognised as prior period error in next year. Under Ind AS prior period errors are not allowed to be recognised. Hence in compliance with the requirement of Ind AS, the figures of year ending as on March 31, 2019 has been re-stated by reversing the prior period income/expense for that year and recognising the same in the year, in which it was incurred by corresponding increase/decrease in opening reserves.

39 Income taxes

A. Amounts recognised in profit or loss

Current tax expense

	Year ended March 31, 2020	Year ended March 31, 2019
Current year	-	-
Adjustment for prior years	0.77	(0.56)
	0.77	(0.56)

Deferred tax expense

Change in recognised temporary differences	(2.50)	7.57
	(2.50)	7.57

Total Tax Expense

	(1.73)	7.01
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

B. Amounts recognised in Other Comprehensive Income

	March 31, 2020			March 31, 2019		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	1.38	(0.36)	1.02	0.06	(0.02)	0.04
Changes in fair value of financial instruments	(1379.34)	358.63	(1020.71)	(2031.10)	528.09	(1503.01)
	(1377.96)	358.27	(1019.69)	(2031.04)	528.07	(1502.97)

C. Reconciliation of effective tax rate

	March 31, 2020		March 31, 2019	
	Rate	Amount	Rate	Amount
Profit before tax	26.00%	(1.68)	26.00%	(2.72)
Tax using the Company's domestic tax rate (A)	(0.44)		(0.71)	
Tax effect of:				
Prior year errors/adjustment			1.29	(7.71)

D. Movement in deferred tax balances

	As at March 31, 2019	Recognised in P&L	Recognised in OCI	As at March 31, 2020
Deferred Tax Assets				
Employee benefits	0.51	(358.49)	358.27	0.29
Property, plant and equipment	0.38	0.05	-	0.43
Other provisions	16.69	1.00	-	17.69
Sub- Total (a)	17.58	(357.44)	358.27	18.41
Deferred Tax Liabilities				
Investments	(718.58)	359.95	-	(358.63)
Sub- Total (b)	(718.58)	359.95	-	(358.63)
Net Deferred Tax Liability (b)-(a)	(701.00)	2.51	358.27	(340.22)

	As at April 1, 2018	Recognised in P&L	Recognised in OCI	As at March 31, 2019
Deferred Tax Assets				
Employee benefits	0.49	(528.05)	528.07	0.51
Property, plant and equipment and intangibles	0.33	0.05	-	0.38
Other provisions	21.07	(4.38)	-	16.69
Sub- Total (a)	21.89	(532.38)	528.07	17.58
Deferred Tax Liabilities				
Investments	(1,243.37)	524.79	-	(718.58)
Sub- Total (b)	(1243.37)	524.79	-	(718.58)
Net Deferred Tax Liability (b)-(a)	(1221.48)	(7.59)	528.07	(701.00)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

- 40 There are no borrowing costs that have been capitalised during the year ended March 31, 2020 and March 31, 2019.
- 41 There have been no events after the reporting date that require adjustment/disclosure in these financial statements.
- 42 These financial statements were authorised for issue by Board of Directors on June 29, 2020.
- 43 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

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

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

Krishna Kumar
Partner
Membership No. 523411
New Delhi, June 29,2020

Anil Kumar Jain
Chairman
DIN No. 00086106

Kailash Rawat
Company Secretary
Membership No. : 51199
New Delhi, June 29,2020

Shri Dass Maheshwari
Whole Time Director-Finance &
Chief Financial Officer
DIN No. : 00181615



NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

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)

Particulars

Liabilities side

(1) Loans and advances availed by non-banking financial company inclusive of interest accrued thereon but not paid:

	<u>Amount Outstanding</u>	<u>Amount Overdue</u>
(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	-	-

(Bank Overdraft limit from Karnataka Bank Limited secured by Fixed Deposit with the same Bank)

Assets side

(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below:

	<u>Amount Outstanding</u>
(a) Secured	0
(b) Unsecured	1.52

(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)		-


NOTES TO THE FINANCIAL STATEMENTS

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

(2) Unquoted:

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

Total
Long Term Investments:
(1) Quoted:

(i) Shares : (a) Equity	411.34
(b) Preference	-
(ii) Debentures and Bonds	33.05
(iii) Units of mutual funds	148.93
(iv) Government Securities	-

(2) Unquoted:

(i) Shares : (a) Equity	1101.66
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
Investment in Immovable Property	16.14

