



# Margo Finance Limited

September 6, 2021

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

**BSE Limited**

Department of Corporate Services  
Floor 25, Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai – 400 001

**Ref.: Scrip Code: 500206**

Dear Sir/ Madam,

**Sub: 30<sup>th</sup> Annual General Meeting, Annual Report 2020-21 along with Notice of Annual General Meeting.**

In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its Circular dated 5<sup>th</sup> May, 2020, read with Circulars dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 13<sup>th</sup> January, 2021 (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. As intimated to the stock exchange on September 06, 2021, Thirtieth (30<sup>th</sup>) Annual General Meeting (AGM) of Margo Finance Limited ("the Company") will be held on Tuesday, September 28, 2021 at 12:00 Noon (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in compliance with aforesaid MCA circulars and applicable SEBI circular. Pursuant to Regulation 34(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report for the Financial Year 2020-21 along with the Notice of 30<sup>th</sup> Annual General Meeting of the Company. The said Annual Report and Notice of Annual General Meeting are also available on the website of the Company at [www.margofinance.com](http://www.margofinance.com). The web-links to the same are given below:

Annual Report 2020-21: [http://www.margofinance.com/wpcontent/uploads/2021/09/mfl\\_annual-report-2020-21.pdf](http://www.margofinance.com/wpcontent/uploads/2021/09/mfl_annual-report-2020-21.pdf)

Notice of 30<sup>th</sup> Annual General Meeting: <http://www.margofinance.com/wp-content/uploads/2021/09/mfl-notice-of-30th-agm.pdf>

The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 21, 2021 to Tuesday, September 28, 2021 (both days inclusive) for the purpose of 30<sup>th</sup> Annual General Meeting of the Company.

The Company is providing electronic voting at AGM and remote e-voting facility to the members through electronic voting platform of National Securities Depository Limited (NSDL). Members holding shares either in physical form or dematerialized form as on cut-off date i.e. Tuesday, September 21, 2021 may cast their votes electronically on the resolutions included in the 30<sup>th</sup> Notice of Annual General Meeting. The remote e-voting shall commence from 9.00 a.m. (IST) on Friday, September 24, 2021 and shall end at 5.00 p.m. (IST) on Monday, September 27, 2021. The VC/OAVM facility will also be available through NSDL e-voting system.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Margo Finance Limited

Archisha Tyagi

Company Secretary & Compliance Officer  
Membership No.: 49606

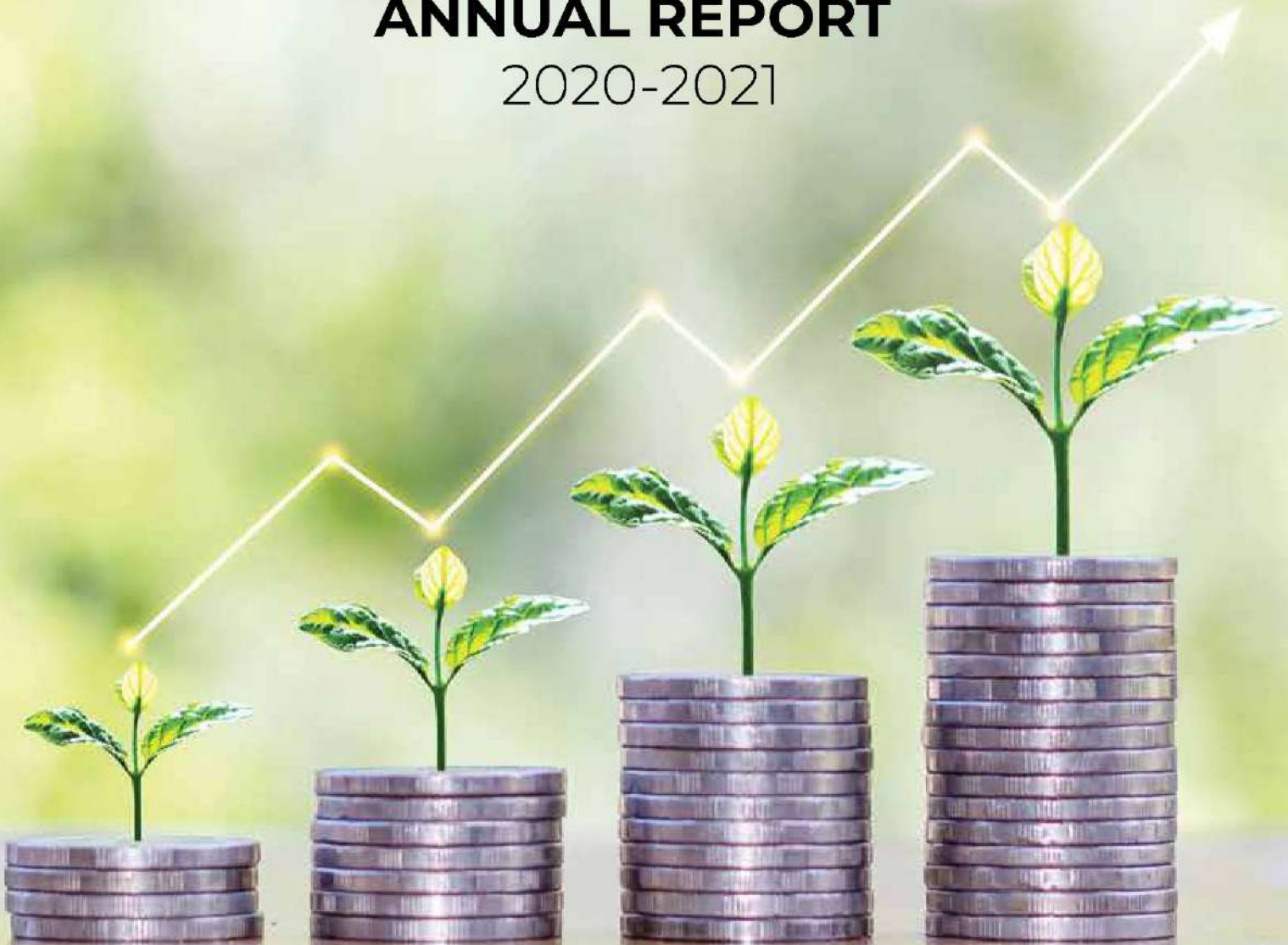
Encl.: A/a



# MARGO FINANCE LIMITED



## ANNUAL REPORT 2020-2021







## CORPORATE INFORMATION

<b>Board of Directors</b>	Mr. Anil Kumar Jain	Chairman (Non-Executive)
	Mr. Shri Dass Maheshwari	Whole Time Director- Finance and Chief Financial Officer
	Mr. Govind Prasad Agrawal	Independent Director
	Mr. Ambarish Ratilal Sodha	Independent Director
	Mr. Sushilkumar Krishna Agrawal	Non-Executive Director
	Ms. Smita Kulkarni	Independent Director
	Mr. V.V. Parlikad	Independent Director (Ceased to be Director w.e.f. August 22, 2020)
<b>Company Secretary</b>	Mrs. Archisha Tyagi	
<b>Auditors</b>	<b>M/s. Pawan Shubham and Co.</b> Chartered Accountants 603, Laxmi Deep Building, 9, District Centre, Laxmi Nagar, Delhi 110092	
<b>Bankers</b>	Karnataka Bank Limited Canara Bank	
<b>Registered Office</b>	Office No. 3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka: Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra	
<b>Corporate Office</b>	2 <sup>nd</sup> Floor, 15/76, Old Rajinder Nagar, New Delhi-110060	
<b>Registrar and Share Transfer Agent</b>	Link Intime India Private Limited Noble Heights, 1 <sup>st</sup> floor, Plot No NH-2, C- 1Block,LSC, Near Savitri Market, Janakpuri, New Delhi - 110058	
<b>Corporate Identification Number</b>	L65910MH1991PLC080534	
<b>Website</b>	<a href="http://www.margofinance.com">www.margofinance.com</a>	

<b>Contents</b>	<b>Page No.</b>
Board's Report & Annexures to Board's Report	2-13
Management Discussion & Analysis Report	14-15
Corporate Governance Report	16-35
Auditors' Report	36-41
Balance Sheet	42
Statement of Profit and Loss	43
Cash Flow Statement	44-45
Notes to Financial Statements	47-75



## BOARD'S REPORT

Dear Members,

On behalf of Board of Directors ("The Board"), it gives me immense pleasure to present the Thirtieth (30<sup>th</sup>) Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2021.

### Financial Results

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2021 is summarized below:

(Rs. In Lakhs, except EPS)

Particulars	2020-2021	2019-2020
Total Income	57.45	30.26
Total Expenses	32.65	31.94
Profit/(Loss) before Tax	24.80	(1.68)
Less: Tax Expenses/ Credit	(8.11)	1.73
Profit/(Loss) after tax	16.69	0.05
EPS (Rs.)	0.37	0.00

During the financial year under review, the Company earned Total Income of Rs. 57.45 lakhs mainly comprising of Dividend, interest, fees & commission and gain on sale of Investments. The Company achieved Net Profit of Rs. 16.69 Lakhs for the year ended 31<sup>st</sup> March, 2021 as compared to Rs. 0.05 Lakhs in the previous year. More details on operational and financial performance are provided in Management Discussion and Analysis Report.

### Accounting Method

NBFCs were required to comply with the Indian Accounting Standards (IND AS) for the preparation of the Financial Statements. Accordingly, the annual financial statements for the year ended 31<sup>st</sup> March, 2021 are prepared as per IND AS.

### Dividend

The Board of Directors of the Company has not recommended any dividend on the equity shares of the Company for the Financial year 2020-21 due to conservation of profits.

### Reserves

The Board of Directors has decided to retain the entire amount of profit for FY 2020-21 in the statement of profit & loss.

### Share Capital

There was no change in capital structure of your Company during the year under review. As on 31<sup>st</sup> March, 2021, the paid up equity share capital of the Company is Rs. 4,57,00,000/- comprising of 45,70,000 Equity shares of Face Value of Rs. 10/- each. During the financial year 2020-21, your Company has not issued any equity shares with differential rights as to dividends, voting or otherwise, or any convertible securities, warrants or Sweat Equity shares. Your Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme

### Directors and Key Managerial Personnel

During the Financial year 2020-21, following changes took place in the composition of the Board & Key Managerial Personnel (KMP):

Mr. V. V. Parlikad (DIN: 07006240), Non-Executive Independent Director of the Company ceased to be a Director w.e.f. 22<sup>nd</sup> August, 2020 due to expiry of his first term as the Independent Director of the Company and not seeking for re-appointment



for the second term due to personal reasons. The Board places on record its appreciation for the valuable guidance and contributions made by Mr. V. V. Parlikad as a Board Member during his association with the Company.

Pursuant to the recommendation of Nomination and Remuneration Committee (NRC), Mr. Ambarish R. Sodha (DIN: 00489489) was appointed by the Board as an Additional Director in the category of Non-Executive Independent Director of the Company for a first term of five consecutive years w.e.f. September 11, 2019. His appointment as an Independent Director was duly approved by the members of the Company at the Annual General Meeting ("AGM") of the Company held on September 29, 2020.

Pursuant to the provision of Section 152 of the Companies Act, 2013, ("Act") and articles of association of the Company, Mr. Anil Kumar Jain (DIN: 00086106) Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offer himself for re-appointment. The Board recommended his re-appointment for consideration at the ensuing AGM. As per Secretarial Standard – 2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), brief profile and other related information of Mr. Anil Kumar Jain, Director retiring by rotation is provided in the Notice of ensuing AGM.

Mr. Kailash resigned from the position of Company Secretary of the Company w.e.f. December 20, 2020. Pursuant to the recommendation of NRC Committee, Mrs. Archisha Tyagi was appointed as the Company Secretary of the Company w.e.f. February 9, 2021 under Section 203 of the Companies Act, 2013.

Pursuant to the recommendation of Nomination and Remuneration Committee (NRC) and subject to the approval of the members of the Company in the ensuing annual general meeting, the Board of Directors of the Company, re-appointed Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as "Whole Time Director- Finance & CFO" of the Company for a further period of 2 years with effect from April 30, 2021. The resolution for his re-appointment is included in the Notice of ensuing Annual General Meeting and members are requested to refer Notice and Explanatory Statement for further details.

As on 31<sup>st</sup> March, 2021, Mr. Shri Dass Maheshwari, Whole Time Director & Chief Financial Officer and Mrs. Archisha Tyagi, Company Secretary are the Key Managerial Personnel (KMP) of the Company in terms of Section 203 of the Companies Act, 2013.

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

Pursuant to Rule 6 of Companies (Appointment and qualification of Directors) Rules, 2014 as amended w.e.f. 1<sup>st</sup> December, 2019, all Independent Directors of the Company have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA). In the opinion of the Board of Directors of the Company, all Independent Directors possess high integrity, expertise and experience including the proficiency required to discharge the duties and responsibilities as Directors of the Company.

### **Number of Board Meetings**

During the financial year 2020-21, Four (4) Board Meetings were held on June 29, 2020, August 27, 2020, November 6, 2020 and February 9, 2021 through Video conferencing in accordance with the aforesaid MCA Notifications and SEBI circulars. More details on Board Meetings are provided in the Corporate Governance Report.

### **Company's Policy on appointment and remuneration of Directors and Key Managerial Personnel**

Pursuant to Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee (NRC) has formulated "Nomination and Remuneration Policy" which deals inter-alia with the appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The said policy is uploaded on the website of the Company and web-link thereto is <http://www.margofinance.com/wp-content/uploads/2021/01/mfl-nomination-and-remuneration-policy.pdf> The salient features of the policy are as under:

**I. Criteria for appointment:**

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

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

- a. The remuneration including commission payable to the Whole Time /Executive Director(s) / Managing Director shall be determined and recommended by the NRC to the Board for approval.
- b. While determining the remuneration of the Executive Directors, following factors shall be considered by the NRC/ Board:
  - Role played by the individual in managing the Company including responding to the challenges faced by the Company
  - Individual performance and company performance so that remuneration meets appropriate performance benchmarks
  - Reflective of size of the Company, complexity of the sector/ industry/company's operations and the Company's financial position

**III. Remuneration to Non- Executive / Independent Directors:**

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

**Annual Evaluation of Board Performance and its Committee and Individual Directors**

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

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



A meeting of the Independent Directors of the Company was held on March 11, 2021, in which Independent Directors inter-alia reviewed performance of Non-Executive Independent Chairman and other Non-Independent Directors and the Board as a whole through performance evaluation sheets.

