



MARGO FINANCE LIMITED

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

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

Website : www.margofinance.com

CIN : L65910MH1991PLC080534

July 19, 2019

BSE Limited

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

Scrip Code No.: **500206**

Dear Sir/Madam,

Sub.: 28th Annual General Meeting, Annual Report 2018-19 along with Notice of Annual General Meeting and intimation of book closure

We wish to inform the Exchange that the 28th Annual General Meeting ("AGM") of the members of the Company will be held on Tuesday, 13th August, 2019 at 10.00 a.m. at Hotel Vrshali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur – 416003, Maharashtra.

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 2018-19 along with the Notice of 28th 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 2018-19 : <http://margofinance.com/upload/ANNUAL%20REPORT%202018-19.pdf>

Notice of 28th AGM: <http://margofinance.com/upload/AGM%20NOTICE.pdf>

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 7th August, 2019 to Tuesday, 13th August, 2019 (both days inclusive) for the purpose of 28th Annual General Meeting of the Company.

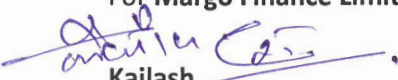
The Company is providing electronic voting (remote e-voting) facility to the members through electronic voting platform of Central Depository Services (India) Limited (CDSL). Members holding shares either in physical form or dematerialized form as on cut-off date i.e. Tuesday, 6th August, 2019 may cast their votes electronically on the resolutions included in the 28th Notice of Annual General Meeting. The remote e-voting shall commence from 9.00 a.m. on Saturday, 10th August, 2019 and shall end at 5.00 p.m. on Monday, 12th August, 2019.

Kindly take same on record.

Thanking you,

Yours faithfully,

For **Margo Finance Limited**


Kailash

Company Secretary & Compliance Officer

Encl.: A/a



MARGO FINANCE LIMITED

CIN: L65910MH1991PLC080534

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

Phone : (0230) - 2463100/2461929

E-mail: info@margofinance.com **Website:** www.margofinance.com

NOTICE 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th (Twenty Eighth) Annual General Meeting (AGM) of the Members of Margo Finance Limited will be held on Tuesday, 13th Day of August, 2019 at 10:00 A.M., at Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur, Maharashtra-416003 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019, together with the reports of the Board of Directors and Auditors, thereon.
2. To appoint a Director in place of Mr. Shri Dass Maheshwari (DIN: 00181615), who retires by rotation and, being eligible, offer himself for re-appointment.

SPECIAL BUSINESS

3. **Re-appointment of Mr. Govind Prasad Agrawal a Non-Executive Independent Director of the Company**

To consider and if thought fit, to pass, the following resolution as a **Special 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 Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Govind Prasad Agrawal (DIN: 00008429), who was appointed as an Independent Director of the Company at the Annual General Meeting held on 23rd August, 2014 and who holds office as an Independent Director up to 22nd August, 2019 and who meets the criteria for independence as specified in Section 149 (6) of the Companies Act, and Regulation 16 (1) (b) of Listing Regulations and has submitted a declaration to that effect and eligible for the re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years w.e.f. 23rd August, 2019 to 22nd August, 2024.”

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

Date : 2nd July, 2019
Place : Mumbai

Kailash Rawat
Company Secretary

Notes:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special business under Item No. 3 of the Notice, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxy in order to be effective, must be deposited at the Registered Office of the Company not less than Forty Eight hours before the commencement of the AGM. Proxy form should be duly completed, stamped and signed.

A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than Ten Percent (10%) of the total Paid-up share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Member.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 7th August, 2019 to Tuesday, 13th August, 2019 (both days inclusive) in connection with the AGM.
4. Corporate Members intending to send their authorized representatives are requested to send to the Company a duly certified copy of the Resolution passed by the Board of Directors under Section 113 of the Act authorizing their representatives to attend and vote at the AGM.
5. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard – 2 on General Meetings, relevant details of the Directors seeking appointment/ re-appointment are provided in the Annexure to this Notice.
6. Pursuant to the provisions of Section 72 of the Act, 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.
7. In case of joint members attending the AGM, the member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote, in case first holder has not done e-voting.
8. Members holding shares:
 - a) in electronic/demat form are advised to inform the particulars of their bank account, change of address and E-mail address to their respective Depository Participant ("DP") only. The Company or its Registrar and Share Transfer Agent ('RTA') i.e. Bigshare Services Private Limited cannot act on any request received directly from the members holding shares in demat mode for changes in any bank mandates or other particulars etc. and such instructions are required to be given directly by the Members to their DP.
 - b) in physical form are advised to inform the particulars of their bank account, change of address and E-mail address to the RTA.
9. 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.
10. 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.

11. To support green initiative and to disseminate all the communications promptly, members who have not registered their E-mail address are requested to register the same with the DP / RTA in respect of shares held in electronic/physical mode respectively for receiving all the communications including Annual Reports, Notices, etc., by email. Email addresses made available by the DP/RTA will be treated as registered email address for serving notices/documents.
12. 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.
13. 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.
14. **Pursuant to SEBI Circular dated 8th June, 2018, w.e.f. 1st April, 2019, transfer of securities of a listed company is carried out in dematerialized form only. Hence, members holding equity shares of the Company in physical form are requested to dematerialize the shares at the earliest.**
15. Electronic copy of the Annual Report for Financial Year 2018-19 and Notice of the 28th AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email addresses are registered with the Company/DP for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for Financial Year 2018-19 and Notice of the 28th AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through permitted mode. The Notice of 28th AGM and Annual Report for FY 2018-19 will be available on website of Company at www.margofinance.com.
16. Copies of any documents referred in the Notice and Explanatory Statement are 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.
17. Route Map to reach the venue of the 28th AGM is given at the end of this Notice.

E-voting:

Pursuant to the Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2015 as amended from time to time, and Regulation 44 of Listing Regulations, the Company is pleased to provide 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services Limited (CDSL) for all Members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of the 28th AGM of the Company.

General Instructions:

- a) It is clarified that it is not mandatory for a member to cast vote using e-voting facility. The facility for voting, through poll/ ballot paper shall also be made available at the venue of the 28th AGM. The members attending the AGM, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.
- b) The voting rights of members shall be in proportion to the shares held by them, of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, 6th August, 2019.
- c) The remote e-voting period begins on Saturday, 10th August, 2019 at 9.00 a.m. (IST) and ends on Monday, 12th August, 2019 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, 6th August, 2019 may cast their votes by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on Monday, 12th August, 2019.

Voting options, process and manner of voting:

Voting Options

- A. Remote E-Voting through electronic means using the Central Depository Services Limited (CDSL) platform;
- B. Voting through Ballot paper;
- C. Voting at the AGM.

Shareholders can choose any one of the above options i.e. either through remote e-voting or by ballot paper or by voting at the AGM, to cast their vote. If a member casts votes by more than one mode, then voting done through e-voting shall prevail.

Voting Process

The Company has appointed M/s PPS & Associates, Practicing Company Secretary (Membership No.: 7067; CP No. 11682) (Address: CG-4, C Wing Sterling Tower, Gavati Mandai, Shahupuri, Kolhapur-416001), as the Scrutinizer for conducting the voting process in a fair and transparent manner.

The Scrutinizer shall submit his consolidated report to the Chairman within 48 hours from the conclusion of the AGM.

Notice of the meeting is also displayed at www.margofinance.com or at www.evotingindia.com.

Manner of Voting:

A. Voting through electronic means

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 108 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all the Members to enable them to cast their vote electronically instead of dispatching the Physical Postal Ballot Form by post. The Company has engaged the services of Central Depository Services Limited (CDSL) for the purpose of providing the remote e-voting facility to all its members. The instructions for shareholders voting electronically are as under:

The instructions for shareholders voting electronically are as under:

- i) The remote e-voting period begins on Saturday, 10th August, 2019 at 9.00 a.m. (IST) and ends on Monday, 12th August, 2019 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, 6th August, 2019 may cast their votes by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on Monday, 12th August, 2019.
- ii) The shareholders should log on to the e-voting website: www.evotingindia.com.
- iii) Click on "Shareholders/Members" tab to cast your vote.
- iv) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii) After entering these details appropriately, click on “SUBMIT” Tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.

xi) Click on the EVSN for the relevant Margo Finance Limited on which you choose to vote.

xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xiv) After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xv) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.

xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

xvii) If a Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix) Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) on which they wish to vote.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) Any person, who becomes a member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. 6th August, 2019, may follow the same instructions as mentioned above for e-voting or send a request at delhi@linkintime.co.in or at info@margofinance.com. However, if such member is already registered with CDSL for remote e-voting the he/she/it can use his/her/its existing user ID and password for casting the vote. The facility to reset the forgotten password is also provided by CDSL by using “Forgot user Details/Password” option avail on www.evotingindia.com.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and evoting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity shares capital of the Company.
 - M/s PPS & Associates, Practicing Company Secretary (Membership No.: 7067; CP No. 11682) (Address: CG-4, C Wing Sterling Tower, Gavati Mandai, Shahupuri, Kolhapur-416001) has been appointed as scrutinizer for conducting the voting process in the fair and transparent manner.
 - Notice of the meeting is also displayed at www.margofinance.com or at www.evotingindia.com
 - The result of voting will be announced by the Chairman of the meeting after the 28th AGM to be held on 13th August, 2019, the result of the meeting will be communicated to the Stock Exchanges and will also be placed on the website of www.cdslindia.com and www.margofinance.com.

In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:

1. User ID and initial password
 - a) This is provided at the bottom of the attendance slip for the Annual General Meeting (which is being sent along with this Notice)
 - b) Please follow all steps from sl. no. (i) to sl. no. (xxi) Above to cast vote.
2. Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. Once the vote on a Resolution is cast by a member, the Member shall not be allowed to change it subsequently or cast the vote again.
4. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at CDSL website www.evotingindia.com.

The Scrutinizer shall, immediately after conclusion of General Meeting, first count the vote, thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three (3) days from the conclusion of Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit forthwith to the Chairman or person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.

The Resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.

B. Voting through Ballot

The Company is providing the facility to vote by ballot to those shareholders, who do not have access to e-voting facility. Members have the option to request for a physical copy of Ballot Form by sending an e-mail to the Company Secretary at 'info@margofinance.com' or the Scrutinizer at shrenik.nagaonkar@ppscs.in by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Forms should reach the Scrutinizer not later than 12th August, 2019 5.00 p.m. (IST). Ballot forms received after this date shall not be considered. The Ballot Paper will also be available at the website of the Company at www.margofinance.com.

C. Voting at AGM:

The members who have not casted their votes either electronically or through Ballot Form, can exercise their voting rights at the AGM. The members who have already cast their vote through e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

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

Date : 2nd July, 2019
Place : Mumbai

Kailash Rawat
Company Secretary

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

ITEM NO.3

the Annual General Meeting (AGM) held on 23rd August, 2014, Mr. G. P. Agrawal (DIN: 00008429), aged 65 years, was appointed as a Non-Executive Independent Director of the Company for a first term of 5 consecutive years i.e. upto 22nd August, 2019.

Mr. G. P. Agrawal is a Company Secretary (FCS) by profession and has more than 30 years' experience in Company Law, Accounting and Taxation. He serves as advisory and consultations services in Finance, Accounts, Taxation etc.

Mr. G. P. Agrawal is associated with the Company from past 30 years as Director. Mr. G. P. Agarwal, aged 65 years, is fit and capable of discharging his duties as an Independent Director of the Company. He attends Board and committee meetings of the Company, participates in various discussions and provides his valuable suggestions to the Board. His rich knowledge, skills, wide experience, contributions have benefited the Company.

Considering all the aforesaid factors and on the basis of report of performance evaluation of Mr. G. P. Agrawal, the Nomination and Remuneration Committee recommended to the Board that his continued association will immensely benefit the Company. Pursuant to the recommendation of NRC and report of performance evaluation and in order to reap benefits of his rich and varied experience, the Board at its meeting held on 13th May, 2019 approved and recommended re-appointment of Mr. G. P. Agrawal (DIN: 00008429), as a Non-Executive Independent Director of the Company of the Company for a second term of five consecutive years with effect from 23rd August, 2019 to 22nd August, 2024.