Total
1711.12
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	-	-	-
Total	-	-	-

(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	1464.18	95.27
(c) Other related parties	-	-
(2) Other than related parties	230.80	216.86
Total	1694.98	312.13

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended on March 31, 2020

(All amount are in Lacs unless otherwise stated)

(7) Other information

<u>Particulars</u>	<u>Amount</u>
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-



MARGO FINANCE LIMITED

CIN: L65910MH1991PLC080534

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

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

Email Id: investors@margofinance.com

Website: www.margofinance.com



MARGO FINANCE LIMITED

CIN: L65910MH1991PLC080534

Registered Office: Office No. 3, Plot No. 206, Village Alte, Kumbhoj Road,
Taluka: Hatkanangale, Dist. Kolhapur - 416109 Maharashtra

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

Tel. No.: 011-41539444, 011-25767330

Website: www.margofinance.com | **Email Id:** info@margofinance.com

NOTICE

29th ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth (29th) Annual General Meeting ("AGM") of the Members of **Margo Finance Limited** ("Company") will be held on **Tuesday, September 29, 2020** at 12.30 p.m. (IST), through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, including the Audited Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors, thereon.
2. To appoint a Director in place of Mr. Sushilkumar Agrawal (DIN: 00400892), who retires by rotation and, being eligible, offer himself for re-appointment.

SPECIAL BUSINESS

3. **Appointment of Mr. Ambarish Ratilal Sodha a Non-Executive Independent Director of the Company**

To consider and if thought fit, to pass, the following resolution as a **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ambarish Ratilal Sodha (DIN: 00489489), who was appointed as an Additional Director of the Company w.e.f. 11th September, 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of a Director and who meets the criteria for independence as specified in Section 149 (6) of the Act and Regulation 16 (1) (b) of Listing Regulations and has submitted a declaration to that effect and eligible for the appointment, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a first term of five consecutive years w.e.f. 11th September, 2019 to 10th September, 2024."

**By Order of the Board of Directors
For Margo Finance Limited**

Kailash Rawat

Company Secretary

Membership No.: A51199

Place : New Delhi
Date : 27th August, 2020

Notes:

1. In view of the continuing Novel Coronavirus (COVID-19) pandemic, social distancing is a norm to be followed and Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/ 2020 dated 5th May, 2020, read with General Circular No. 14/ 2020 dated 8th April, 2020 and General Circular No. 17/ 2020 dated 13th April, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/ OAVM, without the physical presence of the members at a common venue.

Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 (“Act”) read with the aforesaid MCA circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the 29th AGM is being held VC/ OAVM and the members can attend and participate in the ensuing AGM through VC/ OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/ OAVM, physical attendance of Members has been dispensed with as per the said MCA Circulars read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (“said SEBI Circular”) issued by the Securities and Exchange Board of India (“SEBI”), **accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
3. In terms of the provisions of Section 112 and 113 of the Act read with the aforesaid circulars Institutional/ Corporate Shareholders (i.e. other than individuals, HUF and NRI etc.) are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately in this notice). Such Corporate Members are requested to refer 'General Guidelines for Shareholders' provided in this notice on page 6 for more information.
4. The attendance of the Members at the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Members seeking any information with regard to the accounts or resolutions placed at the AGM are requested to send an email to the Company on info@margofinance.com by 25th September, 2020. The same will be replied by the Company suitably.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 22, 2020 to Tuesday, September 29, 2020 (both days inclusive) in connection with the Annual General Meeting.
7. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, brief profile and other details of Mr. Sushilkumar Agrawal, Director retiring by rotation are provided in the “**Annexure -1**” to this Notice.
8. In accordance with the provisions of Section 139 of the Act, at the Annual General Meeting (“AGM”) held on 21st August, 2017, M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No. 011573C) were appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 26th AGM till the conclusion of 31st AGM, subject to the ratification by members at every AGM. The requirement to place the matter relating to the appointment of Auditors for ratification by Members at every Annual General Meeting was omitted vide notification dated 7th May, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors in this Notice of AGM of the Company
9. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit Form SH -13 to the Registrar and Transfer Agent of the Company. Members holding shares in demat form may contact their respective Depository Participant (“DP”) for recording of nomination.