### **Directors' Responsibility Statement**

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

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- such accounting policies as mentioned in the notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2021, have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of the Profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual financial statements for the year ended 31<sup>st</sup> March, 2021, have been prepared on a going concern basis;
- internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;
- proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

### **Audit Committee**

During the year under review, Mr. V. V Parlikad ceased to be a member of Audit Committee w.e.f. 22<sup>nd</sup> August, 2020 due to cessation of his Directorship of the Company and the Audit Committee was re-constituted.

As on 31<sup>st</sup> March, 2021, the Audit Committee comprises of 4 members viz. Mr. Ambarish Ratilal Sodha, Independent Director as Chairman, Mr. Govind Prasad Agrawal, Ms. Smita Kulkarni, Independent Directors and Mr. S. K Agrawal, Non-Executive Non-Independent Director. More details on the Audit Committee are given in Corporate Governance Report. All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

### **Statutory Auditors**

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

The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting was omitted vide notification dated 7<sup>th</sup> May, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Statutory 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 the standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2021 forms part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks or disclaimer. In terms of the provisions of Section 143(12) of the Act, no frauds have been reported by the Statutory Auditors in their report for the year under review. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

## **Secretarial Auditor and Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Act, read with rules thereunder, the Board at its meeting held on February 9, 2021 has appointed M/s. Ashu Gupta & Co, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2021. The Secretarial Audit Report issued by them in Form No. MR-3 is provided as an “**Annexure 1**” to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 issued by Securities and Exchange Board of India (SEBI), M/s. Ashu Gupta & Co, Practicing Company Secretaries have issued the Annual Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2021, thereby confirming compliance of the applicable SEBI Regulations and circulars / guidelines issued thereunder by the Company.

## **Internal control systems and their adequacy**

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

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

## **Public Deposits**

Your Company being a Non-deposit taking Non-Systemically Important NBFC has not accepted or renewed any deposit as covered under Chapter V of the Act read with the Companies (Acceptance of Deposit) Rules, 2014, as amended, from its members or the public during the year under review.

## **Subsidiaries**

During the year under review, your Company does not have any subsidiaries or joint ventures or associate companies as defined under the Act. However, the Company has framed a policy for determining material subsidiaries, which can be <http://www.margofinance.com/wp-content/uploads/2021/01/margo-policy-on-material-subsidiaries.pdf>

## **Corporate Governance Report**

Your Company has adopted best practices of Corporate Governance and complied with all the requirement of Corporate Governance laid down by SEBI. As per Regulation 34(3) read with Schedule V of the Listing Regulations, a Corporate Governance Report along with Statutory Auditors' Certificate confirming compliance of corporate governance for the year ended 31<sup>st</sup> March, 2021 is provided separately and forms integral part of this Annual Report.

## **Management and Discussion Analysis Report**

Pursuant to Regulation 34 of the Listing Regulations, Management Discussion and Analysis Report containing information inter-alia on industry trends, your Company's performance, future outlook, opportunities and threats for the year ended 31<sup>st</sup> March, 2021, is provided in a separate section forming integral part of this Annual Report.



## Annual Return

Pursuant to the amendments in Section 92(3) of the Companies Act, 2013 read with Rules thereunder and provisions of Section 134(3)(a) of the Act, Annual Returns of the Company for FY 2019-20 and FY 2020-21 are hosted on the website of the Company <http://www.margofinance.com> and web-links thereto are given below:

Annual Return for FY 2019-20: [http://www.margofinance.com/wp-content/uploads/2021/08/annual-return\\_mgt-7\\_fy\\_2019-20.pdf](http://www.margofinance.com/wp-content/uploads/2021/08/annual-return_mgt-7_fy_2019-20.pdf)

Annual Return for FY 2020-21: [http://www.margofinance.com/wp-content/uploads/2021/08/annual-return\\_mgt-7\\_fy-2020-21.pdf](http://www.margofinance.com/wp-content/uploads/2021/08/annual-return_mgt-7_fy-2020-21.pdf)

## Vigil Mechanism/Whistle Blower Policy

Pursuant to the provision of Section 117(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, 2015, the Board of Directors of the Company has established Vigil Mechanism/Whistle Blower Policy. The details of the Vigil Mechanism/Whistle Blower are provided in the Corporate Governance Report. The Vigil Mechanism and Whistle Blower policy can be accessed on the website of the Company [www.margofinance.com](http://www.margofinance.com) and the web-link <http://www.margofinance.com/wp-content/uploads/2021/01/whistle-blower-policy-vigil-mechanism-investor-complaint-report-31.03.2019-.pdf>

## Related Party Transactions

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

During the year under review, the Company has not entered into any material related party transactions as defined in Companies Act, 2013 and Listing Regulations. Hence, Form AOC -2 is not required to be attached in this Annual Report. Further, the related party transactions are also 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/wp-content/uploads/2021/01/policy-on-related-party-transactions-mfl.pdf>

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

The provisions of Section 186 of the Act pertaining to investment and lending activities is not applicable to the Company, since the Company is a Non-Banking Financial Company whose principal business is acquisition of securities. During the year under review, there were no Guarantee & security issued in connection with the loans to other body corporates or persons.

## Risk Management

The Company has formulated a Risk Management Policy. The Company identifies, evaluates, analyses and prioritise risks in order to address and minimize such risks. This facilitates identifying high level risks and implement appropriate solutions for minimizing the impact of such risks on the business of the Company.

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

The Company Operates in a Service Sector as a Non-Banking financial Company (NBFC) and therefore energy consumption is only limited to electricity required for office functioning for administration functions. However, necessary initiatives have been taken by the company from time to time for optimum utilization of energy. Since the conservation impact is minimal, it cannot be quantified.

- A) Technology Absorption- NIL
- B) Foreign Exchange earnings and Outgo- NIL

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

Under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the constitution of ICC (Internal Complaints Committee) is not mandatory to the Company as the company has less than 10 (ten) employees.

However, 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 to look into the complaints relating to sexual harassment at workplace of any woman employee. During the year under review, your Company has not received any complaint pertaining to sexual harassment and no complaint was pending as on 31<sup>st</sup> March, 2021.

**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-(I)" and "Annexure 2-(II)" to this report regarding remuneration of Directors, Key Managerial Personnel and other related disclosure.

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

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

**Material Changes and Commitments affecting the Financial Position of the Company**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2020-21 and the date of this report.

**Secretarial Standards**

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

**General**

1. There was no change in the general nature of business of the Company.
2. The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.
3. The provisions pertaining to Corporate Social Responsibility (CSR) were not applicable to the Company during the year under review.
4. As required in terms of Secretarial Standard (SS)-4, it is hereby confirmed that there is no corporate insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016.

**Acknowledgements and Appreciation**

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

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

**ANIL KUMAR JAIN**  
CHAIRMAN  
DIN: 00086106

Date : 14<sup>th</sup> June, 2021  
Place: Mumbai



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2021**  
(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members,

**Margo Finance Limited**

Office No.3, Plot No. 266,

Village Alte, Kumbhoj Road,

Taluka Hatkanangale, Kolhapur-416109

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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic. I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 ('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 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period).
  - (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.



(vi) Other applicable Law:

- a) All the Rules, Regulations, Guidelines, Master Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934;
- b) Indian Stamp Act, 1899;

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

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

and based on the above examination, I 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.

#### **I further report that**

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

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

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

Based on the compliance mechanism established by the company and on the basis of Compliance Certificate(s) issued by the company secretary and taken on record by the Board of Directors at the meeting(s), I am 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 : 14/06/2021  
UDIN : F004123C000474340

**Ashu Gupta & Co.**  
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**  
Office No.3, Plot No. 266,  
Village Alte, Kumbhoj Road,  
Taluka Hatkanangale, Kolhapur-416109

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 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. In view of situation emerging due to COVID-19 pandemic and travel restrictions, I could not verify physical records, document and papers etc., therefore I relied on the information provided by the company in electronic mode. A representation in this regard certifying the correctness of the contents of the secretarial records provided has been taken from company's management.
7. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficiency and effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi  
Date : 14/06/2021  
UDIN : F004123C000474340

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



## ANNEXURE-2

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

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

Sr. No.	Name of Director & KMP and Designation	Remuneration of Director/Key Managerial Personnel for the year ended March 31, 2021 (Amount in Rs.)	% increase in remuneration in FY 2020-2021	Ratio of remuneration of Director to Median Remuneration of Employees
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	13000/-		0.01
3.	Ms. Smita Kulkarni Non-Executive Independent Director	15,000/-		0.02
4.	Mr. Sushil kumar Krishna Agrawal Non-Executive, Non Independent Director	14,000/-		0.02
5.	Mr. Ambarish Ratilal Sodha	15,000/-		0.02
6.	Mr. Venkiteswaran V. Parlikad	3000/-		Not Applicable
7.	Mr. Shri Dass Maheshwari Whole time Director & CFO	7,14,924/-	Not Applicable	1.08
8.	Mr. Kailash Company Secretary & Compliance Officer (upto 20 <sup>th</sup> December, 2020)	3,63,952/-	Not Applicable	Not Applicable
9.	Mrs. Archisha Tyagi Company Secretary (w.e.f February 9, 2021)	83,300/-	Not Applicable	0.12

**Notes:**

- The remuneration of all Directors of the Company comprises of sitting Fees for attending Board and Committee Meetings. Depending upon the meeting attended by Directors, sitting fees are paid in the FY 2020-21 and hence calculation of % increase in remuneration is not applicable.
- During the year ended 31<sup>st</sup> March, 2021, there was no increase in the median remuneration of employees.
- As on 31<sup>st</sup> March, 2021, the Company had 2 Permanent Employees on rolls.
- We affirm that the remuneration paid during the year 2020-21 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 2020-21:**

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

**ii) List of employees of your Company employed throughout the Financial Year 2020-21 and were paid remuneration not less than one crore and two lakh rupees:**

During the year under review, there were no employees of the Company drawing remuneration of Rs. 1.02 cr Crore and above p.a.

**iii) Employees employed for the part of the year and were paid remuneration during the Financial Year 2020-21 at a rate which in aggregate was not less than eight lakh and fifty thousand rupees per month:**

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

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

Date : 14<sup>th</sup> June, 2021  
Place: Mumbai

**ANIL KUMAR JAIN**  
CHAIRMAN  
DIN: 00086106





---

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Business Outlook

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

The growth of NBFCs was slower in FY 2020-21, due to the risk perception for players with higher exposure to wholesale lending, asset-liability mismatches, capital adequacy and perceived corporate governance. This led to a scenario where NBFCs with riskier exposures and ALM mismatches finding it difficult to access capital market over the near to medium term.

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.

### OPPORTUNITIES, THREATS, RISK & 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 disbursal 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.

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 March 31, 2021, Company has only two employees on its payroll.

### DISCUSSION ON FINANCIAL PERFORMANCE

During the financial year under review, the Company earned Total Income of Rs. 57.45 lakhs mainly comprising of Dividend, interest, fees & commission and gain on sale of Investments. The Company achieved Net Profit of Rs. 16.69 Lakhs for the year ended 31<sup>st</sup> March, 2021 as compared to Rs. 0.05 Lakhs in the previous year. More details on operational and financial performance are provided in Management Discussion and Analysis Report.

### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company has reported 2 segment during Financial year ended 2021 i.e. Finance & Investment.



---

**DISCLOSURE OF ACCOUNTING TREATMENT**

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

**CAUTIONERY STATEMENT**

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

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

Date : 14<sup>th</sup> June, 2021  
Place: Mumbai

**ANIL KUMAR JAIN**  
CHAIRMAN  
DIN: 00086106



## CORPORATE GOVERNANCE REPORT

Though not mandatory, in compliance with Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations"), a report on Corporate Governance for the year ended 31<sup>st</sup> March, 2021 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) Board Composition

As on 31<sup>st</sup> March, 2021, the Board comprises of 6 Directors out of which 3 are Non-Executive Non- Independent Directors and 3 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.

The composition of the Board, details of other directorships and Committee positions as on 31<sup>st</sup> March, 2021 are given in the table below:

Name and Designation	DIN	Category	No. of Directorship held in Other Public Companies	Number of Directorships held in other listed companies along with nature of Directorship	No. of Chairmanship / Membership in Board Committees @	
					Member	Chairman
Mr. Anil Kumar Jain (Non-Executive, Chairman)	00086106	C & NENID	2	Indo Count Industries Limited – C & WTD  Pranavaditya Spinning Mills Ltd– NENID	3	Nil
Mr. Shri Dass Maheshwari (Whole Time Director & CFO)	00181615	WTD	1	NIL	Nil	Nil
Mr. Govind Prasad Agrawal (Non-Executive, Independent Directors)	00008429	NEID	5	Rama Vision Ltd. – NEID  Avonmore Capital & Management Services Ltd. - NENID	4	1
Mr. Sushil Kumar Krishna Agrawal (Non-Executive, Non-Independent Directors)	00400892	NENID	8	Pranavaditya Spinning Mills Ltd– C & NEID  Reliance Home Finance Limited – NEID	6	4
Ms. Smita Kulkarni (Non-Executive, Independent Directors)	08127803	NEID	-	NIL	1	1
Mr. Ambarish Ratilal Sodha (Non-Executive, Independent Directors)	00489489	NEID	-	NIL	1	1
Mr. Venkiteswaran V. Parlikad *	07006240	NEID	1	NIL	3	Nil

**Abbreviations:**

C = Chairman  
WTD = Whole-time Director  
NENID = Non-Executive Non-Independent Director  
NEID = Non-Executive Independent Director

**Notes:**

\* Ceased to be Director of the Company w.e.f 22<sup>nd</sup> August, 2020 and information on Directorships and committee positions are as on date of cessation.

# Number of Directorships held in other public companies excludes Directorship of Margo Finance Limited, Directorships in private companies, deemed public companies, foreign companies and companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate Directorships.