Mr. G. P. Agrawal has given consent for the said re-appointment and he is not disqualified from being re-appointed as a director of the Company under Section 164 of the Companies Act, 2013 ("Act"). Further, the Company has received declaration of independence from Mr. G. P. Agrawal confirming that he meets the criteria of independence as specified in Section 149 (6) of the Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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 his 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 thereunder and the Listing Regulations and he is independent of the management. Mr. G. P. Agrawal 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. G. P. Agrawal for the office of Director of the Company.

The details of Mr. G. P. Agrawal required under Regulation 36(2) of the Listing Regulations and Secretarial Standard - 2 are provided in Annexure to the Notice. draft letter of re-appointment of Mr. G. P. Agarwal setting out the terms and conditions of the said re-appointments 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 appointments also available on website of the Company.

Pursuant to the provisions of Section 149(10) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company. Further, as per Schedule IV of the Act, the re-appointment of independent director shall be on the basis of report of performance evaluation. As per Regulation 17(1) (a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, effective from 1st April, 2019, no listed company shall appoint or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless the same is approved by members of the Company by way of Special Resolution.

The Board of Directors recommends the resolution as set out in Item No. 3 of the Notice for approval of members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Govind Prasad Agrawal 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**

**Kailash Rawat
Company Secretary**

**Date : 2nd July, 2019
Place : Mumbai**

Annexure to AGM Notice

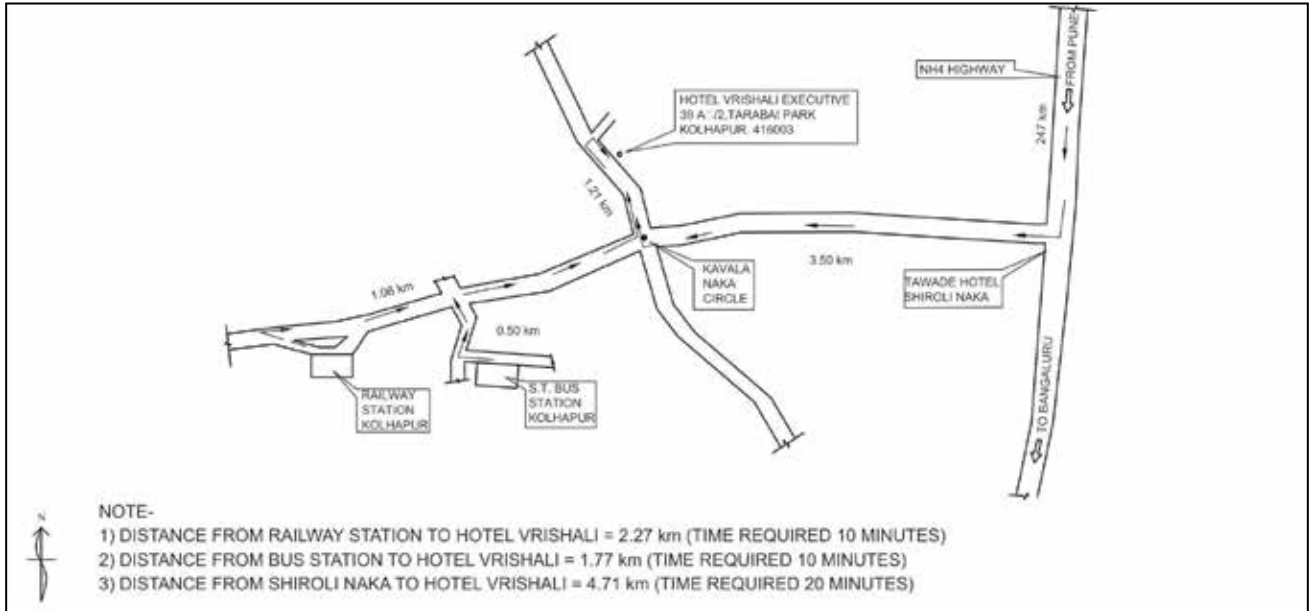
Additional Information as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standard – 2 on General Meetings

Name of the Director	Mr. Shri Dass Maheshwari	Mr. Govind Prasad Agrawal
Age	66 years	65 years
Director Identification Number (DIN)	00181615	00008429
Category	Whole Time Director-Finance & Chief Financial Officer	Non Executive Independent Director
Date of first appointment on the Board	30.04.2018	18.10.1991
Qualification, Brief Resume and nature of expertise in specific functional areas	<p>Mr. Shri Dass Maheshwari, B.Com (Hons.) from Shri Ram College of Commerce (SRCC), Delhi University has acquired more than 20 years of experience in field of Finance.</p> <p>Mr. S.D. Maheshwari was associated with the Company from past 12 years in various capacities and further designated as Chief Financial Officer of the Company w.e.f. 14th May, 2014 and considering his position he has been evaluated as Whole time Director with the designation of Whole time Director-Finance & Chief Financial Officer of the Company.</p>	<p>Mr. G. P. Agrawal is a Company Secretary (FCS) by profession and has more than 30 years' experience in Company Secretary, Legal Accounting and Taxation. He serves advisory and consultations services in Legal, Finance, Accounts, Taxation etc. Mr. G P Agrawal is on the Board of various unlisted private and public Companies.</p>
Terms and conditions of re-appointment	Mr. Shri Dass Maheshwari is Whole Time Director-Finance & Chief Financial Officer appointed for a term of three years & is liable to retire by rotation. Further, the said re-appointment is being made as per Section 152 (6) of the Companies Act, 2013 and there is no variation in the terms and conditions.	Mr. Govind Prasad Agrawal is proposed to be re-appointed for second term of five consecutive year's w.e.f. 23 rd August, 2019 as a Non-Executive Independent Director of the Company, not liable to retire by rotation.
Remuneration proposed to be paid	Basic Salary 34,044/- p.m. House Rent Allowance equal to ₹ 14,185/- p.m Other Allowance ₹ 8,511/-	<p>Mr. Govind Prasad Agrawal 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.</p> <p>During the financial year 2018-19, sitting fees of ₹ 15,000/- was paid to Mr. Govind Prasad Agrawal for attending Board and Committee meetings of the Company.</p>
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.	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 2018-19, five (5) Board meetings were held and Mr. Shri Dass Maheshwari attended 3 meetings.	During the year 2018-19, five (5) Board meetings were held and Mr. Govind Prasad Agrawal attended 4 meetings.

Directorships held in other public Companies, including Listed Companies [excluding foreign and private Companies]	1. Indocount Securities Limited	<ol style="list-style-type: none"> 1. Rama Vision Limited. 2. Avonmore Capital & Management Services Limited. 3. Yartex Exports Limited. 4. Almondz Finanz Limited. 5. Almondz Wealth Advisors Limited.
Memberships / Chairmanships of Audit & Stakeholders Relationship Committees of other Public Companies	NIL	<p>Rama Vision Ltd .</p> <ul style="list-style-type: none"> - Member of Audit Committee - Member of shareholder Relationship Committee <p>Avonmore Capital & management Services Ltd</p> <ul style="list-style-type: none"> - Chairman of shareholder Relationship Committee - Member of Audit Committee
No. of Shares held in the Company as on 31st March, 2019	NIL	2010 Equity Share of ₹ 10/- each

ROUTE MAP TO THE 28TH AGM VENUE

Venue: Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur, Maharashtra-416003





MARGO FINANCE LIMITED

CIN: L65910MH1991PLC080534

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

Phone : (0230) - 2463100/2461929

E-mail: info@margofinance.com Website: www.margofinance.com

PROXY FORM MGT-11

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

Name of the Member (s) :
Registered address :
E-mail Id:
Client Id/ Regd. Folio No.* :
DP ID :

* Applicable for investors holding shares in physical form.

I/We, being the holder(s) of shares of Margo Finance Limited hereby appoint

- Name: Address:
E-mail Id: Signature:, or failing him.
- Name: Address:
E-mail Id: Signature:, or failing him.
- Name: Address:
E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual general meeting of the Company to be held on Tuesday, 13th August, 2019 at 10:00 a.m. at Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur, Maharashtra-416003 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Item No.	Resolution	Vote (optional see Note 2) Please mention No. of shares		
		For	Against	Abstain
Ordinary Business				
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.			
2.	To appoint a Director in place of Mr. Shri Dass Maheshwari (DIN: 00181615), who retires by rotation and, being eligible, offer himself for re-appointment.			
Special Business				
3.	Special Resolution for Re-appointment of Mr. Govind Prasad Agrawal (DIN: 00008429), as a Independent Director of the Company.			

Signed this..... day of..... 2019

.....
Signature of Shareholder

.....
Signature of Proxy Holder

Note:

- This form, in order to be effective, should be duly stamped, completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



MARGO FINANCE LIMITED

CIN: L65910MH1991PLC080534

Regd. Office: Office No. 3, Plot No. 266, Village Alte, Kumbhoj Road,
Taluka Hatkanangale, Dist. Kolhapur – 416 109, Maharashtra

Phone : (0230) - 2463100/2461929

Email ID: info@margofinance.com; **Website:** www.margofinance.com.

ATTENDANCE SLIP

28th Annual General Meeting on Tuesday, 13th August, 2019 at 10:00 A.M.

Registered Folio No. / DP ID / Client ID :	
Name and Address of the Member :	
Name of Joint holder(s) :	
No. of Equity Shares held :	

I/We hereby record my/our presence at the 28th Annual General Meeting of the Company held on Tuesday, the 13th day of August, 2019 at 10:00 a.m. at Hotel Vrishali Executive, Conference Hall, 1st Floor, 39 A/2, Tarabai Park, District Kolhapur – 416 003, Maharashtra.

Name of the Member/Proxy

Signature of Member/Proxy

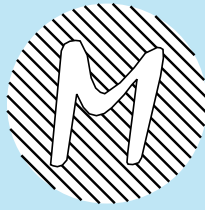
Notes:

1. Only Member/Proxy holder can attend at the meeting.
2. Please fill up the details in this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.

Electronic Voting Particulars

(EVSN) Electronic Voting Sequence No.	USER ID	Sequence Number/Or (Default PAN No.)
190704012		

Please read the instructions on e-voting printed in the Notice of 28th Annual General Meeting. The Voting Period starts from 9.00 a.m. (IST) on Saturday, 10th August, 2019 and ends at 5.00 p.m. (IST) on Monday, 12th August, 2019. The voting module shall be disabled by CDSL for voting thereafter.



MARGO FINANCE LIMITED



ANNUAL REPORT 2018 - 2019



CORPORATE INFORMATION

Board of Directors	<p>Mr. Anil Kumar Jain Mr. Shri Dass Maheshwari</p> <p>Mr. Govind Prasad Agrawal Mr. Anilkumar Indralal Gulati Mr. Venkiteswaran Venkitaswaran Parlikad Mr. Sushilkumar Krishna Agrawal Ms. Smita Kulkarni</p>	<p>Chairman (Non-Executive) Whole-time Director - Finance and Chief Financial Officer Independent Director Independent Director Independent Director Director Independent Director</p>
---------------------------	--	--

Company Secretary Mr. Kailash Rawat (w.e.f. 01.08.2018)

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

Bankers Karnataka Bank Limited
Canara Bank

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

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

**Registrar and Share
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

Contents	Page No.
Board's Report	2-20
Management Discussion & Analysis Report	21-22
Corporate Governance Report	23-40
Auditors' Report	41-47
Balance Sheet	48
Statement of Profit and Loss	49
Cash Flow Statement	50-51
Significant Accounting Policies	52-54
Notes to Financial Statements	55-68

Corporate Identification Number L65910MH1991PLC080534

Website www.margofinance.com



BOARD'S REPORT

Dear Members,

On behalf of the Board of Directors ("the Board"), I hereby present the 28th Annual Report on the business and operations of your Company together with the Audited Financial Statements for the financial year ended 31st March, 2019.

Financial Results

The Company's financial performance, for the year ended 31st March, 2019 is summarized below:

(₹ In Lakhs, except EPS)

Particulars	2018-2019	2017-2018
Total Income	28.99	53.28
Profit/(Loss) before depreciation	(1.72)	22.29
Less : Depreciation and amortisation	0.89	0.90
Profit/(Loss) before tax & exceptional items	(2.61)	21.40
Less : exceptional items	0.06	0.36
Less: Tax Expenses	(0.57)	0.66
Profit/(Loss) after tax	(2.10)	20.38
EPS (₹)	(0.05)	0.45

Operations and the state of Company Affairs

The total income for the year ended 31st March, 2019 was ₹ 28.99 Lakhs as against ₹ 53.28 Lakhs in the previous year. The revenue from the finance segment has remained stable for the year, but the investment yield has been lower to ₹ 16.21 Lakhs as against ₹ 40.31 Lakhs in the previous year which has resulted in net loss of ₹ 2.10 Lakhs for the year ended 31st March, 2019 as against the net profit of ₹ 20.38 Lakhs in the previous year.