10. In case of joint holders attending the Meeting. Only such joint holder who is higher in the order of names will be entitled to vote.
 11. Members are requested to follow below procedure for Registration/updating Email ID, Bank details, Mobile Number & other details
 1. Shareholders holding Shares in Physical Mode: Such Shareholders are requested to register their e-mail ID with the Company, by sending signed scan copy of request letter mentioning Folio No., Name of shareholder, along with PAN, Aadhar Card/any other address proof(self-attested scan copy of PAN card & Aadhar Card / any other address proof) by email to info@margofinance.com.
 2. Shareholders holding Shares in Dematerialized Mode are requested to contact their Depository Participant(s) for any changes in their details with respect to change in their email, bank details, mobile number, PAN and any other detail. For temporary registration, the procedure in point 1 above can be followed.
 12. Members, whether holding shares in electronic/physical mode, are requested to quote their DP ID & Client ID or Folio No. for all correspondence with the Company / RTA
 13. NRI Members are requested to:
 - a) Change their residential status on return to India permanently.
 - b) Furnish particulars of bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code No., if not furnished earlier.
 14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form at earliest.
 15. Members holding shares under different Folio Nos. in the same names are requested to apply for consolidation of folios and send relevant original share certificates to the Company's RTA for doing the needful.
 16. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to their respective DP. Members holding shares in physical form are requested to submit their PAN details to the Company / RTA.
 17. In compliance with MCA General Circular 20/2020 dated May 5, 2020 and SEBI Circular dated May 12, 2020, Notice of the 29th AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of AGM and Annual Report for FY 2019-20 will also be available on the Company's website www.margofinance.com and websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of NSDL <https://www.evoting.nsdl.com>.
- Members of the Company holding shares either in physical form or in Dematerialised forms as on i.e. Monday, August 30, 2020 will be sent Annual Report for the Financial year 2019-20 through electronic mode.
18. Members who wish to inspect statutory registers required to be made available/kept open for inspection at AGM and Relevant documents referred to in this Notice of AGM can send an email to info@margofinance.com.
 19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The deemed venue for the AGM will be the Registered Office of the Company.

INSTRUCTIONS FOR REMOTE E-VOTING:

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2015 as amended from time to time, and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing 'remote e-voting' facility through National Securities Depository Limited (NSDL) to all its Members to enable them to cast their votes electronically, on all resolutions mentioned in the notice of the 29th Annual General Meeting ("AGM") of the Company

General Instructions:

- a) The remote e-voting period begins on **Saturday, September 26, 2020 at 9.00 a.m.** (IST) and ends on, **Monday, September 28, 2020 at 5.00 p.m. (IST)**. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Tuesday, September 22, 2020** may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m. (IST) on **Monday, September 28, 2020**.
- b) Mr. Nakul Pratap Singh, Proprietor of M/s. NPS & Associates, Practicing Company Secretaries (Membership No.: ACS 55529; CP No: 22069), has been appointed as a Scrutiniser to scrutinise the remote e-voting process and e-voting at AGM in a fair and transparent manner.
- c) In accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed September 22, 2020 as the "cut-off date" to determine the eligibility to vote by remote e-voting or e-voting at the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. September 22, 2020, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. Only those members, who will be present at the AGM through VC/ OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
- d) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/ OAVM but shall not be entitled to cast their vote again
- e) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- f) The voting rights of Members shall be in proportion to their shares in the paid-up equity shares capital of the Company as on the cut-off date.
- g) The Scrutiniser shall submit his consolidated report to the Chairman within 48 hours from the conclusion of the AGM.
- h) The result declared along with the Scrutiniser's Report shall be placed on the website of the Company at www.margofinance.com and on the website of NSDL at <https://www.evoting.nsd.com> and shall simultaneously be communicated to the BSE Limited at www.bseindia.com. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Tuesday, September 29, 2020.

PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE THROUGH REMOTE E-VOTING:

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

Step 1 : Log-in to NSDL e-Voting system at below link <https://www.evoting.nsdl.com/>

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is
b) For Members who hold shares in demat account with CDSL.	12***** then your user ID is IN300***12*****. 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in “process for those shareholders whose email ids are not registered”

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- (a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
- (b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
- (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8) Now, you will have to click on “Login” button.

9) After you click on the “Login” button, Home page of e-Voting will open

Step 2 : Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e- voting system

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
3. Select '**EVEN**' (i.e. **114088**) of "**Margo Finance Limited**" for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
6. Upon confirmation, the message 'Vote cast successfully' will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

- i) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to lpkcorporate@gmail.com with a copy marked to evoting@nsdl.co.in. and to the Company at info@margofinance.com.
- ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
- iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.:1800-222-990 or send a request at evoting@nsdl.co.in, contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in / 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in/022-24994545 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in / 022-24994553.