@ Only Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies including Margo Finance Limited are considered. Further, number of Memberships does not include number of Chairmanships.

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

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

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

**(b) Independent Directors Meeting**

During the year under review, a Meeting of Independent Directors of the Company was held on 11<sup>th</sup> March, 2021 wherein two Independent Directors were present. At the said meeting, Independent Directors discussed and evaluated performance of the Chairman, other Non-Executive Non-Independent Directors, the Board and its various committees as a whole and also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**(c) Familiarization Programme**

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



The Familiarisation Programme and details of Familiarization Programme imparted during 2020-21 are uploaded on the website of the Company [www.margofinance.com](http://www.margofinance.com) and can be accessed through web-link <http://www.margofinance.com/wp-content/uploads/2021/08/familiarization-programme-imparted-to-independent-directors-during-2020-2021.pdf>

#### (d) Matrix of skills/competence/expertise of Directors

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

##### Board Competency Matrix

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

The Company's Board comprises of qualified members, who possesses aforesaid knowledge, experience, technical skills, expertise and competencies for effective contribution to the Board and its Committees. Details of the skills/ expertise/ competencies possessed by the Directors who were part of the Board as on 31<sup>st</sup> March, 2021, are as follows:

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

#### (e) Board Meetings

During the year under review, due to outbreak of novel coronavirus (COVID-19) pandemic and the need to take precautionary measures including lockdown and social distancing to contain the spread of COVID-19, Ministry of Corporate Affairs (MCA) vide its notification dated March 19, 2020 read with MCA Notifications dated June 23, 2020, September, 28, 2020 and December 30, 2020 (collectively referred to as "MCA Notifications") amended Companies (Meetings of Board and its Powers) rules, 2014 ("rules") and allowed the meetings on all matters referred under rule 4(1) of said rules to be held through video conferencing or other audio visual means.



Further, exemption was granted from observing the maximum stipulated time gap of 120 days between two consecutive Board and Audit Committee Meetings vide aforesaid MCA Notifications and SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19<sup>th</sup> March, 2020.

During the Financial Year 2020-21, Four (4) Board Meetings were held on 29<sup>th</sup> June, 2020, 27<sup>th</sup> August, 2020, 6<sup>th</sup> November, 2020 and 9<sup>th</sup> February, 2021 through Video conferencing in accordance with aforesaid MCA Notifications and SEBI circulars and the maximum time gap between any two consecutive Board Meetings of the Company did not exceed 120 days. The time gap between Board meetings held on February 4, 2020 and June 29, 2020 was within the relaxation / extension of maximum time gap vide MCA and SEBI circulars issued from time to time.

### Annual General Meeting

Due to outbreak of novel coronavirus (COVID-19) pandemic and the need to follow social distancing measures to contain the spread of COVID-19, MCA vide General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 allowed Companies to conduct their Annual General meetings (AGMs) through Video Conferencing (VC) or other audio visual means (OAVM) during the calendar year 2020 subject to certain conditions specified in said circular. Accordingly, 29<sup>th</sup> AGM of the Company was held through VC.

### Attendance of Directors at Board Meetings and AGM

Attendance of Directors at the Board Meetings and the Annual General Meeting ("AGM") held through VC/OAVM during the year under review in accordance with aforesaid MCA Notifications/ Circulars, SEBI Circulars is as under:

Name of the Director	Attendance at the Board Meeting		Attendance at last AGM
	Held	Attended	29 <sup>th</sup> September, 2020
Mr. Anil Kumar Jain	4	4	Yes
Mr. Shri Dass Maheshwari	4	4	Yes
Mr. Govind Prasad Agrawal	4	4	Yes
Mr. Sushil kumar Krishna Agrawal	4	4	Yes
Ms. Smita Kulkarni	4	4	Yes
Mr. Ambarish Ratilal Sodha	4	4	Yes
Mr. V.V Parlikad	1	1	N.A

#### (f) Board Meetings Procedure

In order to ensure maximum presence of all Directors in the Board Meeting, dates of the Board Meetings are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda papers along with relevant explanatory notes and supporting documents are circulated within prescribed time to all Directors. All the provisions of rules 3 and 4 of the (Meetings of the Board and its powers) rules, 2014 were complied with while conducting all Board Meetings/committee meetings through VC.

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

### 3. Audit Committee

#### (a) Terms of reference

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

**Financial Reporting and Related Processes**

- Oversight of the Company's financial reporting process and disclosure of its financial information.
- Reviewing with the Management the quarterly unaudited financial results and Auditors Review Report thereon and make necessary recommendation to the Board.
- Reviewing with the Management audited annual financial statements and Auditors' Report thereon and make necessary recommendation to the Board This would, inter alia, include reviewing changes in the accounting policies, if any, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements arising out of audit findings, disclosure of related party transactions, compliance with legal and other regulatory requirements with respect to the financial statements.
- Reviewing the Management Discussion & Analysis of financial and operational performance and Board's Report.
- Scrutiny of inter-corporate loans and investments.
- Recommendation of appointment, remuneration and terms of appointment of auditors of the Company.

**Internal Controls and Governance Processes**

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

**Audit & Auditors**

- Review and monitor Auditor's Independence and performance and effectiveness of Audit process.
- Reviewing with the management, performance of internal and statutory auditors, adequacy of internal control systems.
- Review the scope of the Statutory Auditor, the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board, appointment, remuneration and terms of appointment of the Auditors including Internal Auditors.
- Approval of such other services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.



### (b) Composition and Meetings

During the year under review, Mr. V. V Parlikad ceased to be a member of Audit Committee w.e.f. 22<sup>nd</sup> August, 2020 due to cessation of his Directorship of the Company and the Audit Committee was re-constituted. Mr. Ambarish Ratilal Sodha, Chairman of the Audit Committee is a Chartered Accountant and all the Members of the Audit Committee are professionals, experienced and possess sound knowledge of finance and accounting practices.

During the Financial Year 2020-21, four (4) Audit Committee Meetings were held on 29<sup>th</sup> June, 2020, 27<sup>th</sup> August, 2020, 6<sup>th</sup> November, 2020 and 9<sup>th</sup> February, 2021 through Video conferencing in accordance with aforesaid MCA Notifications and SEBI circulars and the maximum time gap between any two consecutive Audit Committee Meetings of the Company did not exceed 120 days. The time gap between Audit Committee meetings held on February 4, 2020 and June 29, 2020 was within the relaxation / extension of maximum time gap vide MCA and SEBI circulars issued from time to time.

The Composition and attendance of Directors at the Audit Committee Meetings held through VC during the year under review is as under:

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

\* Ceased to be member w.e.f. August 22, 2020.

Mr. Ambarish R. Sodha, Chairman of Audit Committee was present for last AGM held through VC/OAVM on 29<sup>th</sup> September, 2020.

The partner of the Statutory Auditors, Internal Auditors and Chief Financial Officer are invitees to the Audit Committee Meetings. The Company Secretary acts a Secretary to the Audit Committee and attends all the meetings.

## 4. Stakeholders' Relationship Committee

### (a) Composition and Meetings

During the year under review, Mr. V. V Parlikad ceased to be a member of Stakeholders' Relationship Committee w.e.f. 22<sup>nd</sup> August, 2020 due to cessation of his Directorship of the Company and the Stakeholders' Relationship Committee was re-constituted. As on 31<sup>st</sup> March, 2021, the Stakeholders' Relationship Committee (SRC) consists of 4 Directors / Members viz. Ms. Smita Kulkarni, Non- Executive Independent Director as Chairman, Mr. Anil Kumar Jain, Non-Executive Non-Independent Director, Mr. Ambarish Ratilal Sodha as Non-Executive, Independent Director and Mr. Sushil Kumar Agrawal, Non-Executive Non-Independent Directors as members of the SRC.

Pursuant to the provisions of Regulation 20(3A) of Listing Regulations, it is mandatory to hold one SRC meeting in a financial year. During the year under review, 1 (one) Meeting of the Stakeholders' Relationship Committee was held on 11<sup>th</sup> March, 2021 and the said meeting was attended by all Members of the Committee.

### (b) Terms of reference

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





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

**(c) Investor Complaints**

Your Company takes all effective steps to resolve complaints from shareholders of the Company. The Complaints are duly attended by the Company/ Registrar & Transfer Agent and the same are resolved within prescribed time.

During the year FY 2020-21, one complaint was received from the shareholder which was duly resolved. Therefore, No complaint was pending as on 31<sup>st</sup> March, 2021.

**(d) Compliance Officer**

Mr. Kailash, Company Secretary was the Compliance Officer upto December 20, 2020 and Mrs. Archisha Tyagi was appointed as the Compliance Officer of the Company w.e.f. December 21, 2020.

**5. Nomination and Remuneration Committee**

**(a) Brief description of terms of reference**

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

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

**(b) Composition, Meetings and Attendance**

During the year under review, there has been no change in the composition of Nomination and Remuneration Committee. As on 31<sup>st</sup> March, 2021, NRC comprises of 3 Independent Directors headed by Mr. Govind Prasad Agrawal, Non-Executive Independent Director as Chairman.



Pursuant to the provisions of Regulation 19(3A) of Listing Regulations, it is mandatory to hold one NRC meeting in a financial year. During the year under review, one meeting of NRC was held through VC on 9<sup>th</sup> February, 2021.

Composition and Attendance of Directors at the NRC Meetings held through VC during the year under review is as under:

Name of the Director	Category	Position	Attendance at the Nomination and Remuneration Committee Meetings	
			Held	Attended
Mr. Govind Prasad Agrawal (Chairman of the Committee)	Non-Executive, Independent Director	Chairman	1	1
Mr. Ambarish Ratilal Sodha	Non -Executive Independent Director	Member	1	1
Mr. Sushil kumar Krishna Agrawal	Non Executive, Non -Independent Director	Member	1	1
Ms. Smita Kulkarni	Non-Executive, independent Director	Member	1	1

**(b) Nomination and Remuneration Policy**

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

<http://www.margofinance.com/wp-content/uploads/2021/01/mfl-nomination-and-remuneration-policy.pdf>

**(d) Criteria for evaluation of Independent Directors**

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

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

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

**6. Remuneration of Directors**

**(i) The details Remuneration of Mr. Shri Dass Maheshwari, Whole Time Director-Finance & CFO for the Financial Year 2020-21 are as under:**

Remuneration	Amount (in Rs.)
1. Basic Salary	4,08,528
2. Perquisites and other Allowances	3,06,396
<b>Total Remuneration</b>	<b>7,14,924</b>

**(ii) Remuneration of Non-Executive Directors**

At present, all Non-Executive Directors of the Company are entitled to receive sitting fees of Rs. 2,000/- each for attending Board Meetings and Rs.1000/- each for Audit Committee Meetings, Nomination and Remuneration Committee Meetings, Stakeholders' Relationship Committee Meetings and Independent Directors Meeting. Details of sitting fees paid to all Directors of the Company for the financial year ended 31<sup>st</sup> March, 2021 are as under:



Details of sitting fees paid to Non-Executive Directors of the Company for the financial year ended 31<sup>st</sup> March, 2021 are as under:

Name of the Director	Remuneration for the Financial Year ended 31 <sup>st</sup> March, 2021 (Amount in Rs.)	No. of equity shares of the Company held by Non-Executive Directors
	Sitting Fees	
Mr. Anil Kumar Jain*	Nil	NIL
Mr. Govind Prasad Agrawal	13,000	1,982
Mr. Sushil kumar Krishna Agrawal	14,000	NIL
MS. Smita Kulkarni	15,000	NIL
Mr. Ambarish Ratilal Sodha	15,000	NIL
Mr. Venkiteswaran V. Parlikad#	3,000	NIL

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

#V. V Parlikad has ceased to be Director w.e.f 22<sup>nd</sup> August, 2020.

**Notes:**

1. There is no separate provision for payment of severance fees.
2. There are no variable components and performance linked incentives.
3. There are no pecuniary relationships or transactions between Non-Executive Directors and the Company during the year 2020-21.
4. The Company does not have any Employee Stock Option Scheme

**7. General body Meetings**

**a) Annual General Meetings:**

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

AGM	Date	Venue of the Last Three AGMs	Special Resolution(s) passed
27 <sup>th</sup>	Tuesday, 11 <sup>th</sup> September, 2018 at 10.00 a.m. (IST)	Hotel Vrishali Executive, 39 A/2, Circuit House Road, Tarabai Park, Kolhapur – 416 003, Maharashtra	One Special Resolution was passed for Appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole-Time Director-Finance of the Company for a period of 3 years w.e.f. 30 <sup>th</sup> April, 2018.
28 <sup>th</sup>	Tuesday, 13 <sup>th</sup> August, 2019 at 10.00 a.m. (IST)	Hotel Vrishali Executive, 39 A/2, Circuit House Road, Tarabai Park, Kolhapur – 416 003, Maharashtra	One Special Resolution was passed for the re-appointment of Mr. G. P. Agrawal as Non-Executive Independent Director of the Company for a second term of five consecutive years w.e.f. 23 <sup>rd</sup> August, 2019.
29 <sup>th</sup>	Tuesday, 29 <sup>th</sup> September, 2020 at 12.30 p.m. (IST)	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") VC Platform – provided by NSDL	NIL



Due to outbreak of novel coronavirus (COVID-19) pandemic and the need to follow social distancing measures to contain the spread of COVID-19, MCA vide General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 allowed Companies to conduct their Annual General meetings (AGMs) through Video Conferencing (VC) or other audio visual means (OAVM) during the calendar year 2020 subject to certain conditions specified in said circular. Accordingly, 30<sup>th</sup> AGM of the Company was held through VC.

- b) **Extraordinary General Meeting:** No Extraordinary General Meeting was held during the year under review.
- c) **Postal Ballot:** No Postal Ballot was conducted during the year under review. At present, there is no proposal to pass any resolution through postal ballot.

## 8. Means of Communication

**Website:** The Company's website [www.margofinance.com](http://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. "Nava Shakti" and one English news paper viz. "Business Standard" and "Free Press Journal" within 48 hours of approval thereof. Also they are uploaded on the Company's website [www.margofinance.com](http://www.margofinance.com). The results are published in accordance with the guidelines of the Stock Exchanges.