Dividend

In view of loss incurred by the Company for the year ended 31st March, 2019, 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 FY 2018-19, no amount has been transferred to the general reserves/ retained earnings of the Company.

Share Capital

The paid up equity share capital of the Company as on 31st March, 2019 is ₹ 4,57,00,000/- comprising of 45,70,000 Equity shares of Face Value of ₹ 10/- each. During the financial year 2018-19, your Company has neither issued equity shares with differential rights as to dividends, voting or otherwise nor has issued Sweat Equity shares. Your Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme.

Subsidiaries

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

Risk Management

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

**Internal control systems and their adequacy**

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.

Directors and Key Managerial Personnel

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

1. Mr. Shri Dass Maheshwari (DIN : 00181615), Chief Financial Officer of the Company was appointed as Whole Time Director (Finance) for three years w.e.f. 30th April, 2018. His appointment was duly approved by the members of the Company at the Annual General Meeting (AGM) of the Company held on 11th September, 2018.
2. Ms. Smita Kulkarni (DIN : 08127803) was appointed as a Non-Executive Independent Director of the Company for a first term of five consecutive years w.e.f. 8th May, 2018. Her appointment was duly approved by the members of the Company at the Annual General Meeting (AGM) of the Company held on 11th September, 2018.
3. Ms. Jyotsna Jindal resigned from position of Company Secretary and Compliance Officer of the Company w.e.f. 9th June, 2018 and Ms. Surbhi Maheshwari was appointed as Compliance Officer of the Company w.e.f. 9th June, 2018 and Company Secretary w.e.f. 28th June, 2018. Further, Ms. Surbhi Maheshwari resigned from position of Company Secretary & Compliance Officer of the Company w.e.f. 31st July, 2018 and Mr. Kailash Rawat was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 1st August, 2018.

The aforesaid appointments were made by the Board pursuant to the recommendation of Nomination and Remuneration Committee (NRC).

The first term of Mr. G. P. Agrawal (DIN: 00008429) Independent Director is expiring on 22nd August, 2019 and he is eligible for the re-appointment for a second term. Pursuant to the recommendation of Nomination and Remuneration Committee (NRC), and on the basis of performance evaluation, the Board of Directors of the Company at its meeting held on 13th May, 2019 approved and recommended to the members of the Company, re-appointment of Mr. G. P. Agrawal as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years w.e.f. 23rd August, 2019 to 22nd August, 2024. Accordingly, special resolution for his re-appointment is included in the Notice of ensuing Annual General Meeting (AGM).

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Shri Dass Maheshwari (DIN: 00181615), 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.

Members are requested to refer the Notice of the ensuing AGM for brief profile and other related information of Directors seeking appointment/re-appointment.

As on 31st March, 2019, Mr. Shri Dass Maheshwari, Whole time Director-Finance and 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. In the opinion of the Board, all Independent Directors are independent of the management.



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

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:

- (a) In the preparation of the Annual Financial Statements for the year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures if any;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the loss of the Company for the year ended on that date;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Extract of Annual Return

Pursuant to 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, 2019 is annexed as an “**Annexure 1**” and is also available on the website of the Company at <http://www.margofinance.com/upload/Margo%20annual%20report%202018-19%20MGT-9.pdf> Further, pursuant to Section 134(3)(a) of the Act, a copy of Annual Return for the year ended 31st March, 2019 will be hosted on the website of the company at www.margofinance.com.

Number of Board Meetings

The Board met 5 (five) times during the financial year 2018-19 i.e. on 30th April, 2018; 28th June, 2018; 30th July, 2018; 1st November, 2018 and 7th February, 2019, 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 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:

- a. 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.



- b. 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.
- c. 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 committees (excluding Share Transfer Committee) and Independent Directors Meeting as may be approved by the Board within the limit specified under the Act.

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 provisions of the Companies (Amendment) Act, 2017, NRC decided to continue 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 Board, Committees and Individual Directors.

An assessment sheet 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.



A meeting of Independent Directors of the Company was held on 7th February, 2019, in which Independent Directors *inter-alia* reviewed performance of Mr. Anil Kumar Jain, Non-Executive Chairman and Mr. S. K. Agrawal Non-Independent Director and the Board as a whole through performance evaluation sheets.

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 2” to this report regarding remuneration of Directors, Key Managerial Personnel and other related disclosures.

Audit Committee

During the year under review, Audit Committee was re-constituted by appointment of Ms. Smita Kulkarni as a Chairperson and cessation of Mr. Anilkumar Indralal Gulati as Chairman w.e.f. 28th June, 2018.

As on 31st March, 2019, Audit Committee comprises of 4 (Four) members viz., Ms Smita Kulkarni, Independent Director as Chairperson, Mr. Govind Prasad Agrawal and Mr. Venkiteswaran Venkitaswaran Parlikad, as Non-Executive Independent Directors and Mr. SushilKumar Krishna 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 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 Auditors for a period of 5 years commencing from the conclusion of 26th AGM till the conclusion of the 31st AGM of the Company, subject to ratification by members at every Annual General Meeting.

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.

Auditors’ Report

The Auditors’ Report on standalone financial statements for the year ended 31st March, 2019 forms part of this Annual Report. The Auditors’ Report does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

Secretarial Auditors and Secretarial Audit Report

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

Public Deposits

During the year under review, your Company has not accepted any deposits from public under Chapter V of the Act.

Vigil Mechanism/Whistle Blower Policy

Pursuant to the provision of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, 2015, the Board of Directors of the Company has established Vigil Mechanism/Whistle Blower Policy. The details of the Vigil



Mechanism/Whistle Blower are provided in the Corporate Governance Report. The Vigil Mechanism and Whistle Blower policy can be accessed on the website of the Company and the web-link thereto is <http://www.margofinance.com/upload/Whistle%20Blower%20Policy%20Vigil%20Mechanism%20annexure-III.pdf>

Corporate Governance Report

As per Regulation 34(3) read with Schedule V of the Listing Regulations, your Company has complied with the requirements of corporate governance. The Corporate Governance Report along with Statutory Auditors' Certificate confirming compliance of Corporate Governance for the year ended 31st March, 2019, is provided separately and forms integral part of this Annual Report.

Related Party Transactions

All Related Party Transactions entered during FY 2018-19 were on arm's length basis and in the ordinary course of business. Further, there were no material related party transactions during FY 2018-19 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

During the year under review, pursuant to Section 186 of the Act, no loans were given to any person, nor any Guarantees or securities were provided. Further, no investment was made in the securities of any other body corporate.

Familiarization of Independent Directors

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

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

Since the Company has not imported technology, disclosure on technology absorption is not applicable.

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

Management Discussion & Analysis Report

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

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

In order to prevent 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 Company is not Constitution of Internal Complaints Committee.



Significant or Material orders passed by Regulators / Courts

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

Material Changes and Commitments affecting the Financial Position of the Company

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2018-19 and the date of this report.

Compliance with Applicable Secretarial Standards

During the year under review, your Company has complied with all the applicable standards. The same has also been confirmed by Secretarial Auditors of the Company.

General

During the year under review, provisions relating to the Cost Records, Cost Audit and Corporate Social Responsibility were not applicable to your Company.

Acknowledgements and Appreciation

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

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

Date : 2nd July, 2019

Place : Mumbai

**Anil Kumar Jain
Chairman
DIN: 00086106**



**EXTRACT OF ANNUAL RETURN
Form No. MGT-9**

**As on the financial year ended 31st March, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L65910MH1991PLC080534
ii)	Registration Date	:	08-10-1991
iii)	Name of the Company	:	Margo Finance Limited
iv)	Category/Sub-Category of the Company	:	Public Company/Limited by Shares
v)	Address of the Registered office and contact details	:	Office No.3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur-416109, Maharashtra Telephone No. (0230)-2463100/ 2461929 E-mail: info@margofinance.com
vi)	Whether Listed Company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer	:	Link Intime India Pvt. Ltd. Noble Heights, 1 st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 Telephone No. 011-49411000 Fax No. 011-41410591 E-mail: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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



IV. SHAREHOLDING PATTERN (Equity Share Capital Breakings Percentage of Total Equity)

i) Category -wise Share Holding

Category of Shareholder	No. of shares held at the beginning of the year (As on 01-04-2018)				No. of shares held at the end of the year (As on 31-03-2019)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individuals/HUF	871215	0	871215	19.06	856115	0	856115	18.73	(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):-	2440631	0	2440631	53.41	2425531	0	2425531	53.08	(0.33)
(2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	15100	0	15100	0.33	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):-	0	0	0	0.00	15100	0	15100	0.33	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 Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):	100	0	100	0.00	100	0	100	0.00	0.00
2.Non- Institutions									
(a) Bodies Corp.									
(i) Indian	29869	30250	60119	1.32	38101	30250	68351	1.50	0.18
(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	770383	1042750	1813133	39.68	820695	996050	1816745	39.76	0.08
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1Lakh.	190079	0	190079	4.16	180236	0	180236	3.94	(0.22)
(c) Others									
i) Director & their Relatives	2000	10	2010	0.04	2000	10	2010	0.04	0.00
ii) Non Resident Indians	1000	0	1000	0.02	1200	0	1200	0.02	0.00
iii) Clearing Member	1436	0	1436	0.03	500	0	500	0.01	(0.02)
iv) Hindu Undivided Family	61492	0	61492	1.35	60227	0	60227	1.32	(0.03)
Sub-Total (B)(2):-	1056259	1073010	2129269	46.59	1102959	1026310	2129269	46.59	0.00



Category of Shareholder	No. of shares held at the beginning of the year (As on 01-04-2018)				No. of shares held at the end of the year (As on 31-03-2019)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)= (B)(1)+(B)(2)	1056359	1073010	2129369	46.59	1103059	1026310	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)	3496990	1073010	4570000	100.00	3543690	1026310	4570000	0.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder 's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Share holding at the end of the year (As on 31-03-2019)			% 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	3.56
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 Promoter Shareholding: During the year under review there was no change in Promoters' Shareholding.

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

Sr. No.	Name of the Shareholders	Shareholding		Date	Increase (+)/ Decrease (-) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of Share	% of total shares of the Company
1.	Mr. Jitendra * Kapurchand Parmar	53886	1.18	18-05-2018	-301	Sale	53585	1.17
2.	Mr. Balakrishnan * Ramaswamy Iyer	26300	0.57	NIL	NIL	N.A.	26300	0.57
3.	Mr. Nikhil Sarda *	25319	0.55	NIL	NIL	N.A.	25319	0.55



Sr. No.	Name of the Shareholders	Shareholding		Date	Increase (+)/ Decrease (-) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of Share	% of total shares of the Company
4.	Upsurge Investment & finance Ltd	8629	0.19	01-06-2018	15000	Purchase	23629	0.52
				09-11-2018	-23629	Sale	0	0.00
				04-01-2019	23629	Purchase	23629	0.52
5.	Viswanath Chandran Vicha	18524	0.41	NIL	NIL	N.A.	18524	0.41
6.	G Nirmala Singhee	7342	0.16	08-02-2019	9451	Purchase	16793	0.37
7.	Mr. Yella Srinivas	16595	0.36	NIL	NIL	N.A.	16595	0.36
8.	D Nirmal Kumar	15633	0.34	NIL	NIL	N.A.	15633	0.34
9.	Mr. N K Malliga	13618	0.30	NIL	NIL	N.A.	13618	0.30
10.	V Pushpa	10002	0.22	NIL	NIL	N.A.	10002	0.22
11	Navrati Gupta	25835	0.56	01-06-2018	-16450	Sale	9385	0.21
				09-11-2018	-9385	Sale	0	0.00
				31-12-2018	+9385	Purchase	9385	0.21

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase (+)/ Decrease (-) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) /end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Co.
1.	Mr. Govind Prasad Agrawal (Director)	2010	0.04	NIL	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

(Amount in ₹)

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

Note: The Company does not have any indebtedness as on 1st April, 2018, during the year and as on 31st March, 2019.