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

- a) In case shares are held in physical mode, please provide signed scan copy of request letter mentioning Folio No., Name of shareholder, along with PAN (self-attested scan copy of PAN card), self-attested scan copy of Aadhar Card/any other address proof by email to Link Intime India Private Limited, Registrar & Transfer Agent at delhi@linkintime.co.in.
- b) In case shares are held in demat mode, please provide signed scan copy of request letter mentioning DPIDCLID, Name, along with PAN (self-attested scan copy of PAN card), self-attested scan copy of Aadhar Card/ any other address proof by email to Link Intime India Private Limited, Registrar & Transfer Agent at delhi@linkintime.co.in.
- c) Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (a) or (b) as the case may be.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM:

- a) The members can join the AGM in the VC/ OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice in points given below. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
- b) Members will be provided with a facility to attend the Meeting through VC/OAVM through the NSDL e Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed.
- c) Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- d) Members can participate in AGM through smart phone/ laptop, however, for better experience and smooth participation it is advisable to join the Meeting through Laptops connected through broadband.
- e) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- g) Members seeking any information with regard to the accounts or resolutions placed at the AGM are requested to send an email to the Company on info@margofinance.com by 25th September, 2020, mentioning their name demat account number/ folio number, email id and mobile number.

h) Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in/ 022-24994545 or Mr. Sagar Ghosalkar, Assistant Manager NSDL at sagar.ghosalkar@nsdl.co.in/ 022-24994553. The member may also contact company at info@margofinance.com or contact on 022-43419500

Process and manner for e-voting at the Annual General Meeting:

- a) The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.
- b) Only those Members/ shareholders, who will be present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Annual General Meeting.
- c) Members who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.
- d) The details of the persons who may be contacted for any grievances connected with the facility for e-Voting on the day of the Annual General Meeting shall be the same persons mentioned for Remote e-voting.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 of the accompanying Notice:

ITEM NO.3

1. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 11th September, 2019 appointed Mr. Ambarish Ratilal Sodha (DIN: 00489489), as an Additional (Non Executive Independent) Director of the Company to hold office up to the ensuing Annual General Meeting of the Company and subject to the approval of members of the Company, as a Non-Executive Independent Director of the Company for a first term of five consecutive years w.e.f 11th September, 2019.

Mr. Ambarish Ratilal Sodha is a Fellow Member of Institute of Chartered Accountant of India. he is a founder and partner of A. R. Sodha & Co. He leads the practice of the firm since last 4 decades. During his leadership, he has steered the firm to grow geographically as well as expanding the scope of its services.

He has over 40 years of experience in the field of Direct taxes and regulatory matters. He has argued over 750 matters and assisted senior counsels for over 400 matters. He has extensive experience in litigation in direct taxes including appearances before various Direct Tax Tribunal, Commissioners of Income tax (Appeals) and various other income tax authorities. His ability to articulate a point and his fair approach has enabled him to negotiate very complex cases.

The brief profile and other details of Mr. Ambarish Ratilal Sodha required as per Regulation 36(2) of the Listing Regulations and Secretarial Standard - 2 are provided in "**Annexure-2**" to this Notice.

The Company has received declaration of independence from Mr. Ambarish Ratilal Sodha confirming that he meets the criteria of independence as specified in Section 149 (6) of the Act and Regulation 16 (1) (b) the Listing Regulations and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge duties with an objective independent judgment and without any external influence. The Board after assessing veracity of the same is of the opinion that he fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and Rules made there under and the Listing Regulations and he is independent of the management. Further, Mr. Ambarish Ratilal Sodha is not disqualified to act as Director of the Company. Mr. Ambarish Ratilal Sodha has also given a declaration that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The Company has received notice in writing from a Member under Section 160 of the Act proposing candidature of Mr. Ambarish Ratilal Sodha for the office of Director of the Company.

The letter of appointment of Mr. Ambarish Ratilal Sodha setting out the terms and conditions of the said appointment is available for inspection at the Registered Office of the Company on all days except Saturdays, Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. upto the date of the AGM and also at the AGM. Further, the letter of appointment is also available on website of the Company.

Considering rich knowledge, skills, varied experience of Mr. Ambarish Ratilal Sodha, the Board is of the opinion that his appointment on the Board will immensely benefit the Company.