**Annual Report:** Annual Report containing inter alia Standalone Financial Statements, 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](http://www.margofinance.com).

**Designated Exclusive Email ID:** The Company has designated Email Id [info@margofinance.com](mailto:info@margofinance.com) exclusive for shareholder/investor grievances redressal.

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

**Uploading on BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications and disclosures 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 Listing Regulations during the financial year 2020-21 were in the ordinary course of business and on arm's length basis. During the year under review, there were no materially significant transactions with related parties that may have potential conflict with the interest of the Company at large. Necessary disclosures regarding Related Party Transactions are provided in the Board's Report.

The Company has formulated a policy for Related Party Transactions and the said policy has been hosted on the website of the Company under the web link:

<http://www.margofinance.com/wp-content/uploads/2021/01/policy-on-related-party-transactions-mfl.pdf>

**b) Statutory Compliance by the Company, penalties, structures**

The Company has complied with all the requirements of the Stock Exchanges / SEBI and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets during last three years. The Company has also obtained Secretarial Audit report and Annual Compliance Certificate for the year ended 31<sup>st</sup> March 2021 as per Regulation 24A of Listing Regulations from M/s Ashu Gupta & Associates, Practicing Company Secretaries. The said report & certificate does not contain any qualifications or adverse remarks.

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

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

<http://www.margofinance.com/wp-content/uploads/2021/01/whistle-blower-policy-vigil-mechanism-investor-complaint-report-31.03.2019-.pdf>

Your Company affirms that no Director/Employee 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**

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

<http://www.margofinance.com/wp-content/uploads/2021/01/margo-policy-on-material-subsiidiaries.pdf>

**e) Code of Conduct**

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

[http://www.margofinance.com/wp-content/uploads/2021/08/mfl\\_code-of-conduct-of-directors-senior-management.pdf](http://www.margofinance.com/wp-content/uploads/2021/08/mfl_code-of-conduct-of-directors-senior-management.pdf)

All members of the Board, the executive officers and seniors employees have affirmed compliance to the code of conduct as on 31<sup>st</sup> March, 2021. A declaration to this effect, signed by Mr. Shri Dass Maheshwari, Whole Time Director-Finance and Chief Financial Officer forms part of this Annual Report.

**f) Compliance with Indian Accounting Standards (Ind-AS)**

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind-AS) notified by Ministry of Corporate Affairs from time to time. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

There is no deviation in following the treatments prescribed in Indian Accounting Standards (Ind-AS) in the preparation of financial statements for the year 2020-21.

**g) Risk Management**

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

**h) CEO & CFO Certification**

Pursuant to the provisions of Regulation 17(8) of Listing Regulations, Mr. Shri Dass Maheshwari, Whole Time Director & Chief Financial Officer of the Company have furnished certificate to the Board for the year ended 31<sup>st</sup> March, 2021, in the prescribed format. The said certificate has been reviewed by the Audit Committee and taken on record by the Board.

**i) Reconciliation of Share Capital Audit**

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

**j) Code for Prevention of Insider Trading**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, your Company has adopted a code of conduct to regulate, monitor and report trading by designated persons and their immediate relatives for prevention of Insider Trading in the shares of the Company. This code is applicable inter-alia to all Directors and Designated persons / employees of the Company who are expected to have access to unpublished price sensitive information. This code, inter-alia, prohibits purchase / sale / dealing in the equity shares of the Company by Designated persons and their immediate relatives while in possession of unpublished price sensitive information about the Company and during the time when trading window is closed. The Code also contains procedure for pre-clearance of trade, disclosure requirements etc. The Code is available on the website of the Company at <http://www.margofinance.com/wp-content/uploads/2021/01/code-of-practices-and-procedures-for-fair-disclosure-of-unpublished-price-sensitive.pdf>.

**k) Certificate on Non-disqualification of Directors**

M/s Ashu Gupta & Associates, Practising Company Secretaries have certified that during FY 2020-21, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority. A certificate issued by M/s Ashu Gupta & Associates to that effect is attached as Annexure II forming part of this report.

**l) Recommendation of the committees**

During FY 2020-21, the Board has accepted all recommendations made by Audit Committee and Nomination and Remuneration Committee.

**m) Total fees paid to Statutory Auditors**

During FY 2020-21, Rs 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**

Under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the constitution of ICC (Internal Complaints Committee) is not mandatory to the Company as the company has less than 10 (ten) employees.

However, 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 to look into the complaints relating to sexual harassment at workplace of any woman employee. During the year under review, your Company has not received any complaint pertaining to sexual harassment and no complaint was pending as on 31<sup>st</sup> March, 2021.



**o) Compliance with Mandatory & Non-Mandatory Requirements**

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

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

**Shareholder's Rights:** Quarterly, half-yearly, annual financial results of the Company are published in English and Marathi newspapers and are also forwarded to BSE Limited. The said results are also uploaded on the website of the Company [www.margofinance.com](http://www.margofinance.com). Hence, the same are not sent to the Shareholders of the Company by email or physically.

**Modified Opinion in Audit Report:** There was no qualification or modified opinion in the Independent Auditors' Report on Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021, nor in past 2 years.

**Separate posts of Chairperson and Whole Time Director:** Mr. Anil Kumar Jain, Non-executive Director is the Chairperson of the Company and Mr. Shri Dass Maheshwari Whole Time Director & CFO of the Company.

**Reporting of Internal Auditors:** The representatives/partners of Internal Auditors of the Company are permanent invitee to the Audit Committee Meeting. They attend each Audit Committee Meeting and present their internal audit observations to the Audit Committee. They directly interact with Audit Committee Members during the meeting.

**p) General**

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

**q) Compliance with the requirements of Corporate Governance**

As per Regulation 15(2) of the Listing Regulations, the compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply, in respect of - (a) the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

Therefore, the said provisions are not applicable to the Company.

However, the Company is voluntarily following the said provisions as good corporate governance.

**10. Certificate on Compliance with the conditions of Corporate Governance**

The certificate regarding compliance of the conditions of corporate governance for the year ended 31<sup>st</sup> March, 2021 given by M/s. Ashu Gupta & Co. Practicing Company Secretary is attached to this Report. as Annexure 1 to this Report.

**11. General Shareholder's Information**

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

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



Listing on the Stock Exchanges	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 <b>Stock Exchange Stock / Scrip Code-500206</b>
Listing Fee	The Company has paid Listing Fees for FY 2020-21 and FY 2021-22 to BSE Limited within prescribed time
Annual Custody Fees	The Company has paid the Annual custody fees to Central Depository Services (India) Ltd. and National Securities Depository Limited for the year 2020-21.
ISIN	INE680B01019

### Investor Information

Annual General Meeting		
Date of AGM	30 <sup>th</sup> AGM of the Company will be held on Tuesday, September 28, 2021 at 12:00 Noon (IST) through Video Conferencing/ Other Audio Visual Means.	
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March	
Tentative Financial Calendar ( for financial year 2021-22)	Board Meeting for approval of	
	Financial Results for the Quarter ended 30 <sup>th</sup> June, 2021 (Unaudited)	On or before 14-08-2021
	Financial Results for the Quarter ended 30 <sup>th</sup> September, 2021 (Unaudited)	On or before 14-11-2021
	Financial Results for the Quarter ended 31 <sup>st</sup> December, 2021 (Unaudited)	On or before 14-02-2022
	Financial Results for the Quarter ended 31 <sup>st</sup> March, 2021 (Audited)	On or before 30-05-2022

### Dates of book closure:

The Register of Members and the Share Transfer books will remain closed from Tuesday, September 21, 2021 to Tuesday, September 28, 2021 (both days inclusive) for the purpose of Annual General Meeting.

**Dividend:** No dividend has been declared for the year ended 31<sup>st</sup> March, 2021.

### 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, 2020 to March, 2021 are as under and comparison against BSE sensex is as under:

Month	Margo Finance Limited (BSE Limited)			BSE Sensex	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)
April -2020	6.80	6.20	14	33,887.25	27,500.79
May- 2020	6.51	5.42	19	32,845.48	29968.45
June -2020	6.36	4.75	72	35,706.55	32,348.10
July- 2020	6.93	4.75	117	38,617.03	34,927.20
August -2020	7.41	6.20	38	40,010.17	36,911.23
September -2020	7.24	6.37	64	39,359.51	36,495.98
October -2020	8.55	6.01	37	41,048.05	38,410.2
November -2020	10.84	8.94	116	44,825.37	39,334.92
December- 2020	10.02	8.50	42	47,896.97	44,118.10
January -2021	8.50	7.03	59	50,184.01	46,160.46
February -2021	9.36	6.75	62	52,516.76	46,433.65
March -2021	9.82	8.49	39	51,821.84	48,236.35

Source: BSE website: [www.bseindia.com](http://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, 1<sup>st</sup> 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](mailto:delhi@linkintime.co.in)

### Share Transfer System

As per SEBI press release PR No.: 12/2019 dated 27<sup>th</sup> March, 2019, w.e.f 1<sup>st</sup> April, 2019, the transfer of equity shares of the Company is done only in dematerialized mode except for transmission and transposition. The Company had also sent intimation followed by 2 reminders to the shareholders holding shares in physical form to take necessary action to dematerialize the shares at earliest. Transfer of equity shares in dematerialized form is done through the depositories without any involvement of the Company. Share transfers received in physical form if any and complying with the requirements specified in said press release are processed by Registrar & Transfer Agent and the share certificates duly transferred are returned to the shareholders within a period of 15 days from the date of receipt if the documents are in order and complete in all respects. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of Listing Regulations and files a copy of the certificate with the BSE Limited.

### Share Transfer Committee

As on 31<sup>st</sup> March, 2021, the Share Transfer Committee comprises of Mr. Anil Kumar Jain, as Chairman, Mr. Sushilkumar Krishna Agrawal, Ms. Smita Kulkarni and Mr. Ambarish Ratilal Sodha 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 31<sup>st</sup> March, 2021:

No. of equity Shares	No. of share holders	% of share holders	No. of shares held	% of share holding
1- 500	8559	95.30	1320766	28.90
501- 1000	272	3.02	220722	4.82
1001- 2000	77	0.85	113866	2.49
2001- 3000	14	0.15	35266	0.77
3001-4000	6	0.06	22466	0.49
4001 -5000	13	0.14	62381	1.36
5001-10000	16	0.17	126960	2.77
Above 10000	24	0.26	2667573	58.37
<b>Total</b>	<b>8981</b>	<b>100.00</b>	<b>4570000</b>	<b>100.00</b>

Shareholding pattern as on 31<sup>st</sup> March, 2021

Category	No. of equity shares held	As a percentage of total paid up Share Capital
<b>A. Shareholding of Promoter and Promoter Group</b>		
1. Indian Individual/Hindu Undivided Family	8,71,215	19.06
Bodies Corporate	15,69,416	34.34
<b>Sub Total (A) (1)</b>	<b>24,40,631</b>	<b>53.40</b>
2. Foreign		
Individual (Non-Resident Individual/Foreign Individual)	0	0.00
<b>Sub Total (A) (2)</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding Promoter and Promoter Group (A)(1) +(A) (2)</b>	<b>24,40,631</b>	<b>53.40</b>
<b>B. Public Shareholding</b>		
<b>1. Institutions</b>		
Financial Institutions/Banks/Insurance Companies including Central/ State Government Institutions	100	0.00
<b>Sub Total (B) (1)</b>	<b>100</b>	<b>0.00</b>
<b>2. Non- Institutions</b>		
(i) Individuals	19,87,203	43.74
(ii) Bodies Corporate	63,728	01.50
(iii) Clearing Members	390	0.01
(iv) Hindu Undivided Family	76,548	1.32
(iv) NRI's	1,400	0.02
(v) Trusts	0	0.00
<b>Sub Total (B) (2)</b>	<b>21,29,269</b>	<b>46.59</b>
<b>Total Public Shareholding (B)(1) +(B)(2)</b>	<b>21,29,369</b>	<b>46.60</b>
<b>Grand Total (A+B)</b>	<b>45,70,000</b>	<b>100.00</b>

## Dematerialization of shares and liquidity

The equity shares of the Company are available for dematerialization with Central Depository Services India Limited (CDSL) and National Securities Depository Limited (NSDL). As per directive of SEBI the Equity Shares of the Company are compulsorily traded in dematerialized form with effect from 26.03.2001. ISIN of the Company for dematerialization is INE680B01019.

As on 31<sup>st</sup> March 2021, 35,60,390 Equity Shares of the Company constituting over 77.91% of the issued, subscribed and paid-up share capital of the Company are held in dematerialized form and 1009610 Equity Shares of the Company constituting over 22.09% are held in physical form. The company's shares were traded on BSE Limited.

Shares held in demat and physical mode as on 31<sup>st</sup> March, 2021

Category	Numbers of		% of total equity
	Shareholders	Shares	
<b>Demat Mode</b>			
NSDL	1988	1291039	28.25
CDSL	1023	2269351	49.66
Total	3011	3560390	77.91
Physical Mode	5970	1009610	22.09
<b>Grand Total</b>	<b>8981</b>	<b>4570000</b>	<b>100.00</b>

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

As on 31<sup>st</sup> March, 2021, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instrument.

**Service of documents through electronic mode:**

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

**Address for correspondence**

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

**Registrar & Transfer Agent****Link Intime India Pvt. Ltd**

Noble Heights, 1<sup>st</sup> 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

**Company Secretary**

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

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

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

Date : 14<sup>th</sup> June, 2021  
Place: Mumbai

**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 31 March, 2021.

**For Margo Finance Limited**

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

Date : 14<sup>th</sup> June, 2021  
Place : Delhi



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MARGO FINANCE LIMITED** (hereinafter referred to as 'the Company') having CIN: L65910MH1991PLC080534 and having registered office at Office No.3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale Kolhapur-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](http://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 31<sup>st</sup> March, 2021 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	Smt. Smita Kulkarni	08127803	08/05/2018
6	Sh. Ambarish Ratilal Sodha	00489489	11/09/2019

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

Date : 14.06.2021  
Place : New Delhi  
UDIN : F004123C000474318

**Ashu Gupta**  
(Prop.)  
FCS No.: 4123  
CP No.: 6646



---

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS ON CORPORATE GOVERNANCE**

To,  
The Members,  
**Margo Finance Limited,**

I have examined the compliance conditions of Corporate Governance by Margo Finance Limited (CIN L65910MH1991PLC080534) ("the Company") for the year ending 31<sup>st</sup> March 2021 as prescribed in Regulations 17 to 27, clause (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 1, 2020 to March 31, 2021.