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) Refer Note 2	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	26,500	26,500
	Total (A)	7,07,380	7,07,380
	Ceiling as per the Act		Refer Note 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.
- Mr. Shri Dass Maheshwari, Chief Financial Officer was appointed as Whole-time Director - Finance w.e.f. 30th April, 2018 and his designation is changed to Whole Time Director – Finance & CFO. Hence, the above remuneration also includes ₹ 52,012/- paid to Mr. Maheshwari for the period of 1st April, 2018 to 29th April, 2019 as a CFO



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	Mr. Venkiteswaran Venkiteswaran Parlikad	
1	Independent Directors							
	Fee for attending Board /Committee Meetings	-	14000	15000	-	8000	16000	53000
	Commission	-	-	0	-	0	0	0
	Others	-	-	0	-	0	0	0
	Total (1)	-	14000	15000	-	8000	16000	53000
2	Other Non-Executive Directors							
	Fee for attending Board/Committee Meetings	Refer Note Below	-	-	20000	-	-	-
	Commission	0	-	0	0	0	0	0
	Others	0	-	0	0	0	0	0
	Total (2)	-	0	0	20000	0	0	20000
	Total (B)=(1+2)	-	14000	15000	20000	8000	16000	73000
	Overall Ceiling as per the Act	Upto ₹ One Lakh 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 2018-19.

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

Amount (in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. Jyotsna Jindal (up to 09.06.2018)	Ms. Surbhi Maheshwari (from 28.06.2018 to 31.07.2018)	Mr. Kailash Rawat Company Secretary (w.e.f. 01.08.2018)	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	65,884	33,000	2,60,000	3,58,884
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961			0	0
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961			0	0
2.	Stock Option			0	0
3.	Sweat Equity			0	0
4.	Commission				
	- as % of profit			0	0
	- others specify			0	0
5.	Others			0	0
	Total	65,884	33,000	2,60,000	3,58,884



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			NIL		
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

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

Anil Kumar Jain
Chairman
DIN: 00086106

Date : 2nd July, 2019
Place : Mumbai



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, 2019: ₹ 3,90,000/-

Sr. No.	Name of Director & KMP and Designation	Remuneration of Director/ Key Managerial Personnel for the year ended 31 st March, 2019 (Amount in ₹)	% increase in remuneration in FY 2018-2019	Ratio of remuneration of Director to Median Remuneration of Employees
Non Executive Director				
1.	Mr. Anil Kumar Jain Chairman, Non-Executive Non Independent Director	Nil	Refer Note a below	Nil
2.	Mr. Govind Prasad Agrawal Non-Executive Independent Director	15,000/-		0.04
3.	Mr. Anilkumar Indralal Gulati Non-Executive Independent Director	8,000/-		0.02
4.	Mr. Venkiteswaran Venkitaswaran Parlikad Non-Executive Independent Director	14,000/-		0.04
5.	Ms. Smita Kulkarni Non-Executive, Independent Director (w.e.f 08.05.2018)	14,000/-		0.04
6.	Mr. Sushilkumar Krishna Agrawal Non-Executive, Non Independent Director	20,000/-		0.05
Executive Director				
7.	Mr. Shri Dass Maheshwari* Whole time Director & CFO	7,07,380/-	60.44%	1.81
Key Managerial Personnel				
8.	Mr. Kailash Rawat** Company Secretary & Compliance Officer	2,60,000/-	Nil	0.67

* Mr. Shri Dass Maheshwari, Chief Financial Officer has been appointed as Whole Time Director-Finance on 30th April, 2018 for the 3 Years and his designation is Whole Time Director - Finance & CFO.

**Appointed w.e.f. 1st August, 2018.

Notes:

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 2018-19

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 2018-19 and hence calculation of % increase in remuneration is not applicable.

The Non Executive Directors do not get any remuneration except for the sitting fees. Details of the sitting fees paid to the Non Executive Directors during the year are given in Corporate Governance Report.

- b. The percentage (%) increase in the median remuneration of employees - 10.17%
- c. As on 31st March, 2019, the Company had 3 permanent employees on rolls.
- d. During the financial year 2018-19, there was an average 14.92% increase in the salaries of employees other than Key Managerial Personnel.



e. We affirm that the remuneration paid during the year 2018-19 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 2018-19:

Details of top ten employees of the Company in terms of remuneration drawn during 2018-19 will be provided on request. As per the provisions of Section 136 of the Companies Act, 2013, the Annual Report and Accounts are being sent to the members and others entitled thereto excluding the said information of top ten employees. The said details of top ten employees will be available for inspection by the members at the Registered and Corporate Office of the Company during the business hours on working days of the Company upto the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

ii) List of employees of your Company employed throughout the Financial Year 2018-19 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 ₹1.2 Crore and above p.a.

iii) Employees employed for the part of the year and were paid remuneration during the Financial Year 2018-19 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
of Margo Finance Limited**

**Anil Kumar Jain
Chairman
DIN: 00086106**

**Date : 2nd July, 2019
Place : Mumbai**

**Form No. MR-3****SECRETARIAL AUDIT REPORT**

For the financial year ended 31st March, 2019

[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, 2019** ('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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 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).
- (vi) Other applicable Law:
- a) All the Rules, regulations, Guidelines, 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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Place : New Delhi

Date : 2nd July, 2019

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

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



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

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

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

Place : New Delhi
Date : 02.07.2019

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



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

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

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

RISKS & CONCERNS

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

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

OPPORTUNITIES AND THREATS

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

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

INTERNAL CONTROL AND THEIR ADEQUACY

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

HUMAN RESOURCES

As on 31st March, 2019, there were three permanent employees of the Company.

DISCUSSION ON FINANCIAL PERFORMANCE

During the Financial Year ended 31st March, 2019 the Company has incurred Net Loss of ₹ 2.10 Lakhs as compared to Profit of ₹ 20.38 Lakhs in the previous year. For the year 2018-19, the operating profit and net profit ratios remained at -9.19% and -7.41% as against 40.16% and 38.15% respectively in the previous year. The Return on Capital Employed remained at -0.36% as against 3.50% in the previous year. The return on investment remained lower during the year which has impacted the margins of the Company as well as the above ratios. During the year, due to sale of non-current investment, the current ratio remained stronger to 126 times as against 7.88 times 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 Loss amounting to ₹ 2.67 Lakhs 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
of Margo Finance Limited**

**Anil Kumar Jain
Chairman
DIN: 00086106**

**Date : 2nd July, 2019
Place : Mumbai**



CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), a report on Corporate Governance for the year ended 31st March, 2019 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, 2019, 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 2018-19 -

- Mr. Shri Dass Maheshwari (DIN: 00181615) was appointed as a Whole Time Director-Finance of the Company for a first term of three consecutive years w.e.f. 30th April, 2018. His appointment was duly approved by the members of the Company at the Annual General Meeting of the Company held on 11th September, 2018.
- Ms. Smita Kulkarni (DIN: 08127803) was appointed as a Non-Executive Independent Director of the Company for Five Consecutive Year w.e.f. 8th May, 2018. Her appointment was duly approved by the members of the Company at the Annual General Meeting of the Company held on 11th September, 2018.

The composition of the Board during FY 2018-19, details of other Directorships and Committee positions as on 31st March, 2019 are given below:

Name and Designation	DIN	Category	No. of Directorship held in Other Public Companies #	Directorships held in other Listed Companies along with nature of Directorship	No. of Chairmanship / Membership in Board Committees @	
					Member	Chairman
Mr. Anil Kumar Jain (Non-Executive, Chairman)	00086106	C & NENID	2	Indo Count Industries Ltd. - C & WTD Pranavaditya Spinning Mills Ltd. - NENID	3	NIL
Mr. Shri Dass Maheshwari (Whole Time Director & CFO)	00181615	WTD	1	NIL	NIL	NIL
Mr. Anilkumar Indralal Gulati (Non-Executive, Independent Director)	02739661	NEID	1	NIL	NIL	NIL
Mr. Govind Prasad Agrawal (Non-Executive, Independent Director)	00008429	NEID	5	Rama Vision Ltd. - NEID Avonmore Capital & Management Services Ltd. - NENID	4	1
Mr. SushilKumar Krishna Agrawal (Non-Executive, Non-Independent Director)	00400892	NENID	5	Pranavaditya Spinning Mills Ltd. - C & NEID	6	3
Mr. Venkiteswaran Venkitaswaran Parlikad (Non-Executive, Independent Director)	07006240	NEID	1	NIL	3	NIL
Ms. Smita Kulkarni (Non-Executive, Independent Director)	08127803	NEID	-	NIL	0	2

**Abbreviations:**

C = Chairman

WTD = Whole-time Director

NENID = Non-Executive Non-Independent Director

NEID = Non-Executive Independent Director

Notes:

#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 Memberships or Chairmanships of the stipulated Board Committees held by Directors are within the limit specified under Regulation 26 (1) of the Listing Regulations, 2015.

- i 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.
- ii During the year under review, All Independent Directors of the Company fulfill the criteria of Independence as given under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations 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.
- iii There is no inter-se relationship among any of the Directors of the Company.

(b) Board Meetings

During the financial year 2018-2019, the Board of Directors met on 5 (Five) occasions i.e. on 30th April, 2018; 28th June, 2018; 30th July, 2018; 1st November, 2018 and 7th February, 2019. 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	No. of Board Meetings Attended	Attendance at last AGM
		11 th September, 2018
Mr. Anil Kumar Jain	5/5	Yes
Mr. Shri Dass Maheshwari*	3/5	No
Mr. Govind Prasad Agrawal	4/5	No
Mr. Anilkumar Indralal Gulati	2/5	No
Mr. Sushilkumar Krishna Agrawal	5/5	Yes
Mr. Venkiteswaran Venkitaswaran Parlikad	5/5	No
Ms. Smita Kulkarni**	4/4	No

*Mr. Shri Dass Maheshwari, CFO has appointed as Whole Time Director - Finance for a period of three years w.e.f. 30th April, 2018 and his designation is changed to Whole Time Director - Finance & CFO.

**Ms. Smita Kulkarni has been appointed as Non Executive Independent director on the Board of the Company w.e.f. 8th May, 2018.



(c) Independent Directors, Meeting and Familiarisation Programme

During the year under review, a Meeting of Independent Directors of the Company was held on 7th February, 2019 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.

Your Company has in place Familiarisation 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 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 Chairman also does one to one discussion with the newly appointed Directors to familiarize them with the Company's operations. 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, compliances etc.

The Familiarisation Programme and details of familiarization programme imparted during 2018-19 are uploaded on the website of the Company and can be accessed through web-link <http://www.margofinance.com/upload/Familiarisation%20programme%20for%20Independent%20Directors.pdf>

(d) Board Meetings Procedure

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

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

(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.



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. Further, the Board at its meeting held on 7th February, 2019 enhanced the role of Audit Committee to include new terms of reference w.e.f 1st April 2019 as specified by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. 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.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments existing as on 1st April 2019. (w.e.f 1st April, 2019).

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

As on 31st March, 2019, the Committee consists of 4 (Four) Non-Executive Directors with majority of them are Independent Directors. All the Members of the Audit Committee are experienced and possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Company Secretary acts as secretary to the committee. The maximum gap between any two consecutive Meetings did not exceed 120 days.

During the financial year 2018-19, 4 (four) meetings of the Audit Committee were held viz. on 30th April, 2018; 30th July, 2018; 1st November, 2018 and 7th February, 2019.

Composition of the Audit Committee as on 31st March, 2019 and changes in composition alongwith Physical attendance of Directors at the Audit Committee Meetings held during the year under review is as under:

Name of the Director	Category	No. of Audit Committee Meetings Attended
Ms. Smita Kulkarni (Chairperson)*	Non-Executive, Independent Director	3/3
Mr. Anilkumar Indralal Gulati **	Non-Executive, Independent Director	1/1
Mr. Govind Prasad Agrawal	Non-Executive, Independent Director	3/4
Mr. Venkiteswaran Venkitaswaran Parlikad	Non-Executive, Independent Director	4/4
Mr. Sushilkumar Krishna Agrawal	Non-Executive, Non -Independent Director	4/4

* Appointed w.e.f. 28th June, 2018

** Ceased to be Chairman as well as member of the Audit Committee w.e.f. 28th June, 2018

The representatives of the Statutory Auditors, Internal Auditors and Chief Financial Officer are invitees to the Audit Committee Meetings and Mr. Kailash Rawat Company Secretary is Secretary to the Audit Committee and attends the meetings.