Pursuant to the provisions of Section 149 of the Act read with Schedule IV of the Act, appointment of Independent Director shall be approved by the members of the Company.

The Board recommends the Ordinary Resolution set out in Item No. 3 of the Notice, for approval of the members of the Company

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Ambarish Ratilal Sodha and his relatives are concerned or interested, financially or otherwise, in the said resolution.

By Order of the Board of Directors
For Margo Finance Limited

Date : 27th August, 2020
Place : New Delhi

Kailash Rawat
Company Secretary
Membership No.: A51199

Additional information as required under Regulation 36(3) of Listing Regulations and Secretarial Standard – 2 on General Meetings

1. Re-appointment of Mr. Sushilkumar Agrawal (DIN: 00400892), Director liable to retire by rotation

Name of the Director	Mr. Sushilkumar Agrawal
Age	71 years
Director Identification Number (DIN)	00400892
Category	Non-Executive-Non Independent Director
Date of first appointment on the Board	11.08.2016
Qualification, Brief Resume and nature of expertise in specific functional areas	Mr. S. K. Agrawal is a Chartered Accountant (FCA) by profession and has more than 40 years' experience in Accounting and Taxation. He serves as Partner of M/s. N D Kapur & Co. and provides advisory and consultation services in Finance, Accounts, and Taxation etc. Mr. S K Agrawal is on the Board of various unlisted private and public companies.
Terms and conditions of re-appointment	NIL
Remuneration proposed to be paid	Mr. S. K. Agrawal shall be entitled for sitting fees as may be approved by the Board from Time to time. At present, Sitting Fees is ₹ 2,000/- per Board Meeting & ₹ 1,000/- Other Committee Meeting.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	No Inter-se relationship with any other Director, or Key Managerial Personnel of the Company
Number of Board Meetings attended during the year	During the year 2019-20, five (5) Board meetings were held and Mr. S. K. Agrawal attended 5 meetings.
Directorships held in other public Companies, including Listed Companies [excluding foreign and private Companies]	1. Pranavaditya Spinning Mills Limited 2. Reliance Mediaworks Limited 3. Reliance Financial Advisory Services Limited 4. Reliance Broadcast Networks Limited 5. Reliance Home Finance Limited 6. Reliance Wealth Management Limited 7. Reliance Commercial Finance Limited 8. Globesecure Technologies Limited
Memberships / Chairmanships of Audit & Stakeholders Relationship Committees of other Public Companies	1. Pranavaditya Spinning Mills Limited - Chairman of Audit Committee & Stakeholders' Relationship Committee 2. Reliance Mediaworks Limited - Chairman of Audit Committee 3. Reliance Financial Advisory Services Limited - Member of Audit Committee 4. Reliance Broadcast Networks Limited - Member of Audit Committee & Stakeholders' Relationship Committee 5. Reliance Commercial Finance Limited - Chairman of Audit Committee
No. of Shares held in the Company as on 31st March, 2020	NIL

2. Appointment of Mr. Ambarish Ratilal Sodha as a Non-Executive Independent Director of the Company.

Name of the Director	Mr. Ambarish Ratilal Sodha
Age	65 years
Director Identification Number (DIN)	00489489
Category	Non-Executive Independent Director
Date of first appointment on the Board	11.09.2019
Qualification, Brief Resume and nature of expertise in specific functional areas	Mr. Ambarish Ratilal Sodha is a Chartered Accountant (FCA) by profession and has more than 40 years' experience in Legal Accounting and Taxation. He serves advisory and consultations services in Legal, Finance, Accounts, Taxation etc.
Terms and conditions of re-appointment	NIL
Remuneration proposed to be paid	Mr. Ambarish Ratilal Sodha shall be entitled for sitting fees as may be approved by the Board from Time to time. At present, Sitting Fees is ₹ 2000/- per Board Meeting & ₹ 1000/- Other Committee Meeting.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	No Inter-se relationship with any other Director, or Key Managerial Personnel of the Company. The Company does not have a Manager.
Number of Board Meetings attended during the year	During the year 2019-20, Three (3) Board meetings were held and Mr. Ambarish Ratilal Sodha attended 3 meetings.
Directorships held in other public Companies, including Listed Companies [excluding foreign and private Companies]	NIL
Memberships / Chairmanships of Audit & Stakeholders Relationship Committees of other Public Companies	NIL
No. of Shares held in the Company as on 31st March, 2020	NIL