Pursuant to Regulation 15(2) of SEBI (LODR) Regulation 2015, provisions related to corporate governance viz: Regulation 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulation 2015 are not applicable on the Company as the paid up Equity Share Capital of the Company does not exceed Rs. 10 Crore and Net worth does not exceed Rs.25 Crore as on 31<sup>st</sup> March, 2021.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company, for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In my opinion and to the best of our information and according to the examination of relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned LODR.

I 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

Date : 14.06.2021  
Place: New Delhi  
UDIN : F004123C000474395

**Ashu Gupta**  
(Prop.)  
FCS No.: 4123  
CP No.: 6646



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Margo Finance Limited**

### OPINION

We have audited the Ind AS financial statements of Margo Finance Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, and the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, Cash Flows Statement and the Statement of change in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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

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

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable



assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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**

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'.
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There are no pending litigations affecting financial position hence no disclosure is required to be made.
    - ii. There are no long term contracts including derivatives contracts hence no disclosure is required to be made.
    - iii. The clause is not applicable as there is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Krishna Kumar**  
(Partner)  
M. No. - 523411  
UDIN : 21523411AAAAFQ2813

Place : Delhi  
Dated : 14/06/2021





---

### Annexure A to the Independent Auditors' Report

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



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

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

**Krishna Kumar**  
**(Partner)**  
**M. No. - 523411**  
UDIN : 21523411AAAAFQ2813

Place : Delhi  
Dated : 14/06/2021



## **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 2021 in conjunction with our audit of Ind AS financial statements of the company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

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

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Ind AS financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due



to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

**Krishna Kumar**  
**(Partner)**  
**M. No. - 523411**  
UDIN : 21523411AAAAFQ2813

Place : Delhi  
Dated: 14/06/2021



## BALANCE SHEET AS AT 31 MARCH, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	10.96	20.23
Bank balances other than above	4	13.92	222.55
Receivables			
Trade receivables	5	4.34	4.74
Other receivables	6	0.10	0.10
Loans	7	-	1.52
Investments	8	8,201.98	1,694.98
Other financial assets	9	29.00	-
		<b>8,260.30</b>	<b>1,944.12</b>
<b>Non-financial assets</b>			
Income tax assets (net)	10	5.56	2.89
Property, plant and equipment	11	1.80	1.17
Intangible assets under development	12	0.57	-
Investment property	13	16.14	16.14
Other non-financial assets	14	1.39	4.71
		<b>25.46</b>	<b>24.91</b>
		<b>8,285.76</b>	<b>1,969.03</b>
<b>Total Assets</b>			
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Payables			
Trade payables	15		
(a) Total outstanding dues to micro enterprises and small enterprises		-	-
(b) Total outstanding dues to other than micro enterprises and small enterprises		2.10	2.37
		<b>2.10</b>	<b>2.37</b>
<b>Non-financial liabilities</b>			
Provisions	16	0.83	1.13
Deferred tax liabilities (net)	17	1,967.23	340.22
Other non-financial liabilities	18	0.22	0.09
		<b>1,968.28</b>	<b>341.44</b>
<b>Equity</b>			
Equity share capital	19	457.00	457.00
Other equity	20	5,858.38	1,168.22
		6,315.38	1,625.22
<b>Total Liabilities and Equity</b>		<b>8,285.76</b>	<b>1,969.03</b>

Summary of significant accounting policies

2

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

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

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

**Krishna Kumar**  
Partner  
Membership No.: 523411  
UDIN: 21523411AAAAFQ2813

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

**Shri Dass Maheshwari**  
Whole-time Director and  
Chief Financial Officer  
DIN: 00181615

**Archisha Tyagi**  
Company Secretary  
Membership No. : 49606

Place: Delhi  
Date : 14.06.2021



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
<b>Revenue from operations</b>			
Interest income	21	10.57	19.79
Dividend income	22	10.10	10.45
Fees and commission income	23	13.04	-
Others [Net gain/(loss) on sale of investments]	24	23.57	-
		<b>57.28</b>	<b>30.24</b>
<b>Other income</b>	25	0.17	0.02
		<b>0.17</b>	<b>0.02</b>
<b>Total Income</b>		<b>57.45</b>	<b>30.26</b>
<b>Expenses</b>			
Finance costs	26	0.01	0.01
Employee benefits expenses	27	13.15	12.87
Depreciation and amortisation	28	0.71	0.70
Other expenses	29	18.78	18.36
<b>Total Expenses</b>		<b>32.65</b>	<b>31.94</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>24.80</b>	<b>(1.68)</b>
Exceptional items		-	-
<b>Profit / (loss) before tax</b>		<b>24.80</b>	<b>(1.68)</b>
<b>Tax expense</b>			
Current tax	38	9.14	-
Adjustment for prior years	38	-	0.77
Deferred tax charge	38	(1.03)	(2.50)
		<b>8.11</b>	<b>(1.73)</b>
<b>Profit / (loss) after tax</b>		<b>16.69</b>	<b>0.05</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement of defined benefit plans	33	0.19	1.38
- Changes in fair value of financial instruments		6,301.32	(1,379.34)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
- Tax on remeasurement of defined benefit plans	38	(0.05)	(0.36)
- Tax on changes in fair value of financial instruments	38	(1,627.99)	358.63
<b>Other comprehensive income for the year</b>		<b>4,673.47</b>	<b>(1,019.69)</b>
<b>Total comprehensive income</b>		<b>4,690.16</b>	<b>(1,019.64)</b>
<b>Earnings per equity share (in ₹):</b>			
Nominal value of ₹ 10 each (Previous year ₹ 10 each)			
-Basic & Diluted earning per share	30	<b>0.37</b>	<b>0.00</b>

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

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

**Krishna Kumar**  
Partner  
Membership No.: 523411  
UDIN: 21523411AAAAFQ2813

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

**Shri Dass Maheshwari**  
Whole-time Director and  
Chief Financial Officer  
DIN: 00181615

**Archisha Tyagi**  
Company Secretary  
Membership No. : 49606

Place: Delhi  
Date : 14.06.2021


**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flow from operating activities</b>		
Profit before tax	24.80	(1.68)
Adjustments for:		
Depreciation and amortization	0.71	0.70
(Excess) Contingent provisions on Standard Assets	(0.01)	-
Provision for NPA	0.97	-
Loss on write off of PPE	0.33	-
Interest paid	0.01	0.01
<b>Operating gain before working capital changes</b>	<b>26.81</b>	<b>(0.97)</b>
<b>Adjustments for :</b>		
Decrease in trade receivables	0.40	5.98
Decrease in other bank balance	208.63	1.29
Decrease in loans	0.55	4.33
Increase in Other Financial Assets	(29.00)	-
Decrease/ (increase) in other non financial assets	3.32	(1.10)
Decrease/ (increase) in investments	(205.68)	8.05
(Decrease)/ increase in trade payable	(0.27)	1.26
(Decrease)/increase in other financial liabilities	0.13	(0.10)
(Decrease)/ increase in provisions	(0.10)	0.51
<b>Cash generated from operating activities before taxes</b>	<b>4.79</b>	<b>19.25</b>
Less: Direct taxes paid (net of refunds)	(11.81)	(2.04)
<b>Net cash generated from operating activities (A)</b>	<b>(7.02)</b>	<b>17.21</b>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2.24)	(0.04)
<b>Net cash used in investing activities (B)</b>	<b>(2.24)</b>	<b>(0.04)</b>
<b>C Cash flows from financing activities</b>		
Interest paid	(0.01)	(0.01)
<b>Net cash used in financing activities (C)</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(9.27)</b>	<b>17.16</b>
Cash and cash equivalents at the beginning of the year	20.23	3.07
<b>Cash and cash equivalents at the end of the year</b>	<b>10.96</b>	<b>20.23</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Notes to statement of cash flows:</b>		
<b>(i) Components of cash and bank balances (refer note 3 and 4)</b>		
Cash and cash equivalents		
- Cash on hand	0.09	0.19
- Deposits with bank (less than 3 months)	-	9.44
- Balances with banks in current account	10.87	10.60
Other bank balances		
- Term deposits with remaining maturity less than 12 months	13.32	115.98
- Term deposits with remaining maturity more than 12 months	0.60	106.57
<b>Cash and bank balances at end of the year</b>	<b>24.88</b>	<b>242.78</b>

(ii) There are no material balances in the balance sheet for liabilities arising from financing activities requiring reconciliation.

(iii) The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013, as applicable.

(iv) The above statement of cash flows should be read in conjunction with the accompanying notes 1 to 42.

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

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

**Krishna Kumar**  
Partner  
Membership No.: 523411  
UDIN: 21523411AAAAFQ2813

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

**Shri Dass Maheshwari**  
Whole-time Director and  
Chief Financial Officer  
DIN: 00181615

**Archisha Tyagi**  
Company Secretary  
Membership No. : 49606

Place : Delhi  
Date : 14.06.2021




**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**A. Equity Share capital**

Particulars	Amount
<b>Balance as at March 31, 2019</b>	<b>457.00</b>
Change in equity share capital during 2019-20	-
<b>Balance as at March 31, 2020</b>	<b>457.00</b>
Change in equity share capital during 2020-21	-
<b>Balance as at March 31, 2021</b>	<b>457.00</b>

**B. Other Equity**

Particulars	Attributable to owners of the company						Total
	Reserves & Surplus	Accumulated Other comprehensive income					
		Share Warrant Option Premium	Special Reserve	General Reserve	Retained Earnings	Changes in fair value of financial instruments	
<b>Balance as at March 31, 2019</b>	33.80	36.75	12.49	30.90	2,073.88	0.04	<b>2,187.86</b>
Profit for the year	-	-	-	0.05	-	-	0.05
Other comprehensive income	-	-	-	-	(1,020.71)	1.02	(1,019.69)
Amount transferred to special reserve	-	0.01	-	(0.01)	-	-	-
<b>Total comprehensive income for the year</b>	-	0.01	-	0.04	(1,020.71)	1.02	<b>(1,019.64)</b>
<b>Balance as at March 31, 2020</b>	33.80	36.76	12.49	30.94	1,053.17	1.06	<b>1,168.22</b>
Profit for the year	-	-	-	16.69	-	-	16.69
Other comprehensive income	-	-	-	-	4,673.33	0.14	4,673.47
Net profit on sale of Investments	-	-	-	29.45	(29.45)	-	-
Amount transferred to special reserve	-	11.30	-	(11.30)	-	-	-
<b>Total comprehensive income for the year</b>	-	11.30	-	34.84	4,643.88	0.14	<b>4,690.16</b>
<b>Balance as at March 31, 2021</b>	33.80	48.06	12.49	65.78	5,697.05	1.20	<b>5,858.38</b>