Mr. Sushilkumar Krishna Agrawal, member of the Audit Committee was present at the last Annual General Meeting of the Company held on 11th September, 2018. Due to some urgent professional work Ms. Smita Kulkarni, Chairperson of the Audit Committee was not present at the last annual general meeting of the company held on 11th September, 2018.

4. Nomination and Remuneration Committee

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

The Board at its meeting held on 30th July, 2018 enhanced the role of Nomination and Remuneration Committee ("NRC") to include new terms of reference w.e.f. 1st April 2019, as specified by SEBI (Listing Obligations and Disclosure Requirements) Amendment, Regulations, 2018. The terms of reference of the 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, 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 criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Recommendation to the Board to extend or continue the term of appointment of the Independent Director, on the basis of the report of their performance evaluation.
- Devising a policy on Board Diversity.
- Recommendation to the Board, all remuneration, in whatever form, payable to senior management.

(b) Composition, Meetings and Attendance

As on 31st March, 2019, NRC comprises of 3 Independent Directors headed by Mr. Govind Prasad Agrawal, Non-Executive Independent Director as Chairman.

During the financial year 2018-19, the NRC were held on 30th April, 2018, 28th June, 2018 and 30th July, 2018.

Composition of the NRC Committee as on 31st March, 2019 and changes in composition alongwith Physical attendance of Directors at the NRC Meetings held during the year under review is as under:

Name of the Director	Category	No. of NRC Meetings Attended
Mr. Govind Prasad Agrawal@ (Chairman of the Committee)	Non-Executive, Independent Director	3/3
Mr. Anil kumar Indralal Gulati #	Non-Executive, Independent Director	1/1
Mr. Anil Kumar Jain	Non Executive, Non-Independent Director	3/3
Mr. Sushilkumar Krishna Agrawal	Non Executive, Non-Independent Director	3/3
Ms. Smita Kulkarni *	Non Executive, Independent Director	1/1

@ Appointed as Chairman of the NRC w.e.f. 28th June, 2018.

* Appointed w.e.f. 28th June, 2018

Ceased to be Chairman as well as member of the NRC Committee w.e.f. 28th June, 2018

(c) 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 Meeting
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 the Financial Year 2018-19 are as under:

	Remuneration		Amount (in Rs.)
1.	Basic Salary	:	4,01,328
2.	Housing Rent Allowance	:	1,67,220
3.	Other Allowances	:	1,00,332
4.	Arrears	:	12,000
5.	Bonus / Exgratia	:	26,500
Gross Salary			7,07,380
Contribution to provident Fund as per the rule of the Company.			
Total			7,07,380

Mr. Shri Dass Maheshwari, Chief Financial Officer has been appointed as Whole Time Director - Finance by the Board w.e.f. 30th April, 2018 and his designation is changed to Whole Time Director - Finance & CFO.

(ii) 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 ₹ 1,000 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, 2019 are given below.
- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.
- The Remuneration of Executive Directors is within the limits provided under the Companies Act, 2013.

Details of sitting fees paid to Non-Executive Directors of the Company for the financial year ended 31st March, 2019 are as under:

Name of the Director	Remuneration for the Financial Year ended 31 st March, 2019 (Amount in ₹)	No. of equity shares of the Company held by Non-Executive Directors
	Sitting Fees	
Mr. Anil Kumar Jain	0	NIL
Mr. Govind Prasad Agrawal	15,000	2010
Mr. Sushilkumar Krishna Agrawal	20,000	NIL
Mr. Anilkumar Indralal Gulati	8,000	NIL
Mr. Venkiteswaran Venkitaswaran Parlikad	16,000	NIL
MS. Smita Kulkarni	14,000	NIL

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 2018-19.

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

There is no provision for payment of severance fees.



6. Stakeholders' Relationship Committee (SRC)

(a) Terms of reference

The role of the SRC *inter-alia* includes reviewing and resolving the queries / complaints / grievances received from the shareholders, if any and approval of transfers/transmissions or any other request pertaining to shares of the Company. The Board at its meeting held on 7th February, 2019 enhanced the role of SRC w.e.f 1st April, 2019 to include new terms of reference as specified in Point B of Part D of Schedule II of Listing Regulations and revised scope of SRC is 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.

(b) Composition of the committee

As on 31st March, 2019, the Stakeholders' Relationship Committee consists of Ms. Smita Kulkarni, Non Executive Independent Director as Chairperson, Mr. Anil Kumar Jain, Non Executive Non Independent Director, Mr. Venkiteswaran venkiteswaran Parlikad, Non Executive Independent Director and Mr. Sushilkumar Krishna Agrawal, Non Executive Non Independent Director as Members.

During the financial year 2018-19, the SRC meetings were held on 30th April, 2018 and 7th February, 2019 .

Composition of the SRC as on 31st March, 2019 and changes in composition alongwith Physical attendance of Directors at the SRC Meetings held during the year under review is as under:

Name of the Director	Category	No. of SRC Meetings Attended
Ms. Smita Kulkarni* (Chairperson)	Non-Executive, Independent Director	1/1
Mr. Govind Prasad Agrawal**	Non-Executive, Independent Director	1/1
Mr. Anil Kumar Indralal Gulati **	Non-Executive, Independent Director	1/1
Mr. Anil Kumar Jain***	Non-Executive, Non-Independent Director	1/1
Mr. Venkiteswaran Venkiteswaran Parlikad***	Non-Executive, Non-Independent Director	1/1
Mr. Sushilkumar Krishna Agrawal	Non-Executive, Non-Independent Director	2/2

* Appointed w.e.f. 28th June, 2018

** Ceased to be member w.e.f. 28th June, 2018

***Appointed w.e.f. 28th June, 2018

(c) Compliance Officer

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

(d) 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 2018-19, two complaints were received from shareholders of the Company and the same was resolved within prescribed time. No complaint was pending as on 31st March, 2019.



7. General body Meetings

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

AGM	Day, Date & Time	Venue of the Last Three AGMs	Special Resolution(s) passed
25 th	Tuesday, 26 th July, 2016 at 10.00 a.m.	Hotel Pavillion, Conference Room, 1 st Floor, 392, E Ward, Assembly Road, Near Basant Bahar Theater, Shahpuri, Kolhapur – 416 001, Maharashtra	One Special Resolution was passed for maintaining the Statutory Registers at the Corporate Office of the Company.
26 th	Monday, 21 st August, 2017 at 10.00 a.m.	Hotel Vrishali Executive, 39 A/2, Circuit House Road, Tarabai Park, Kolhapur – 41 6003, 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 – 41 6003, Maharashtra	One Special Resolution was passed for Appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole-Time Director-Finance of the Company for a period of 3 years w.e.f. 30 th April, 2018.

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

8. Means of Communication

Website: The Company's website www.margofinance.com contains the updated information pertaining to quarterly, half-yearly and annual financial results, shareholding pattern, important announcements made to the stock exchanges, intimation of board meeting dates, newspaper advertisements etc. The said information is available in a user friendly and downloadable form in "Investor Section" of website.

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 www.margofinance.com. The results are published in accordance with the guidelines of the Stock Exchanges.

Annual Report: The 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 compliances and all other corporate communications are filed electronically on BSE Listing Centre.

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 the Listing Regulations, 2015 during the financial year 2018-19 were in the ordinary course of business and arm's length basis. There were



no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

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

b) Statutory Compliance by the Company, penalties, structures

Your 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 Exchange, the SEBI or any statutory authority on matters relating to capital markets during last three years. The Company has also obtained Annual Compliance Certificate for the year ended 31st March, 2019 as per SEBI Circular from the Practicing Company Secretaries confirming compliance with SEBI regulations.

c) Whistle Blower policy and Vigil Mechanism

Pursuant to the provisions of Section 177 of the Act 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>

Your Company affirms that no personnel of the Company has been denied access to the Chairman of the Audit Committee and no complaint has been received during the year under review.

d) Subsidiary Companies

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

e) Code of Conduct

Your 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 www.margofinance.com. web-link <http://www.margofinance.com/upload/Code%20of%20Conduct-All%20Directors%20&%20Senior%20Management.pdf>

All members of the Board, the executive officers and seniors employees have affirmed compliance to the code of conduct as on 31st March, 2019. A declaration to this effect, signed by Mr. Shri Dass Maheshwari, Whole Time Director-Finance and Chief Financial Officer forms part of this Annual Report.

f) Disclosure of Accounting Treatment

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

There is no deviation in following the treatment prescribed in any Accounting Standards in preparation of financial statement for the year 2018-2019.



h) Reconciliation of Share Capital Audit

In terms of the provisions of Clause 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practising Company Secretary. The said report is also submitted to BSE Limited.

i) Code for Prevention of Insider Trading

Your Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Insiders 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.

Further, pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ('Amendment Regulations'), your Company has revised its existing Code of Conduct and the revised code is applicable to designated persons and their immediate relatives. The Code available on the website of the Company at www.margofinance.com

j) Compliance with Mandatory & Non-Mandatory Requirements

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

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

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

Modified Opinion in Auditors Report: There was no qualification or modified opinion in Independent Auditors Report on Financial Statements for the year ended 31st March 2019 or nor in past 2 years.

Reporting of Internal Auditors: The Internal Auditor of the Company is permanent invitee to the Audit Committee Meeting.

k) 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. Provisions of Regulations 21 and 24 of Listing Regulations are not applicable to the company.

l) Certificate on Non-disqualification of Directors

M/s. Ashu Gupta & Co., Practising Company Secretaries have certified that for the financial year ended on 31st March, 2019, 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 & Co., to that effect is attached as an "Annexure II" forming part of this report.

m) Total fees paid to Statutory Auditors and all entities in network group

During FY 2018-19, ₹ 65,000/- was paid to M/s. Pawan Shubham & Co., Statutory Auditors.



n) Disclosure regarding Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on 31st March, 2019.

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, 2019 given by M/s. Ashu Gupta & Company, Practising Company Secretary is attached to this Report.

11. General Shareholder's Information

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

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

Listing on the Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Stock Exchange Stock / Scrip Code - 500206
Listing Fee	The Company has paid Listing Fees till 2019-2020 to BSE Limited within prescribed time
Annual Custody Fees	The Company has paid the Annual custody fees to Central Depository Services (India) Ltd. and National Securities Depository Limited for the year 2018-19.
ISIN	INE680B01019

Investor Information

Annual General Meeting		
Date of AGM	13 th August, 2019	
Time of AGM	10:00 A.M.	
Venue of AGM	Hotel Vrshali Executive, 39 A/2, Circuit House Road, Tarabai Park, Kolhapur, 416003, Maharashtra	
Financial Year	1 st April to 31 st March	
Tentative Financial Calendar (for financial year 2018-19)	Board Meeting for approval of	
	Financial Results for the Quarter ended 30 th June, 2019(Unaudited)	On or before 14-08-2019
	Financial Results for the Quarter ended 30 th September, 2019(Unaudited)	On or before 14-11-2019
	Financial Results for the Quarter ended 31 st December, 2019 (Unaudited)	On or before 14-02-2020
	Financial Results for the Quarter ended 31 st March, 2019 (Audited)	On or before 30-05-2020
Date of Book Closure	Wednesday 7 th August, 2019 to Tuesday 13 th August, 2019	

Dividend: No dividend was declared during the year 2018-19.



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, 2018 to March, 2019 are as under and comparison against BSE sensex is as under:

Month	Margo Finance Limited (BSE Limited)			BSE Sensex	
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)
April -2018	16.00	15.10	3202	35213.30	32972.56
May- 2018	16.65	14.00	22256	35993.53	34302.89
June -2018	16.80	15.70	1207	35877.41	34784.68
July- 2018	15.50	15.50	100	37644.59	35106.57
August -2018	15.45	14.75	402	38989.65	37128.99
September -2018	15.00	15.00	20	38934.35	35985.63
October -2018	15.00	15.00	NIL	36616.64	33291.58
November -2018	14.25	13.54	401	36389.22	34303.38
December- 2018	12.87	12.87	10	36554.99	34426.29
January -2019	12.23	9.97	154	36701.03	35375.51
February -2019	9.97	9.97	NIL	37172.18	35287.16
March -2019	9.48	7.74	2078	38748.54	35926.94

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

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

Share Transfer Committee

As on 31st March, 2019, the Share Transfer Committee comprises of Mr. Anil Kumar Jain, as Chairman, Mr. Sushilkumar Krishna Agrawal and Shri Dass Maheshwari, 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, 2019:

No. of equity Shares	No. of share holders	% of share holders	No. of shares held	% of share holding
1- 500	8623	95.34	1341086	29.35
501- 1000	279	3.09	227084	4.97
1001- 2000	74	0.82	107440	2.35



No. of equity Shares	No. of share holders	% of share holders	No. of shares held	% of share holding
2001- 3000	14	0.15	35713	0.78
3001-4000	6	0.07	22097	0.48
4001 -5000	12	0.13	57217	1.25
5001-10000	12	0.13	94234	2.06
Above 10000	24	0.27	2685129	58.76
Total	9044	100.00	4570000	100.00

Shareholding pattern as on 31st March, 2019

Category	No. of equity shares held	As a percentage of total paid up Share Capital
A. Shareholding of Promoter and Promoter Group	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
2. Non Institutions		
i. Individual shareholders holding nominal share capital in up to ₹ 2 lakh	1891777	41.40
ii. individual shareholders holding nominal share capital in excess to ₹ 2 lakh	105204	2.30
Any Other		
- HUF	60227	1.32
- NRI/OCB	1200	0.03
- Clearing Member	500	0.01
- Bodies Corporate	68351	1.50
- Directors and Directors' Relatives	2010	0.04
Sub Total (B) (2)	2129269	46.59
Total Public Shareholding (B)(1) +(B)(2)	2129369	46.59
Total (A)+(B)	4570000	100.00
C. Shares held by Custodian and against which depository receipts have been issued	0	0
Grand Total (A+B+C)	4570000	100.00

Dematerialization of shares and liquidity

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

As on 31st March, 2019, 77.54% of the Company's Shares Capital is dematerialized and rest is in physical form. The Company's Shares were regularly traded on the BSE. Requests for dematerialization of shares are processed and confirmed within the prescribe time of receipt from NSDL and CDSL.


Shares held in demat and physical mode as on 31st March, 2019

Category	Numbers of		% of total equity
	Shareholders	Shares	
Demat Mode			
NSDL	2089	1316688	28.81
CDSL	906	2227002	48.73
Total	2995	3543690	77.54
Physical Mode	6053	1026310	22.46
Grand Total	9048	4570000	100.00

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

As on 31st March, 2019, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instrument.

Commodity Price Risks and Foreign Exchange Risks and hedging activities:

Being a Non-Banking Financial Company, the Company does not deal in the commodity market nor has any hedging activities.

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 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

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

Place: Mumbai

Date: 2nd July, 2019

Anil Kumar Jain
Chairman
DIN: 00086106



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

Pursuant to 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, 2019.

For **Margo Finance Limited**

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

Place : Mumbai
Date : 2nd July, 2019



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-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 on 31st March, 2019 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 Director	DIN	Date of appointment in Company
1	Mr. Govind Prasad Agrawal	00008429	18/10/1991
2	Mr. Anil Kumar Jain	00086106	18/10/1991
3	Mr. Shri Dass Maheshwari	00181615	30/04/2018
4	Mr. Sushilkumar Agrawal	00400892	11/08/2016
5	Mr. Anilkumar Indralal Gulati	02739661	13/11/2014
6	Mr. Venkiteswaran Venkitaswaran Parlikad	07006240	13/11/2014
7	Smt. Smita Kulkarni	08127803	08/05/2018

Ensuring the eligibility 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 in Practice

ASHU GUPTA

Place: New Delhi
Date: 2nd July, 2019

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

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

To,
The Members
Margo Finance Limited

We have examined the compliance of conditions of corporate governance by Margo Finance Limited ('the Company') for the year ended March 31, 2019, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) 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, 2018 to March 31, 2019. We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company. This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For ASHU GUPTA & CO.,
Company Secretaries in Practice

ASHU GUPTA

Place: New Delhi
Date: 2nd July, 2019

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



INDEPENDENT AUDITOR'S REPORT

To the Members of **Margo Finance Limited**

Opinion

We have audited the financial statements of Margo Finance Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually



or in 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

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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. 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

Pawan Kumar Agarwal
(Partner)
FCA-092345

Place : Delhi
Dated : 14th May, 2019

**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 Financial



Statements etc., as required by the applicable accounting standards.

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

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

Pawan Kumar Agarwal
(Partner)
FCA-092345

Dated : 14th May, 2019
Place : Delhi



Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of the company **Margo Finance Limited** as at 31 March 2019 in conjunction with our audit of financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk



that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Pawan Shubham & Co.**Chartered Accountants**

Firm Registration No. 011573C

Pawan Kumar Agarwal**(Partner)****FCA-092345****Place : Delhi****Dated : 14th May, 2019**



Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors of
Margo Finance Limited

We have audited the quarterly financial results of Margo Finance Limited (the company) for the quarter ended 31st March, 2019 and the year to date results for the period 01-04-2018 to 31-03-2019, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31st March 2019 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the end of the third quarter of the current and previous financial year respectively. Also the figures upto the end of the third quarter for the current and previous financial year had only been reviewed and not subject to audit. This statement is responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 13 April 2019.

Management's Responsibility for the Financial Results

These quarterly financial results as well as the year to date financial results have been prepared on the basis annual financial statements and reviewed quarterly financial results upto the end of third quarter, which are the responsibility of the company's management and have been in accordance with the recognition and measurement principles laid down in Accounting Standard prescribed, under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial results based on our audit of such financial statements. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s).

An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016 in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31-03-2019 as well as the year to date results for the period from 01-04-2018 to 31-03-2019.

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

Pawan Kumar Agarwal
(Partner)
FCA-092345

Place : Delhi
Dated : 14th May, 2019

**BALANCE SHEET**

As at 31 March, 2019

(Amount in Indian Rupees)

	Particulars	Notes	(Amount in Indian Rupees)	
			As at 31 March 2019	As at 31 March 2018
I.	EQUITY AND LIABILITIES			
	1) Shareholders' funds			
	a) Share capital	2.01	45,700,000	45,700,000
	b) Reserves and Surplus	2.02	12,157,322	12,367,572
	2) Non-current liabilities			
	a) Long-term provisions	2.03	197,727	139,252
	3) Current liabilities			
	a) Short-term borrowings	2.04	-	91,082
	b) Trade payables	2.05		
	(A) Total outstanding dues to micro enterprises and small enterprises		-	-
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		110,765	134,847
	c) Other current liabilities	2.06	21,282	26,444
	d) Short-term provisions	2.07	-	47,929
	TOTAL		58,187,096	58,507,126
II.	ASSETS			
	1) Non-current assets			
	a) Property, Plant and Equipment			
	(i) Tangible assets	2.08	182,216	248,700
	(ii) Intangible assets	2.09	-	3,581
	b) Non-current investments	2.10	33,123,765	41,807,619
	c) Long-term loans and advances	2.11	-	1,543,640
	d) Other non-current assets	2.12	8,137,230	13,255,634
	2) Current assets			
	a) Trade receivables	2.13	19,973	297,433
	b) Cash and cash equivalents	2.14	306,983	316,477
	c) Short-term loans and advances	2.15	1,108,394	669,473
	d) Other current assets	2.16	15,308,535	364,569
	TOTAL		58,187,096	58,507,126
			-	-

Significant accounting policies

1

Notes to Financial Statements

2

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

As per our report attached

For Pawan Shubham & Co.

Chartered Accountants

Firm Registration No.:011573C

For and on behalf of the Board of Margo Finance Limited

Pawan Kumar Agarwal

Partner

Membership No.:092345

Place: Delhi

Date: 14th May, 2019

Anil Kumar Jain

Chairman

Din No. 00086106

Place: Mumbai

Date: 13th May, 2019

Shri Dass Maheshwari

Whole Time Director-Finance &

Chief Financial Officer

Din No. : 00181615

Place: Mumbai

Date: 13th May, 2019

Kailash Rawat

Company Secretary

Membership No. : 51199

Place : Mumbai

Dated : 13th May, 2019


STATEMENT OF PROFIT AND LOSS

For the year ended on 31 March, 2019

(Amount in Indian Rupees)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
I) Income			
i) Revenue from operations	2.17	2,837,261	5,327,956
ii) Other income	2.18	61,921	-
Total Revenue		2,899,182	5,327,956
II) Expenses			
i) Employee benefits expense	2.19	1,434,261	1,523,073
ii) Finance cost	2.20	881	565
iii) Depreciation and amortization expense	2.21	88,900	89,726
iv) Other expenses	2.22	1,635,714	1,575,029
Total expenses		3,159,756	3,188,393
III. Profit/(Loss) before exceptional and extraordinary items and tax (I-II)		(260,574)	2,139,563
IV. Less: Exceptional items		6,132	35,886
V. Profit/(Loss) before extraordinary items and tax (III-IV)		(266,706)	2,103,677
VI. Extraordinary items		-	-
VII. Profit/(Loss) before tax (V-VI)		(266,706)	2,103,677
VIII. Tax expense			
(i) Current Tax/ MAT		-	109,500
(ii) MAT credit available		-	(22,514)
(iii) Current Tax for previous year		(56,456)	(21,438)
(iv) Deferred tax		-	-
IX. Profit/(Loss) for the year		(210,250)	2,038,129
X. Earning per equity share:	2.23		
(1) Basic		-0.05	0.45
(2) Diluted		-0.05	0.45

Significant accounting policies
1
Notes to Financial Statements
2

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

As per our report attached

For Pawan Shubham & Co.

Chartered Accountants

Firm Registration No.:011573C

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

Partner

Membership No.:092345

Place: Delhi

 Date: 14th May, 2019

Anil Kumar Jain

Chairman

Din No. 00086106

Place: Mumbai

 Date: 13th May, 2019

Shri Dass Maheshwari

Whole Time Director-Finance &

Chief Financial Officer

Din No. : 00181615

Place: Mumbai

 Date: 13th May, 2019

Kailash Rawat

Company Secretary

Membership No. : 51199

Place : Mumbai

 Dated : 13th May, 2019

**CASH FLOW STATEMENT**

For the year ended on 31 March, 2019

(Amount in Indian Rupees)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before taxes	(266,706)	2,103,677
	Adjustments for :		
	Depreciation, amortization and impairment	88,900	89,726
	Excess provision on doubtful debt written back	(53,399)	-
	(Excess) / Contingent provisions on Standard Assets	(3,303)	3,785
	Loss on write off of Fixed Assets	2,165	-
	Interest Paid	881	565
		35,244	94,076
	Operating gain before working capital changes	(231,462)	2,197,753
	Adjustments for :		
	Decrease/ (increase) in sundry debtors	330,859	86,364
	Decrease/ (increase) in loans and advances	1,108,022	(1,741,686)
	(Increase)/Decrease in other non current assets	5,118,404	(13,044,301)
	(Increase)/Decrease in investments	8,683,854	(1,715,842)
	(Increase)/Decrease in other current assets	(14,943,966)	1,273,711
	(Increase)/Decrease in other deposits	-	12,261,706
	Increase/(Decrease) in current liabilities and provisions	(18,698)	55,424
		278,475	(2,824,624)
	Cash generated from operating activities before taxes	47,013	(626,871)
	Direct taxes paid (net of refunds)	56,456	(65,548)
	Net cash generated from/ (used in) operating activities	103,469	(692,419)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(21,000)	(20,348)
	Net cash generated from / (used in) investing activities	(21,000)	(20,348)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase/(Decrease) in short term bank borrowings (net)	(91,082)	91,082
	Interest Paid	(881)	(565)
	Net cash generated from/ (used in) financing activities	(91,963)	90,517
	INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,494)	(622,250)
	Cash and cash equivalents at the beginning of the year	316,477	938,727
	Cash and cash equivalents at the end of the year	306,983	316,477



Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Notes :	-	-
Cash and cash equivalents include :		
Cash, cheques in hand and remittances in transit	122,186	37,793
With banks in :		
Current accounts	184,797	67,351
Overdraft A/c	-	-
Deposit with banks	-	211,333
Cash and cash equivalents at the end of the year	306,983	316,477
Fixed Deposits	-	-
Cash & Bank balances at the end of the year	306,983	316,477