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

**Krishna Kumar**  
Partner  
Membership No.: 523411  
UDIN: 21523411AAAAFQ2813

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

**Anil Kumar Jain**  
Chairman  
DIN: 00086106  
  
**Archisha Tyagi**  
Company Secretary  
Membership No. : 49606

**Shri Dass Maheshwari**  
Whole-time Director and  
Chief Financial Officer  
DIN: 00181615

Place: Delhi  
Date : 14.06.2021



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
<b>3 Cash and cash equivalents</b>		
Cash on hand	0.09	0.19
Balances with banks		
-on current accounts	10.87	10.60
-Term deposits with remaining maturity less than 3 months	-	9.44
	<b>10.96</b>	<b>20.23</b>
<b>4 Bank balances other than cash and cash equivalents</b>		
Term deposits with banks with remaining maturity more than 3 months and less than 12 months	13.32	115.98
Term deposits with banks with remaining maturity more than 12 months	0.60	106.57
	<b>13.92</b>	<b>222.55</b>
<b>5 Trade receivables</b>		
<b>Unsecured, considered good</b>		
Receivable for fees, commission and others	1.16	-
Interest accrued on		
-Fixed deposits	1.60	3.72
-Bonds and securities	1.58	1.02
	<b>4.34</b>	<b>4.74</b>
<b>6 Other receivables</b>		
Unsecured, considered good	0.10	0.10
Unsecured, considered doubtful	68.02	68.02
Less: Allowance for impairment	(68.02)	(68.02)
	<b>0.10</b>	<b>0.10</b>
<b>7 Loans</b>		
<b>Unsecured</b>		
Loans to others	0.97	1.52
Less: Allowance for impairment	(0.97)	-
	<b>-</b>	<b>1.52</b>
<b>Out of the above</b>		
Loans in India		
-Public sector	-	-
Less: Impairment loss allowance	-	-
-Others	0.97	1.52
Less: Impairment loss allowance	(0.97)	-
<b>Total in India</b>	<b>-</b>	<b>1.52</b>
Loans outside India	-	-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
<b>8 Investments</b>		
<b>(A) Investment in quoted equity instruments (At fair value through OCI)</b>		
<b>Avonmore Capital &amp; Management Services Ltd.</b>	-	-
10 (previous year 10) equity shares of ₹ 10 fully paid up		
<b>Bank of Baroda</b>	0.03	0.02
40 (previous year 40) equity shares of ₹ 2 fully paid up		
<b>Canara Bank</b>	0.02	-
15 (previous year Nil) equity shares of ₹ 10 fully paid up		
<b>Housing Development Finance Corporation Limited</b>	13.99	9.13
560 (previous year 560) equity shares of ₹ 2 fully paid up		
<b>HDFC Bank Limited</b>	35.83	20.68
2399 (previous year 2399) equity shares of ₹ 1 fully paid up		
<b>HDFC Standard Life Insurance</b>	0.70	0.44
100 (previous year 100) equity shares of ₹ 10 fully paid up		
<b>ICICI Bank</b>	2.91	2.60
500 (previous year 800) equity shares of ₹ 2 fully paid up		
<b>Indo Count Industries Limited</b>	2,007.95	362.52
1520020 (previous year 1520020) equity shares of ₹ 2 fully paid up		
<b>Jindal Steel &amp; Power Limited</b>	1.03	0.25
300 (previous year 300) equity shares of ₹ 1 fully paid up		
<b>Laxmi Organic Industries Limited</b>	0.87	-
500 (previous year Nil) equity shares of ₹ 2 fully paid up		
<b>Larsen &amp; Tubro Limited</b>	9.57	5.45
675 (previous year 675) equity shares of ₹ 2 fully paid up		
<b>Maharashtra Seamless Limited</b>	90.76	-
32915 (previous year Nil) equity shares of ₹ 5 fully paid up		
<b>Maruti Suzuki India Limited</b>	0.48	0.30
7 (previous year 7) equity shares of ₹ 5 fully paid up		
<b>Reliance Industries Limited (Partly paid equity shares)</b>	0.68	-
62 (previous year Nil) equity shares of ₹ 10 partly paid up		
<b>Reliance Industries Limited</b>	16.83	9.34
840 (previous year 840) equity shares of ₹ 10 fully paid up		
<b>State Bank of India</b>	0.55	0.59
150 (previous year 300) equity shares of ₹ 1 fully paid up		
<b>Syndicate Bank</b>	-	0.02
Nil (previous year 100) equity shares of ₹ 10 fully paid up		
<b>Welspun India Limited</b>	334.49	-
412445 (previous year Nil) equity shares of ₹ 1 fully paid up		
<b>Total value of investment in quoted equity instruments</b>	<b>2,516.69</b>	<b>411.34</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
<b>(B) Investments in unquoted equity instruments (at fair value through OCI)</b>		
<b>Indocount Securities Limited</b>	5,629.91	1,101.66
1,520,020 (previous year 4,27,000) equity shares of ₹ 10 fully paid up		
<b>Hindustan Breweries &amp; Bottling Limited</b>	2.51	2.51
25,000 (previous year 25,000) equity shares of ₹ 10 fully paid up		
<b>Shiva Services Limited</b>	1.00	1.00
10,000 (previous year 10,000) equity shares of ₹ 10 fully paid up		
<b>Less: Provision for diminution in value of investment</b>	(3.51)	(3.51)
<b>Total value of investments in unquoted equity instruments</b>	<b>5,629.91</b>	<b>1,101.66</b>
<b>(C) Investments in debentures &amp; bonds (At fair value through OCI)</b>		
<b>Housing and Urban Development Corporation Limited</b>	2.26	2.22
200 (previous year 200) bonds of ₹ 1,000 each		
<b>Indian Railway Finance Corporation Limited</b>	10.87	12.89
1,000 (previous year 1,000) bonds of ₹ 1,000 each		
<b>National Highway Authority of India</b>	5.37	5.39
500 (previous year 500) bonds of ₹ 1,000 each		
<b>National Highway Authority of India</b>	12.48	12.55
1,000 (previous year 1,000) bonds of ₹ 1,000 each		
<b>Total value of investments in debentures &amp; bonds</b>	<b>30.98</b>	<b>33.05</b>
<b>(D) Investments in Mutual Funds (At fair value through OCI)</b>		
HDFC Mutual Fund	21.38	20.84
ICICI Prudential Credit & Risk Fund Mutual Fund	3.02	39.14
Mirae Asset Short Term Fund-Growth	-	4.45
Mirae Asset Long Term	-	13.02
LIC Mutual Fund	-	1.29
SBI Dynamic Bond Fund-Growth	-	1.30
SBI Short-term Debt Fund -Growth	-	63.12
SBI Equity Hybrid Fund Growth	-	5.77
<b>Total value of investments in mutual funds</b>	<b>24.40</b>	<b>148.93</b>
<b>Total Value of Investments (A)+(B)+(C)+(D)</b>	<b>8,201.98</b>	<b>1,694.98</b>
<b>9 Other financial assets</b>		
Term deposits with NBFCs with remaining maturity more than 12 months	29.00	-
	<b>29.00</b>	-
<b>10 Income tax assets (net)</b>		
Income tax assets	5.56	2.89
	<b>5.56</b>	<b>2.89</b>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**11 Property, plant and equipment**

Current year	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2020	Additions during the year	Disposal/Adjustment	As at March 31, 2021	As at April 1, 2020	For the year	Disposal/Adjustment	As at March 31, 2021	As at March 31, 2021
Furniture and fixtures	0.22	-	0.02	0.20	0.04	0.02	-	0.06	0.14
Office equipments	0.82	1.67	0.31	2.18	0.35	0.27	-	0.62	1.56
Vehicles	1.64	-	-	1.64	1.12	0.42	-	1.54	0.10
<b>Total</b>	<b>2.68</b>	<b>1.67</b>	<b>0.33</b>	<b>4.02</b>	<b>1.51</b>	<b>0.71</b>	<b>-</b>	<b>2.22</b>	<b>1.80</b>

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

**Footnotes:**

- (i). The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2021 and March 31, 2020.
- (ii). Please refer note 31 for capital commitments.
- (iii). There are no impairment losses recognised during the year.
- (iv). There are no exchange differences adjusted in Property, Plant & Equipment.

**12 Intangible assets under development**

Current Year	Gross block (at cost)				Accumulated amortisation				Net block
Description	As at April 1, 2020	Additions during the year	Disposal/Adjustment	As at March 31, 2021	As at April 1, 2020	For the year	Disposal/Adjustment	As at March 31, 2021	As at March 31, 2021
Computer software	-	0.57	-	0.57	-	-	-	-	0.57
<b>Total</b>	<b>-</b>	<b>0.57</b>	<b>-</b>	<b>0.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.57</b>

Previous year	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2019	Additions during the year	Disposal/Adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Disposal/Adjustment	As at March 31, 2020	As at March 31, 2020
Computer software	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**13 Investment property**

<b>A. Reconciliation of carrying amount</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Cost or deemed cost</b>		
Opening balance	16.14	16.14
Additions during the year	-	-
<b>Total carrying amount</b>	<b>16.14</b>	<b>16.14</b>

<b>B. Measurement of fair value</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Investment property	12.50	12.50
	<b>12.50</b>	<b>12.50</b>

**C. Estimation of fair values**

The Company obtains independent valuations for each of its investment property by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility.

**Valuation technique:**

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

**Fair value hierarchy:**

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

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

**Valuation technique**

Market method

**Observable inputs**

Guideline rate (Per sq. m.)

Similar piece of land rate (Per sq.m.)

Investment property consists of land in Vrindavan. During the year the company has not revalued the investment property at fair value.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
<b>14 Other non-financial assets</b>		
Balance with government authorities	1.20	4.58
Prepaid expenses	0.19	0.13
	<b>1.39</b>	<b>4.71</b>
<b>15 Trade payables</b>		
Trade payables		
- to micro and small enterprises (refer note 32)	-	-
- to others	2.10	2.37
	<b>2.10</b>	<b>2.37</b>
<b>16 Provisions</b>		
Provision for employee benefits (refer note 33)		
Provision for gratuity	0.83	1.12
Other provisions		
Contingent provision on standard assets	-	0.01
	<b>0.83</b>	<b>1.13</b>
<b>17 Deferred tax liabilities (net)</b>		
Deferred tax liabilities (refer note 38)	1,967.23	340.22
	<b>1,967.23</b>	<b>340.22</b>
<b>18 Other non-financial liabilities</b>		
Statutory dues payable	0.22	0.09
	<b>0.22</b>	<b>0.09</b>
<b>19 Equity share capital</b>		
<b>Equity shares</b>		
<b>Authorised</b>		
1,00,00,000 (March 31, 2020: 1,00,00,000) equity shares of ₹ 10 each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
45,70,000 (March 31, 2020: 45,70,000) equity shares of ₹ 10 each fully paid up	457.00	457.00
	<b>457.00</b>	<b>457.00</b>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts are ₹ in Lacs unless otherwise stated)

**a). Terms and rights attached to equity shares**
**Voting**

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

**Dividends**

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

During the year ended March 31, 2021, the company has recorded per share dividend of ₹ Nil (previous year Nil) to its equity holders.

**Liquidation**

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

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

	Year Ended March 31, 2021		Year Ended March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of year	45,70,000	457.00	45,70,000	457.00
Add: Share issued during the year	-	-	-	-
Outstanding at the end of the year	45,70,000	457.00	45,70,000	457.00

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

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% Holding	No. of shares	% Holding
Sh. Anil Kumar Jain (HUF)	4,05,245	8.87%	4,05,245	8.87%
M <sup>re</sup> Gayatri Devi Jain	3,24,870	7.11%	3,24,870	7.11%
Yarntex Export Limited	2,65,370	5.81%	2,65,370	5.81%
Rini Investment & Finance Private Limited	4,55,046	9.96%	4,55,046	9.96%
Skyrise Properties Private Limited	3,13,300	6.86%	3,13,300	6.86%
	<b>17,63,831</b>	<b>38.61%</b>	<b>17,63,831</b>	<b>38.61%</b>

d). There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

e). No class of shares have been bought back by the Company during the period of five years immediately preceding the reporting date.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

## 20 Other Equity

	As at March 31, 2021	As at March 31, 2020
<b>a). General reserve</b>		
Balance at beginning of the year	12.49	12.49
Additions during the year	-	-
<b>Balance at end of the year</b>	<b>12.49</b>	<b>12.49</b>
<b>b). Special reserve</b>		
Balance at beginning of the year	36.76	36.75
Additions during the year	11.30	0.01
<b>Balance at end of the year</b>	<b>48.06</b>	<b>36.76</b>
<b>c). Share warrant option premium</b>		
Balance at beginning of the year	33.80	33.80
Additions during the year	-	-
<b>Balance at end of the year</b>	<b>33.80</b>	<b>33.80</b>
<b>d). Retained earnings</b>		
Balance at beginning of the year	30.94	30.90
<b>Add: Profit for the year</b>	16.69	0.05
<b>Add: Net profit on sale of investment</b>	29.45	-
<b>Less: Transfer to special reserve</b>	(11.30)	(0.01)
<b>Balance at end of the year</b>	<b>65.78</b>	<b>30.94</b>
<b>e). Accumulated Other comprehensive income</b>		
Balance at beginning of the year	1,054.23	2,073.92
<b>Add: Other comprehensive income for the year</b>	4,673.47	(1,019.69)
<b>Less: Net profit on sale of investment transfer to retained earnings (net of tax)</b>	(29.45)	-
<b>Balance at end of the year</b>	<b>5,698.25</b>	<b>1,054.23</b>
<b>Total Other equity</b>	<b>5,858.38</b>	<b>1,168.22</b>

## Nature and purpose of other reserves:

## (i) General reserve

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

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

## (ii) Special reserve

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

### (iii) Share warrant option premium

"The Company allotted 20,00,000 Option Warrants to the Promoter Group in pursuance of the approval given by the shareholders in the Extra Ordinary General Meeting held on 12<sup>th</sup> December, 1994. Each option warrant holder was entitled to apply for one Equity Share at the premium of ₹ 6.90 per share within a period of 18 months from the date of allotment of warrants. A warrant option premium @ ₹ 1.69 per warrant was payable on allotment to be adjusted against the issue price of the equity shares. The Company received ₹ 33.80 lacs on allotment of 20,00,000 Option warrants, being the warrant option premium which had reflected in Schedule 2 of Balance Sheet 1994-95 as Share Warrant Option Premium. The Promoter Group did not exercise to opt the same and hence the Board forfeited the option warrant premium of ₹ 33.80 lacs in their Board Meeting held on 26<sup>th</sup> November, 1996."

### (iv) Retained earnings

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

### (v) Accumulated Other comprehensive income

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

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

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

	Year ended March 31, 2021	Year ended March 31, 2020
<b>21 Interest income</b>		
Interest income on		
-loans	-	0.30
-deposits	8.32	17.25
-investments	2.25	2.24
	<b>10.57</b>	<b>19.79</b>
<b>22 Dividend income</b>		
Dividend income	10.10	10.45
	<b>10.10</b>	<b>10.45</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>23 Fees and commission income</b>		
Commission income	13.04	-
	<b>13.04</b>	-
<b>24 Others [Net gain/(loss) on sale of investments]</b>		
Gain on sale of investments	23.57	-
	<b>23.57</b>	-
<b>25 Other income</b>		
Provisions written back	0.01	-
Liabilities no longer payable written back	0.06	-
Interest received on income tax refund	0.10	0.02
	<b>0.17</b>	<b>0.02</b>
<b>26 Finance costs</b>		
Interest expense	0.01	0.01
	<b>0.01</b>	<b>0.01</b>
<b>27 Employee benefits expenses</b>		
Salaries, wages and bonus	12.42	12.10
Contribution to provident and other funds (refer note 33)	-	0.03
Contribution to retirement benefits (refer note 33)	0.50	0.59
Staff welfare expense	0.23	0.15
	<b>13.15</b>	<b>12.87</b>
<b>28 Depreciation and amortisation expenses</b>		
Depreciation on property, plant and equipment (refer note 11)	0.71	0.70
	<b>0.71</b>	<b>0.70</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>29 Other expenses</b>		
Advertisement and publicity	1.86	0.82
Impairment of Loans	0.97	-
Loss on sale / write off of fixed assets	0.33	-
Loss on sale of investments	-	2.63
Rates and taxes	1.95	1.33
Charity and donations	-	0.05
Director sitting fees	0.58	0.72
Legal and professional expenses (refer footnote)	6.89	4.67
Share transfer expenses	0.77	0.48
Listing fees	3.00	3.00
Insurance	0.20	0.15
Travelling and conveyance	0.42	0.55
Printing and stationery	0.25	1.49
Repair and maintenance on		
-Vehicles	0.36	0.50
-Others	0.49	0.09
Training expenses	-	0.12
Telephone expenses	0.30	0.38
Postage expenses	0.04	0.96
Miscellaneous Expenses	0.37	0.42
	<b>18.78</b>	<b>18.36</b>
<b>Footnote:</b>		
<b>Payment of remuneration to auditors (excluding GST)</b>		
Statutory audit	0.65	0.65
Other matters	-	-
	<b>0.65</b>	<b>0.65</b>
<b>30 Earnings per share</b>		
Basic and diluted earnings per share (refer footnote)	0.37	0.00
Nominal value per share (in ₹ )	10.00	10.00
<b>Footnotes:</b>		
<b>(a) Profit attributable to equity holders</b>		
Profit for the year	16.69	0.05
<b>Profit attributable to equity holders of the company for Basic and Diluted EPS</b>	<b>16.69</b>	<b>0.05</b>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*

	Year ended March 31, 2021	Year ended March 31, 2020
<b>(b) Weighted average number of shares used as the denominator</b>		
Opening balance of issued equity shares	45.70	45.70
Effect of shares issued during the year, if any	-	-
<b>Weighted average number of equity shares for Basic and Diluted EPS</b>	<b>45.70</b>	<b>45.70</b>
(c) At present, the Company does not have any dilutive potential equity share.		