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

As per our report attached

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

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

Pawan Kumar Agarwal
Partner
Membership No.:092345
Place: Delhi
Date: 14th May, 2019

Anil Kumar Jain
Chairman
Din No. 00086106
Place: Mumbai
Date: 13th May, 2019

Shri Dass Maheshwari
Whole Time Director-Finance &
Chief Financial Officer
Din No. : 00181615
Place: Mumbai
Date: 13th May, 2019

Kailash Rawat
Company Secretary
Membership No. : 51199
Place : Mumbai
Dated : 13th May, 2019



I. SIGNIFICANT ACCOUNTING POLICIES

1.01 System of Accounting

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

1.02 Use of Estimates

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

1.03 Fixed Assets

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

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

1.04 Impairment

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

1.05 Investments

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

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



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

1.06 Revenue Recognition

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

The income is deemed as earned:

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

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

1.07 Expenditure

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

1.08 Borrowing Cost

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

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

1.09 Depreciation

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

1.10 Earnings per share

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

1.11 Taxation

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



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

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

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

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

1.12 Employee benefits

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

(a) Short term benefits

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

(b) Provident fund (Defined contribution plan)

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

(c) Gratuity (Defined benefit plan)

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



Notes to the Financial Statements

(Amount in Indian Rupees)

2.01 Share Capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of ₹10 each *	10,000,000	100,000,000	10,000,000	100,000,000
	10,000,000	100,000,000	10,000,000	100,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹10 each fully paid up				
At the beginning of the year	4,570,000	45,700,000	4,570,000	45,700,000
Add: Issued during the year	-	-	-	-
At the end of the year	4,570,000	45,700,000	4,570,000	45,700,000
Total	4,570,000	45,700,000	4,570,000	45,700,000

* Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders. During the year ended 31 March 2019, the Company has recorded per share dividend of ₹ Nil (previous year: ₹Nil) to equity shareholders.

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

Name of the Shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of ₹10 each fully paid up held by				
a) Sh. Anil Kumar Jain (HUF)	405,245	8.87	405,245	8.87
b) Mrs. Gayatri Devi Jain	324,870	7.11	324,870	7.11
c) YarnTex Export Limited	265,370	5.81	265,370	5.81
d) Rini Investment & Finance Private Limited	455,046	9.96	455,046	9.96
e) Skeyrise Properties Private Limited	313,300	6.86	313,300	6.86
Total	1,763,831	38.61	1,763,831	38.61

2.02 RESERVES & SURPLUS

Particulars	As at 31 March 2019	As at 31 March 2018
(a) General reserve		
Balance at the beginning of the year	1,249,000	1,249,000
Balance at the end of the year	1,249,000	1,249,000
(b) Special Reserve Fund		
Balance at the beginning of the year	3,674,738	3,267,112
Add: Addition During the year	-	407,626
Less: Deduction during the year	-	-
Balance at the end of the year	3,674,738	3,674,738
(c) Share Warrant Option Premium		
Balance at the beginning of the year	3,380,000	3,380,000
Balance at the end of the year	3,380,000	3,380,000
(d) (Deficit)/ surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	4,063,834	2,433,331
Add/ (less): Profit/ (loss) for the year	(210,250)	2,038,129
Less: Appropriations		
Transfer to special reserve	-	407,626
Balance at the end of the year	3,853,584	4,063,834
Total	12,157,322	12,367,572



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

2.03 LONG TERM PROVISIONS

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits	197,727	139,252
	197,727	139,252

2.04 SHORT TERM BORROWINGS

Particulars	As at 31 March 2019	As at 31 March 2018
Loans repayable on demand		
From a bank *	-	91,082
Total	-	91,082
* Bank overdraft limit from Karnataka Bank Limited is secured by Fixed Deposit with the same bank.		
Default in payment of loans	-	-
Default in payment of Interest	-	-

2.05 TRADE PAYABLE

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Payables	110,765	134,847
	110,765	134,847

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

2.06 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory Liabilities	19,826	21,685
Contingent Provision on Standard Asset	1,456	4,759
	21,282	26,444

2.07 SHORT TERM PROVISIONS

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits	-	47,929
	-	47,929

2.08 Tangible assets

Description	Cost						
	As at 31 March 2019	Additions	As at 31 March 2018	As at 1 April 2018	Additions	Adjustments	As at 31 March 2019
Furniture and fixtures	170,595	20,348	190,943	190,943	-	121,435	69,508
Office equipments	1,054,035	-	1,054,035	1,054,035	21,000	427,025	648,010
Vehicles	469,128	-	469,128	469,128	-	-	469,128
Total	1,693,758	20,348	1,714,106	1,714,106	21,000	548,460	1,186,646



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

Description	Depreciation						
	As at 1 April 2017	Additions	As at 31 March 2018	As at 1 April 2018	Additions	Adjustments	As at 31 March 2019
Furniture and fixtures	162,063	768	162,831	162,831	1,933	115,363	49,401
Office equipments	969,303	27,826	997,129	997,129	27,654	430,932	593,851
Vehicles	249,714	55,732	305,446	305,446	55,732	-	361,178
Total	1,381,080	84,326	1,465,406	1,465,406	85,319	546,295	1,004,430

Description	Net Block	
	As at 31 March 2018	As at 31 March 2019
Furniture and fixtures	28,112	20,107
Office equipments	56,906	54,159
Vehicles	163,682	107,950
Total	248,700	182,216

2.09 Intangible assets

Description	Cost						
	As at 1 April 2017	Additions	As at 31 March 2018	As at 1 April 2018	Additions	Adjustments	As at 31 March 2019
Software	23,000	-	23,000	23,000	-	6,000	17,000
Total	23,000	-	23,000	23,000	-	6,000	17,000

Description	Amortisation						
	As at 1 April 2017	Additions	As at 31 March 2018	As at 1 April 2018	Additions	Adjustments	As at 31 March 2019
Software	14,019	5,400	19,419	19,419	3,581	6,000	17,000
Total	14,019	5,400	19,419	19,419	3,581	6,000	17,000

Description	Net Block	
	As at 31 March 2018	As at 31 March 2019
Software	3,581	-
Total	3,581	-

2.10 NON CURRENT INVESTMENTS

Particulars	As at 31 March 2019	As at 31 March 2018
(A) Investments in Property		
Land at Vrindavan	1,614,650	1,614,650
	1,614,650	1,614,650
(B) Investment in Equity Instruments - Unquoted		
Indocount Securities Limited		
427,000 (previous year 427,000) equity shares of ₹10 fully paid up.	4,270,000	4,270,000
Hindustan Breweries & Bottling Limited		
25,000 (previous year 25,000) equity shares of ₹10 fully paid up.	251,250	251,250
Shiva Services Limited		
10,000 (previous year 10,000) equity shares of ₹10 fully paid up.	100,000	100,000
	4,621,250	4,621,250
Less: Provision for diminution in value of investment	351,248	351,248
TOTAL VALUE OF UNQUOTED EQUITY SHARES	4,270,002	4,270,002



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

Particulars	As at 31 March 2019	As at 31 March 2018
(C) Investment in Equity Instruments - Quoted		
Ajanta Pharma Limited Nil (previous year 200) equity shares of ₹2 fully paid up.	-	307,730
Allahabd Bank Nil (previous year 100) equity shares of ₹10 fully paid up.	-	7,124
Avonmore Capital & Management Services Ltd. 10 (previous year 10) equity shares of ₹10 fully paid up.	380	380
Andhra Bank Nil (previous year 100) equity shares of ₹10 fully paid up.	-	5,693
Axis Bank Limited Nil (previous year 500) equity shares of ₹2 fully paid up.	-	249,224
Bank of Baroda Nil (previous year 100) equity shares of ₹2 fully paid up.	-	16,748
Bank of India Nil (previous year 100) equity shares of ₹10 fully paid up.	-	16,989
Canara Bank 800 (previous year 800) equity shares of ₹10 fully paid up.	289,180	289,180
Central Bank of India Nil (previous year 100) equity shares of ₹10 fully paid up.	-	7,470
Corporation Bank Nil (previous year 100) equity shares of ₹2 fully paid up.	-	4,001
Housing Development Finance Corporation Limited 560 (previous year 560) equity shares of ₹2 fully paid up.	938,053	938,053
HDFC Bank Limited 750 (previous year 750) equity shares of ₹2 fully paid up.	1,254,521	1,254,521
HDFC Standard Life Insurance 100 (previous year 100) equity shares of ₹10 fully paid up.	37,051	37,051

2.10 NON CURRENT INVESTMENTS

Particulars	As at 31 March 2019	As at 31 March 2018
Hindustan Zinc Limited Nil (previous year 500) equity shares of ₹2 fully paid up.	-	156,632
ICICI Bank 800 (previous year 800) equity shares of ₹2 fully paid up.	278,739	278,739
Indian Bank Nil (previous year 100) equity shares of ₹10 fully paid up.	-	38,176
Indo Count Industries Limited 1520020 (previous year 1520020) equity shares of ₹2 fully paid up.	5,257,320	5,257,320
Jindal Saw Limited 400 (previous year 400) equity shares of ₹2 fully paid up.	47,012	47,012
Jindal Stainless Limited 800 (previous year 800) equity shares of ₹2 fully paid up	67,924	67,924
Jindal Steel & Power Limited 300 (previous year 300) equity shares of ₹1 fully paid up.	50,074	50,074
Karnataka Bank Limited Nil (previous year 500) equity shares of ₹10 fully paid up.	-	75,036
Kotak Mahindra Bank 500 (previous year 980) equity shares of ₹5 fully paid up.	485,257	952,535



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

Particulars	As at 31 March 2019	As at 31 March 2018
KPR Mill Limited 3300 (previous year 3500) equity shares of ₹5 fully paid up	2,175,781	2,339,753
Larsen & Tubro Limited* 675 (previous year 675) equity shares of ₹2 fully paid up	783,354	783,354
Maruti Suzuki India Limited 7 (previous year 7) equity shares of ₹5 fully paid up.	69,117	69,117
Punjab National Bank Nil (previous year 100) equity shares of ₹2 fully paid up.	-	18,239
Reliance Industries Limited** 200 (previous year 200) equity shares of ₹10 fully paid up.	141,271	141,271
State Bank of India 300 (previous year 300) equity shares of ₹1 fully paid up.	94,581	94,581
Syndicate Bank 100 (previous year 100) equity shares of ₹10 fully paid up.	7,807	7,807
Trident Limited 1800 (previous year 1800) equity shares of ₹10 fully paid up.	135,815	135,815
Union Bank Nil (previous year 100) equity shares of ₹10 fully paid up.	-	14,223
Vijaya Bank 100 (previous year 100) equity shares of ₹10 fully paid up.	6,697	6,697
	12,119,934	13,668,469
Less: Provision for diminution in value of investment	-	-
TOTAL VALUE OF QUOTED EQUITY SHARES	12,119,934	13,668,469

Note

*675 shares includes 225 bonus shares

**200 shares includes 100 bonus shares

2.10 NON CURRENT INVESTMENTS

Particulars	As at 31 March 2019	As at 31 March 2018
(D) Investments in debentures & bonds		
Housing and Urban Development Corporation Limited 200 (previous year 200) bonds of ₹1000 each	200,000	200,000
Indian Railway Finance Corporation Limited 1000 (previous year 1000) bonds of ₹1000 each	1,000,000	1,000,000
National Highway Authority of India 500 (previous year 500) bonds of ₹1000 each	537,250	537,250
National Highway Authority of India 1000 (previous year 1000) bonds of ₹1000 each	1,000,000	1,000,000
TOTAL VALUE OF DEBENTURE & BONDS	2,737,250	2,737,250
(E) Investments in Mutual Funds		
Birla Sunlife Balanced Advantage Fund	-	617,747
HDFC Mutual Fund	2,000,088	1,907,929
ICICI Prudential Balanced Fund	-	9,478,851
ICICI Prudential Mutual Fund	1,200,000	1,200,000



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

Particulars	As at 31 March 2019	As at 31 March 2018
ICICI Prudential Credit & Risk Fund	3,885,584	-
IDFC Balanced Fund	-	1,076,373
LIC Mutual Fund	92,301	92,301
SBI Mutual Fund	5,203,956	5,144,047
TOTAL VALUE OF MUTUAL FUND UNITS	12,381,929	19,517,248
TOTAL VALUE OF INVESTMENTS (A)+(B)+(C)+(D)+(E)	33,123,765	41,807,619
Aggregate book value of quoted equity investments	12,119,934	13,668,469
Market value of quoted investments	98,588,177	162,016,921

2.11 LONG-TERM LOANS & ADVANCES

Particulars	As at 31 March 2019	As at 31 March 2018
Loans & advances- Unsecured considered good	-	1,543,640
	-	1,543,640

2.12 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018
Other Deposit With Banks	8,137,230	13,255,634
	8,137,230	13,255,634

2.13 TRADE RECEIVABLE

Particulars	As at 31 March 2019	As at 31 March 2018
Debtors exceeding six months from the date they are due for payment		
Unsecured, considered doubtful	-	-
Other debts - Considered good		
Unsecured	19,973	297,433
	19,973	297,433

2.14 CASH & BANK BALANCES

Particulars	As at 31 March 2019	As at 31 March 2018
Cash & cash equivalents		
Cash in hand	79,900	37,793
Cheques in hand	42,286	-
Balance with banks in		
Current accounts*	184,797	67,351
Deposit with banks	-	211,333
	306,983	316,477
* Details of Balance in Current accounts:		
Canara Bank Limited	33,077	67,351
Karnataka Bank Limited	151,720	-
	184,797	67,351



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

2.15 SHORT TERM LOANS & ADVANCES

Particulars	As at 31 March 2019	As at 31 March 2018
Loans & advances- Unsecured considered good, Others	582,230	359,875
Loans to employees	3,000	15,000
Prepaid expenses	12,272	14,269
Mat credit entitlement	216,605	160,149
Balance with tax authorities	132,487	10,132
Advance income-tax / Income Tax Refundable (Net of provision of income tax)	161,800	110,048
	1,108,394	669,473

2.16 OTHER CURRENT ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured considered good, unless otherwise stated		
Deposits with banks having maturity period 3 months to 12 months	13,246,526	-
Interest accrued on fixed deposits	959,265	261,599
Interest accrued on investments	102,744	102,970
FDR with non-banking financial institutions	1,000,000	-
Other advances	6,801,580	6,854,979
	22,110,115	7,219,548
Less: Provision for doubtful other advances	6,801,580	6,854,979
	15,308,535	364,569
Aggregate balance receivable from related parties	-	-

2.17 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest Income	1,328,554	1,228,720
Dividend Received	760,139	1,352,129
Net gain on sale of investments	358,295	2,378,555
Interest Received on Investments	225,273	192,052
Commission & Service Charges	165,000	157,000
Other Operating Income *	-	19,500
	2,837,261	5,327,956
* Other Operating Income		
Miscellaneous Income	-	19,500
	-	19,500

2.18 OTHER INCOME

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Reversal of contingent provision on standard assets	3,303	-
Interest on Income Tax Refund	5,219	-
Excess provision for doubtful debts written back	53,399	-
	61,921	-



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

2.19 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, Wages and Bonus*	1,315,309	1,388,410
Employer's Contribution to provident and other fund	34,074	53,139
Retirement Benefits	50,757	54,040
Staff welfare expense	34,121	27,484
	1,434,261	1,523,073
* Including managerial remuneration		

2.20 FINANCE COST

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest paid	881	565
	881	565

2.21 DEPRECIATION & AMORTIZATION EXPENSES

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on Tangible assets	85,319	84,326
Amortization of Intangible assets	3,581	5,400
	88,900	89,726

2.22 OTHER EXPENSES

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Advertisement & Publicity	78,352	38,454
Loss on sale/write off of fixed assets	2,165	-
Contingent Provision on Standard Assets	-	3,785
Rent	-	4,500
Rates, Taxes & Fee	112,732	174,389
Donation	5,000	5,000
Director Sitting Fees	73,000	59,000
Professional Charges paid	261,170	309,898
Listing fee	250,000	250,000
Share Transfer Expenses	88,072	49,111
Insurance Expense	16,802	14,775
Conveyance Expenses	69,753	99,245
Printing & Stationary	223,828	135,503
Repair & Maintenance		
-Vehicles	60,470	50,295
-Others	26,658	10,202
Telephone Expenses	38,253	26,554
Postage Expenses	282,891	87,277
Security Deposit Written Off	-	200,000
Miscellaneous Expenses	46,568	57,041
	1,635,714	1,575,029
Professional Charges paid include payment to Auditors		
Audit fee	65,000	65,000
Certification	-	-
For reimbursement of expenses including GST	11,700	-
	76,700	65,000



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

2.23 EARNING PER SHARE

Particulars	As at 31 March 2019	As at 31 March 2018
Profit for calculation of EPS (₹)	(210,250)	2,038,129
Weighted No. of Equity Shares	4,570,000	4,570,000
Basic/Diluted EPS (₹)	-0.05	0.45

2.24 CONTINGENT LIABILITIES & COMMITMENTS

Particulars	As at 31 March 2019	As at 31 March 2018
I) Contingent liabilities:	-	-
II) Capital Commitments (net of advances)	-	-

2.25 TRANSACTIONS WITH RELATED PARTIES

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

Transactions during the year with related parties

Nature of Transactions	Entities under common control	Key Managerial Personnel / Relative of KMP	Year ended 31 March 2019	Year ended 31 March 2018
	(1)	(2) & (3)	(₹)	(₹)
Investments				
Indocount Securities Limited	4,270,000	-	4,270,000	4,270,000
Indo Count Industries Limited	5,257,320	-	5,257,320	5,257,320
Deposit for confirmation of Directors				
Indocount Securities Limited				
i) Opening Balance	-	-	-	-
ii) Received during the year	75,000	-	75,000	100,000
iii) Returned during the year	75,000	-	75,000	100,000
iv) Closing Balance	-	-	-	-
Expenditure				
i) Remuneration to Key Managerial Personnel				
Ms. Rekha Tukaram Bolkar	-	-	-	285,120
Mr. Shri Dass Maheshwari	-	707,380	707,380	-
Income				
i) Expenses recovered				
Indocount Securities Limited	-	11,686	11,686	-

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

2.26 Employee Benefits as per Accounting Standard 15

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



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

i) Present value of the defined benefit obligation :

Particulars	Gratuity	
	31-March-2019	31-March-2018
Opening defined benefit obligation	528,040	455,413
Interest cost	36,611	22,201
Current service cost	42,808	54,320
Benefits paid	(50,769)	-
Past service cost	-	1,446
Actuarial (gain)/loss on obligation	10,272	(5,340)
Closing defined benefit obligation	566,962	528,040

ii) Fair value of plan assets

Particulars	Gratuity	
	31-March-2019	31-March-2018
Opening fair value of plan assets	340,859	279,309
Expected return	24,883	12,371
Contributions by employer	-	41,738
Benefits paid	-	-
Actuarial gain/(losses)	3,493	7,441
Closing fair value of plan assets	369,235	340,859

iii) Provisions for gratuity

Particulars	Gratuity	
	31-March-2019	31-March-2018
Defined benefit obligation	566,962	528,040
Charged to profit & loss account	-	-
Fair value of plan assets	369,235	340,859
Less: Unrecognised past service cost	-	-
Plan Liability / (Asset)	197,727	187,181

iv) Principle actuarial assumptions

Particulars	Gratuity	
	31-March-2019	31-March-2018
Discount rate	7.51%	7.30%
Expected return on plan assets	7.51%	6.60%
Salary growth rate	7.50%	7.50%
Withdrawal rate	11% at all ages	11% at all ages

The liability is yet to be funded.

2.27 DEFERRED TAX ASSETS / LIABILITIES

Particulars	As at	As at
	31 March 2019	31 March 2018
Deferred tax asset		
Provision for Doubtful Advances	1,751,407	1,765,157
Provision for Retirement Benefits	50,915	35,857
Contingent Provision on Standard Assets	375	1,225
Provision for diminution in investments	90,446	90,446
Difference in the written down value of fixed assets as per the Companies Act and the IT Act	38,031	38,991
Gross deferred tax asset	1,931,174	1,931,676



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

Particulars	As at	As at
	31 March 2019	31 March 2018
Deferred tax liability		
Difference in the written down value of fixed assets as per the Companies Act and the IT Act	-	-
Gross deferred tax liability	-	-
Net deferred tax asset/(liability) *	1,931,174	1,931,676

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

2.28 SEGMENT REPORTING

For the year ended 31 March 2019

Particulars	Business Segments			
	Finance	Investment	Unallocable	Total
Segment Revenue				
Segment Revenue	1,216,346	1,620,915	61,921	2,899,182
Segment Results				
Segment Results including other income but before taxes & exceptional items	1,216,346	1,620,915	(3,103,967)	(266,706)
Add: Exceptional Items	-	-	-	-
Profit before Tax	1,216,346	1,620,915	(3,103,967)	(266,706)
Less: Provision for taxes	-	-	(56,456)	(56,456)
Net Profit after tax	1,216,346	1,620,915	(3,047,511)	(210,250)
Other Information				
Segmental Assets	7,350,648	49,821,085	1,015,363	58,187,096
Segmental Liabilities	-	-	329,774	329,774
Capital Expenditure	-	-	-	-
Depreciation	-	-	88,900	88,900
Non cash expenditure other than depreciation (net of non-cash income)	-	-	(54,537)	(54,537)

For the year ended 31 March 2018

Particulars	Business Segments			
	Finance	Investment	Unallocable	Total
Segment Revenue				
Segment Revenue	1,296,526	4,031,430	-	5,327,956
Segment Results				
Segment Results including other income but before taxes & exceptional items	1,296,526	4,031,430	(3,224,279)	2,103,677
Add: Exceptional Items	-	-	-	-
Profit before Tax	1,296,526	4,031,430	(3,224,279)	2,103,677
Less: Provision for taxes	-	-	65,548	65,548
Net Profit after tax	1,296,526	4,031,430	(3,289,827)	2,038,129
Other Information				
Segmental Assets	8,185,600	49,654,503	646,675	58,486,778
Segmental Liabilities	-	-	439,554	439,554
Capital Expenditure	-	-	20,348	20,348
Depreciation	-	-	89,726	89,726
Non cash expenditure other than depreciation (net of non-cash income)	-	-	3,785	3,785



Notes to the Financial Statements (contd/-)

(Amount in Indian Rupees)

2.29 Others

Particulars		As at 31 March 2019	As at 31 March 2018
i)	In the opinion of the management, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.		
ii)	Paise have been rounded off to nearest rupee.		
iii)	Debit & Credit balances are subject to confirmation		
iv)	Previous Year's figures have been regrouped and / or rearranged.		
v)	Additional Information	Nil	Nil

As per our report attached

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

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

Pawan Kumar Agarwal
Partner
Membership No.:092345
Place: Delhi
Date : 14th May, 2019

Anil Kumar Jain
Chairman
Din No. 00086106
Place: Mumbai
Date: 13th May, 2019

Shri Dass Maheshwari
Whole Time Director-Finance &
Chief Financial Officer
Din No. : 00181615
Place: Mumbai
Date: 13th May, 2019

Kailash Rawat
Company Secretary
Membership No. : 51199
Place : Mumbai
Dated : 13th May, 2019



**“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)

(₹ in lakhs)

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

(₹ in lakhs)

Assets side		
(2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below:	Amount Outstanding
	(a) Secured	-
	(b) Unsecured	5.82
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
(4)	Break-up of Investments:	
	Current Investments:	
	(1) Quoted:	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	(2) Unquoted:	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-



(₹ in lakhs)

Particulars		
(4)	Break-up of Investments: (Contd/-)	
	Long Term Investments:	
	(1) Quoted:	
	(i) Shares : (a) Equity	121.20
	(b) Preference	-
	(ii) Debentures and Bonds	27.37
	(iii) Units of mutual funds	123.82
	(iv) Government Securities	-
	(v) Others (please specify)	-
	(2) Unquoted:	
	(i) Shares : (a) Equity	46.21
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	Investment in Immovable Property	16.15
	Total	334.75

(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	-	5.82	5.82
Total	-	5.82	5.82

(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		829.01	91.76
(c) Other related parties		-	-
(2) Other than related parties		161.49	223.33
Total		990.50	315.09

** As per Accounting Standard of ICAI

(₹ in lakhs)

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



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