**31 Contingent liabilities and commitments**

There are no contingent liabilities and commitments as at March 31, 2021 (March 31, 2020 ₹ Nil).

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

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

**33 Employee benefits**

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

**(i) Defined contribution plans:**

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to provident fund	-	0.03

## (ii) Defined benefit plan:

**Gratuity**

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The gratuity liability is entirely unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	As at March 31, 2021	As at March 31, 2020
<b>Net defined benefit (asset)/liability</b>		
Gratuity (unfunded)	0.83	1.12
<b>Total employee benefit liabilities</b>	<b>0.83</b>	<b>1.12</b>
Non-current	1.12	1.12
Current	-	-

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

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

	Year ended March 31, 2021			Year ended March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance at the beginning of the year	4.81	3.69	1.12	5.67	3.69	1.98
<b>Included in profit or loss</b>						
Current service cost	0.51	-	0.51	0.46	-	0.46
Interest cost (income)	0.23	0.24	(0.01)	0.33	0.28	0.06
Actual company contribution	-	0.60	(0.60)	-	-	-
Past service cost	-	-	-	-	-	-
	<b>0.74</b>	<b>0.84</b>	<b>(0.10)</b>	<b>0.79</b>	<b>0.28</b>	<b>0.52</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	Year ended March 31, 2021			Year ended March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
<b>Included in OCI</b>						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- financial assumptions	(0.00)	-	(0.00)	0.02	-	0.02
- demographic assumptions	-	-	-	-	-	-
- experience adjustments	(0.12)	-	(0.12)	(1.68)	-	(1.68)
Return on plan assets	-	0.07	(0.07)	-	(0.28)	0.28
	<b>(0.12)</b>	<b>0.07</b>	<b>(0.19)</b>	<b>(1.66)</b>	<b>(0.28)</b>	<b>(1.38)</b>
<b>Other</b>						
Contributions paid by the employer						
Acquisition adjustment	-	-	-	-	-	-
Fund management charges	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>5.43</b>	<b>4.60</b>	<b>0.83</b>	<b>4.81</b>	<b>3.69</b>	<b>1.12</b>

Expenses recognised in the Statement of profit and loss	Year ended March 31, 2021	Year ended March 31, 2020
Service cost	0.51	0.46
Net interest cost	(0.01)	0.06
	<b>0.50</b>	<b>0.52</b>

**C. Plan assets**

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

	As at March 31, 2021	As at March 31, 2020
Funds Managed by Insurer (investment with insurer)	4.60	3.69

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


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**D. Actuarial assumptions**
**a) Economic assumptions**

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

	As at March 31, 2020	As at March 31, 2021
Discount rate	6.61%	6.71%
Expected rate of future salary increase	7.50%	7.50%
Expected rate of return on assets	6.61%	6.71%

**b) Demographic assumptions**

	As at March 31, 2020	As at March 31, 2021
i) Retirement age (years)	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Withdrawal rate	11%	11%

**E. Sensitivity analysis**

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

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

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(0.00)	0.00	(0.03)	0.03
Expected rate of future salary increase (0.5% movement)	0.00	(0.00)	0.03	(0.02)
Withdrawal rate (0.5% movement)	(0.00)	0.00	0.01	(0.01)

**Description of risk exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- A) Salary increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

- B) Investment risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

### F. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at March 31, 2021	As at March 31, 2020
Duration of defined benefit obligation		
Less than 1 year	3.41	3.13
Between 1-2 years	0.28	0.22
Between 2-5 years	1.05	0.56
Over 5 years	0.70	1.05
<b>Total</b>	<b>5.44</b>	<b>4.96</b>

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 is ₹ 1.42 lacs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9.07 years (March 31, 2020: 9.1 years).

### 34 Related party disclosures

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

#### (a) List of related parties

Relationship	Name of related party
<b>Enterprises in which key management personnel and their relatives are able to exercise control or significant influence</b>	Indo Count Industries Limited Indocount Securities Limited Slab Properties Private Limited
<b>Key Management Personnel</b>	Shri Dass Maheshwari (Whole-time Director and Chief Financial Officer) Kailash Rawat (Company Secretary) (Resigned w.e.f. December 20, 2020) Archisha Tyagi (Company Secretary) (Joining w.e.f. December 21, 2020)


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**(b) Details of related party transactions are as below:**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Employee Benefit expenses</b>		
Remuneration to key management personnel		
-Mr. Shri Dass Maheshwari	7.15	7.15
<b>Expenses recovered on behalf of</b>		
-Indocount Securities Limited	18.56	0.40
<b>Investments</b>		
-Indocount Securities Limited	42.70	42.70
-Indocount Industries Limited	52.57	52.57

**Terms and conditions of transactions with the related parties**

- i). The terms and conditions of the transactions with key management personnel were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.
- ii). All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

**35 Operating segments**
**A Basis of segmentation**

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

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

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

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

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

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


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**B Information about reportable segments**

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing, if any, is determined on an arm's length basis.

For the year ended March 31, 2021	Reportable segment			
	Finance activities	Investment activities	Unallocable	Total
- Segment revenue	-	57.28	-	57.28
- Inter segment revenue	-	-	-	-
<b>Revenue from external customers</b>	-	57.28	-	57.28
<b>Segment profit before tax</b>	(0.96)	57.28	(31.52)	24.80
<b>Segment assets</b>	-	8,265.38	20.38	8,285.76
<b>Segment liabilities</b>	-	1,967.23	3.15	1,970.38

For the year ended March 31, 2020	Reportable segment			
	Finance activities	Investment activities	Unallocable	Total
- Segment revenue	0.29	29.95	-	30.24
- Inter segment revenue	-	-	-	-
<b>Revenue from external customers</b>	0.29	29.95	-	30.24
<b>Segment profit before tax</b>	0.29	27.32	(29.29)	(1.68)
<b>Segment assets</b>	1.52	1,947.86	19.65	1,969.03
<b>Segment liabilities</b>	-	340.22	3.59	343.81

**C Reconciliations of information on reportable segments**
**i). Revenues**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Total revenue for reportable segments		
Finance activities	-	0.29
Investment activities	57.28	29.95
Unallocable	-	-
Inter-segment eliminations	-	-
<b>Total revenue</b>	<b>57.28</b>	<b>30.24</b>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**ii). Total comprehensive income**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Total profit before tax for reportable segments	24.80	(1.68)
Elimination of inter-segment profits	-	-
<b>Profit before tax</b>	<b>24.80</b>	<b>(1.68)</b>
Tax expense	8.11	(1.73)
<b>Profit after tax</b>	<b>16.69</b>	<b>0.05</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plans	0.19	1.38
Changes in fair value of financial instruments	6,301.32	(1,379.34)
Tax on remeasurement of defined benefit plans	(0.05)	(0.36)
Tax on changes in fair value of financial instruments	(1,627.99)	358.63
<b>Other comprehensive income for the year</b>	<b>4,673.47</b>	<b>(1,019.69)</b>
<b>Total comprehensive income for the year</b>	<b>4,690.16</b>	<b>(1,019.64)</b>

**iii). Assets**

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Total assets for reportable segments</b>		
Finance activities	-	1.52
Investment activities	8,265.38	1,947.86
Unallocable	20.38	19.65
Inter-segment eliminations	-	-
<b>Total assets</b>	<b>8,285.76</b>	<b>1,969.03</b>

**iv). Liabilities**

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Total liabilities for reportable segments</b>		
Finance activities	-	-
Investment activities	1,967.23	340.22
Unallocable	3.15	3.59
Intersegment eliminations	-	-
<b>Total liabilities</b>	<b>1,970.38</b>	<b>343.81</b>

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


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**D Geographic information**

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

**E Major customers**

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

**36 Fair value measurement and financial instruments**
**a). Financial instruments – by category and fair values hierarchy**

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

**i). As at March 31, 2020**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments	-	1,694.98	-	1,694.98	593.32	1,101.66	-
Trade receivables	4.74	-	-	4.74	-	4.74	-
Cash and cash equivalents	-	-	20.23	20.23	-	-	-
Balances other than cash and cash equivalents	-	-	222.55	222.55	-	-	-
Loans	1.52	-	-	1.52	-	1.52	-
Other financial assets	-	-	0.10	0.10	-	-	-
<b>Total</b>	<b>6.27</b>	<b>1,694.98</b>	<b>242.88</b>	<b>1,944.12</b>			
<b>Financial liabilities</b>							
Trade payables	-	-	2.37	2.37	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.37</b>	<b>2.37</b>			

**ii). As at March 31, 2021**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Other financial assets	-	-	29.00	29.00	-	-	-
Investments	-	8,201.98	-	8,201.98	2,572.07	5,629.91	-
Trade & Other receivables	4.44	-	-	4.44	-	4.44	-
Cash and cash equivalents	-	-	10.96	10.96	-	-	-
Balances other than cash and cash equivalents	-	-	13.92	13.92	-	-	-
<b>Total</b>	<b>4.44</b>	<b>8,201.98</b>	<b>53.88</b>	<b>8,260.30</b>			
<b>Financial liabilities</b>							
Trade payables	-	-	2.10	2.10	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.10</b>	<b>2.10</b>			



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

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

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

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

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

### Valuation processes

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

## b). Financial risk management

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

- Credit risk
- Liquidity risk
- Interest rate risk

### Risk management framework

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

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

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

### (i) Credit risk

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

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	4.44	4.84
Cash and cash equivalents	10.96	20.23
Bank balances other than cash and cash equivalents	13.92	222.55


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts are ₹ in Lacs unless otherwise stated)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Investments	8,201.98	1,694.98
Loans	-	1.52
Other financial assets	29.00	-

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customer<sup>₹</sup>

The Company's credit risk is primarily to the amount due from customer and investments. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivable more than 180 days past due. However, the Company based upon historical experience determines an impairment allowance for loss on receivables.

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

Particulars	Gross carrying amount	
	As at March 31, 2021	As at March 31, 2020
0-90 days past due	4.44	4.84
91 to 180 days past due	-	-
More than 180 days past due #	-	-
<b>Total</b>	<b>4.44</b>	<b>4.84</b>

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

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

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

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of ₹ 24.88 lacs as at March 31, 2021 (March 31, 2020: ₹ 242.78 lacs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

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

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

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

### Exposure to liquidity risk

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

As at March 31, 2021	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Trade payables	2.10	2.10	-	2.10
<b>Total</b>	<b>2.10</b>	<b>2.10</b>	<b>-</b>	<b>2.10</b>

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

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

### iii). Market risk

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

#### Interest rate risk

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




**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts are ₹ in Lacs unless otherwise stated)

**Exposure to interest rate risk**

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. During the year ended March 31, 2020 & March 31, 2021 the Company does not have any variable rate borrowings hence no exposure of interest rate risk.

**37 Capital Management**

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

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

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	-	-
Less: Cash and cash equivalents	(10.96)	(20.23)
<b>Adjusted net debt (A)</b>	(10.96)	(20.23)
<b>Total equity (B)</b>	6,315.38	1,625.22
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>-0.17%</b>	<b>-1.24%</b>

**38 Income taxes**
**A. Amounts recognised in profit or loss**

	Year ended March 31, 2021	Year ended March 31, 2020
Current year	9.14	-
Adjustment for prior years	-	0.77
	<b>9.14</b>	<b>0.77</b>
<b>Deferred tax expense</b>		
Change in recognised temporary differences	(1.03)	(2.50)
	<b>(1.03)</b>	<b>(2.50)</b>
<b>Total Tax Expense</b>	<b>8.11</b>	<b>(1.73)</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

## B. Amounts recognised in Other Comprehensive Income

	March 31, 2021			March 31, 2020		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	0.19	(0.05)	0.14	1.38	(0.36)	1.02
Changes in fair value of financial instruments	6,301.32	(1,627.99)	4,673.33	(1,379.34)	358.63	(1,020.71)
	<b>6,301.51</b>	<b>(1,628.04)</b>	<b>4,673.47</b>	<b>(1,377.96)</b>	<b>358.27</b>	<b>(1,019.69)</b>

## C. Reconciliation of effective tax rate

	March 31, 2021		March 31, 2020	
	Rate	Amount	Rate	Amount
Profit before tax	26.00%	24.80	26.00%	(1.68)
Tax using the Company's domestic tax rate (A)		6.45		-
Tax effect of:				
Prior year errors/adjustment		(1.66)		1.73
<b>Total (B)</b>		<b>(1.66)</b>		<b>1.73</b>
<b>(A)+(B)</b>		<b>8.11</b>		<b>(1.73)</b>

## D. Movement in deferred tax balances

	As at March 31, 2020	Recognised in P&L	Recognised in OCI	As at March 31, 2021
Deferred Tax Assets				
Employee benefits	0.29	(0.02)	(0.05)	0.22
Property, plant and equipment	0.43	0.13	-	0.56
Other provisions	17.69	0.25	-	17.94
<b>Sub- Total (a)</b>	<b>18.41</b>	<b>0.36</b>	<b>(0.05)</b>	<b>18.72</b>
Deferred Tax Liabilities				
Investments	(358.63)	0.67	(1,627.99)	(1,985.95)
<b>Sub- Total (b)</b>	<b>(358.63)</b>	<b>0.67</b>	<b>(1,627.99)</b>	<b>(1,985.95)</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>(340.22)</b>	<b>1.03</b>	<b>(1,628.04)</b>	<b>(1,967.23)</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are ₹ in Lacs unless otherwise stated)

	As at April 1, 2019	Recognised in P&L	Recognised in OCI	As at March 31, 2020
Deferred Tax Assets				
Employee benefits	0.51	(358.49)	358.27	0.29
Property, plant and equipment and intangibles	0.38	0.05	-	0.43
Other provisions	16.69	1.00	-	17.69
<b>Sub- Total (a)</b>	<b>17.58</b>	<b>(357.44)</b>	<b>358.27</b>	<b>18.41</b>
Deferred Tax Liabilities				
Investments	(718.58)	359.95	-	(358.63)
<b>Sub- Total (b)</b>	<b>(718.58)</b>	<b>359.95</b>	<b>-</b>	<b>(358.63)</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>(701.00)</b>	<b>2.51</b>	<b>358.27</b>	<b>(340.22)</b>

- 39 There are no borrowing costs that have been capitalised during the year ended March 31, 2021 and March 31, 2020.
- 40 There have been no events after the reporting date that require adjustment/disclosure in these financial statements.
- 41 These financial statements were authorised for issue by Board of Directors on June 1, 2021.
- 42 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

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

**Krishna Kumar**  
Partner  
Membership No.: 523411  
UDIN: 21523411AAAAFQ2813

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

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

**Archisha Tyagi**  
Company Secretary  
Membership No. : 49606

**Shri Dass Maheshwari**  
Whole-time Director and  
Chief Financial Officer  
DIN: 00181615

Place : Delhi  
Date : 14.06.2021


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**Schedule to the Balance Sheet of a non-deposit taking non-banking financial company**

(as required in terms of paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

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

	<u>Amount Outstanding</u>	<u>Amount Overdue</u>
(a) Debentures : Secured	-	-
: Unsecured	-	-
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans:		
Loan repayable on demand from bank	-	-
<i>(Bank Overdraft limit from Karnataka Bank Limited secured by Fixed Deposit with the same Bank)</i>		

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

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

**(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	-


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**(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)	-

**Long Term Investments:**
**(1) Quoted:**

(i) Shares : (a) Equity	2,516.69
(b) Preference	-
(ii) Debentures and Bonds	30.98
(iii) Units of mutual funds	24.40
(iv) Government Securities	-
(v) Others (please specify)	-

**(2) Unquoted:**

(i) Shares : (a) Equity	5,633.42
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
Investment in Immovable Property	16.14

<b>Total</b>	<b>8,221.63</b>
--------------	-----------------


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**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	-	-	-
<b>Total</b>	-	-	-

**(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	7,637.86	95.27
(c) Other related parties	-	-
(2) Other than related parties	564.12	464.94
<b>Total</b>	<b>8,201.98</b>	<b>560.21</b>

**(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: [info@margofinance.com](mailto:info@margofinance.com)  
Website: [www.margofinance.com](http://www.margofinance.com)



## 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 30<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the Thirtieth (30<sup>th</sup>) Annual General Meeting ("AGM") of the members of Margo Finance Limited will be held on Tuesday, September 28, 2021 at 12.00 Noon (IST), through Video Conferencing (VC) / Other Audio Visual Means ("OAVM") to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the year ended March 31, 2021, including the Audited Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Kumar Jain (DIN: 00086106), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

3. **Re-Appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as "Whole Time Director- Finance & CFO" of the Company for a further period of 2 years w.e.f April 30, 2021.**

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

"**RESOLVED THAT** in accordance with the provisions of sections 196, 197, 198 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as "Whole Time Director- Finance & CFO" of the Company for a further period of 2 years w.e.f. April 30, 2021, at the remuneration and other terms and conditions as set out below, with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 and Schedule V of the Companies Act, 2013;

#### (A) Salary & Perquisites:

Basic Salary: Rs. 34,044/- p.m with an annual increment as may be approved by the Nomination & Remuneration Committee and the Board of Directors.

#### (B) Perquisites and Allowances

1. House Rent Allowance – Rs. 14,185/- p.m with annual increment as may be approved by the Nomination and Remuneration Committee and the Board of Directors.

## MARGO FINANCE LIMITED

---

2. Other Allowance as may be decided by the Board - Upto 35% of Basic Salary.
3. Telephone, Mobile & laptop at the Residence for official purpose and expenses incurred thereof.
4. Travelling Expenses- as per the Travel Policy of the Company for Directors of the Company.
5. Any other allowances, benefits and perquisites as per the rules and/ or policy of the Company as are applicable to the Whole time Directors of the Company and/ or which may become applicable in future, subject to recommendation of the Nomination & Remuneration Committee.

**"RESOLVED FURTHER THAT** any increment / revision in salary and perquisites and remuneration by way of incentive / bonus / ex-gratia / performance linked incentives payable to Mr. Shri Dass Maheshwari during his tenure of office be determined by the Board, pursuant to the recommendation of Nomination and Remuneration Committee provided overall remuneration of all Executive Directors / Managing Directors is within 10% of the Net profits, as prescribed under section 197 of the Companies Act, 2013 read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

**"RESOLVED FURTHER THAT** notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/ re-enactment thereof and subject to the approval of the shareholders of the Company, in the event of absence of profits or inadequate profits in any financial year, during the tenure of office of Mr. Shri Dass Maheshwari, Whole Time Director- Finance & CFO, he shall be paid remuneration by way of salary, perquisites as mentioned above as Minimum Remuneration, notwithstanding the said minimum remuneration is in excess of the limits specified in Section II of Schedule V of the Act subject to the compliance of applicable provisions of Schedule V of the Act;

**"RESOLVED FURTHER THAT** Mr. Shri Dass Maheshwari, Whole Time Director- Finance & CFO shall be liable to retire by rotation;

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things to give effect to the aforesaid resolution."

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

**Archisha Tyagi  
Company Secretary  
Membership No: A49606**

Date : 14<sup>th</sup> June, 2021

Place: Delhi

### Notes:

1. In view of the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular no 02/2021 dated January 13, 2021 read together with circular nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India ("SEBI") circular no SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI circulars") and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Regulations, 2015 ("Listing Regulations"), the 31<sup>st</sup> AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the Special Business under Item No. 3 of the Notice, is annexed hereto

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the aforesaid MCA circulars and SEBI circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
4. In terms of the provisions of Section 112 and 113 of the Act read with the said Circulars, Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and cast votes by electronic means (details of which are provided separately in this notice). Such members are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail [ashugupta.cs@gmail.com](mailto:ashugupta.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [info@margofinance.com](mailto:info@margofinance.com).
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Members seeking any information with regard to the accounts or resolutions placed at the AGM are requested to send an email to the Company on [info@margofinance.com](mailto:info@margofinance.com) by September 25, 2021. The same will be replied by the Company suitably.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 21, 2021 to Tuesday, September 28, 2021 (both days inclusive) in connection with the Annual General Meeting.
8. Pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, relevant details of Mr. Anil Kumar Jain, Director retiring by rotation are provided in the Annexure-1 to this Notice.
9. As per Regulation 40 of the Listing Regulations, and circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020, the transfer of equity shares of listed company can be done only in demat form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent i.e. Link Intime India Private Limited.
10. In accordance with the provisions of Section 139 of the Act, at the Annual General Meeting ("AGM") held on August 21, 2017, M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No. 011573C) were appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 26<sup>th</sup> AGM till the conclusion of 31<sup>st</sup> AGM, subject to the ratification by members at every AGM. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting was omitted vide notification dated May 7, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors in this Notice of AGM of the Company.
11. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit Form SH -13 to the Registrar and Transfer Agent of the Company. Members holding shares in demat form may contact their respective Depository Participant("DP") for recording of nomination.
12. In case of joint holders attending the Meeting. Only such joint holder who is higher in the order of names will be entitled to vote.
13. Members are requested to follow below procedure for Registration/updating Email ID, Bank details, Mobile Number & other details:
  1. **Shareholders holding Shares in Physical Mode:** Such Shareholders are requested to register their E-mail ID with the Company, by sending email ID with the Company, by sending signed scan copy of request letter mentioning Folio No., Name of the shareholder, along with PAN, Aadhar Card/ any other address proof (self-attested scan copy of PAN card & Aadhar Card/ any other address proof) by email to [info@margofinance.com](mailto:info@margofinance.com).

## MARGO FINANCE LIMITED

---

Apart from the changes in email id, any other changes can be intimated to Link Intime [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) or to the Company at [info@margofinance.com](mailto:info@margofinance.com).

**Shareholders holding Shares in Dematerialized Mode** are requested to contact their Depository Participant(s) for any changes in their details with respect to change in their email, bank details, mobile number, PAN and any other detail.

14. 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.
15. NRI Members are requested to:
  - a) change their residential status on return to India permanently.
  - a) 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.
16. 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.
17. 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.
18. In compliance with the MCA Circulars and SEBI Circulars Notice of the 30<sup>th</sup> AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.margofinance.com](http://www.margofinance.com) and website of the BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.  
  
Members of the Company holding shares either in physical form or in Dematerialised forms as on Benpos date i.e. Friday, August 27, 2021 will be sent Annual Report for the financial year 2020-21 through electronic mode.
19. Members who wish to inspect statutory registers required to be made available/kept open for inspection at AGM and Relevant documents referred to in this Notice of AGM can send an email to [info@margofinance.com](mailto:info@margofinance.com).
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The deemed venue for the AGM will be the Registered Office of the Company.
21. Those shareholders who have not yet claimed Original Share Certificates of Face value of 10/- are requested to contact Link Intime India Private Limited or the Company. The Company has sent 3 reminders in this respect.

### INSTRUCTIONS FOR E-VOTING:

Pursuant of section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2015 as amended from time to time, and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide 'remote e-voting' facility through National Securities Depository Limited ("NSDL") to all Members of the Company to enable them to cast their votes electronically, on all resolutions mentioned in the notice of the 30<sup>th</sup> Annual General Meeting ("AGM") of the Company.

#### General Instructions:

- a) **The remote e-voting period begins on Friday, September 24, 2021 at 9.00 a.m. (IST) and ends on Monday, September 27, 2021 at 5.00 p.m. (IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, September 21, 2021 may cast their**

**votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m. (IST) on Monday, September 27, 2021.**

- b) Ms. Ashu Gupta Proprietor of M/s. Ashu Gupta & Associates, Practicing Company Secretaries (Membership No.: FCS 4123; CP No: 6646), has been appointed as a Scrutinizer to scrutinize the remote e-voting process and e-voting at AGM in a fair and transparent manner.
- c) In accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Tuesday, September 21, 2021 as the "cut-off date" to determine the eligibility to vote by remote e-voting or e-voting at the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. September 21, 2021, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. Only those members, who will be present at the AGM through VC/ OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
- d) The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.
- e) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- f) The voting rights of Members shall be in proportion to their shares in the paid-up equity shares capital of the Company as on the cut-off date.
- g) The Scrutinizer shall submit his consolidated report to the Chairman within 48 hours from the conclusion of the AGM.
- h) The result declared along with the Scrutinizer's Report shall be placed on the website of the Company at [www.margofinance.com](http://www.margofinance.com) and on the website of NSDL at <https://www.evoting.nsdl.com> and shall simultaneously be communicated to BSE Limited at [www.bseindia.com](http://www.bseindia.com). Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Tuesday, September 28, 2021.

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

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

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

##### **Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.**

##### **Details on Step 1 are mentioned below:**

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p><b>A. NSDL IDEAS facility:</b></p> <p><b>If you are already registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section.</li> <li>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>4. Click on "Access to e-Voting" appearing on the left hand side under e-Voting services and you will be able to see e-Voting page.</li> <li>5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.</li> </ol> <p><b>If you are not registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>2. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Please follow steps given in points 1-5.</li> </ol> <p><b>B. e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile phone.</li> <li>2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL.	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. <b>Click on NSDL to cast your vote.</b></li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>2. Once logged-in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>3. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-24994360 and 022-24994545
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542 / 43

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

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

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

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

4. Your User ID details are given below :

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



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

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. **EVEN of the Company is 117606**. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [info@margofinance.com](mailto:info@margofinance.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [info@margofinance.com](mailto:info@margofinance.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under **Join General Meeting** menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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

**ITEM NO 3**

The existing term of Mr. Shri Dass Maheshwari (DIN: 00181615) Whole Time Director- Finance & CFO, was for a period of 3 years upto April 29, 2021. Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company approved re-appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as "Whole Time Director- Finance & CFO" of the Company for a further period of 2 years with effect from April 30, 2021 subject to the approval of the members of the Company on the terms and conditions including remuneration as set out in Item No. 3 of the Notice.

The Company has received notice in writing from a Member under Section 160 of the Act proposing candidature of Mr. Shri Dass Maheshwari for the office of Director of the Company. The brief profile of Mr. Shri Dass Maheshwari and other details required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 is provided in Annexure "I" to the Notice. Considering rich knowledge and varied experience of Mr. Shri Dass Maheshwari, the Board was of the opinion that his association as an Executive Director & CFO will continue to benefit the Company. Mr. Shri Dass Maheshwari satisfies the conditions specified in Part I of Schedule V of the Companies Act, 2013. Further, Mr. Shri Dass Maheshwari has confirmed that he is not disqualified to act as a Director of the Company and have given his consent for the re-appointment. He is not debarred from holding office of director by virtue of any SEBI order or any other authority.

Pursuant to the provisions of Sections 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder read with Schedule V of the Companies Act, the appointment and remuneration of Executive Director requires approval of the shareholders in General Meeting.

The Board of Directors recommends the resolution at Item No. 3 of the Notice for the approval of members of the Company by way of a Special Resolution.

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

## ANNEXURE- I

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

1. Re-appointment of Mr. Anil Kumar Jain, Director liable to retire by rotation and recommended for the re-appointment.

Name of the Director	Mr. Anil Kumar Jain
Age	68 years
DIN	00086106
Category	Chairman-Non-Executive & Non-Independent
Date of first appointment on the Board	18.10.1991
Qualification, Brief Resume and nature of expertise in specific functional areas	Mr. Anil Kumar Jain, a B.Com (Hons.) from St. Xavier's College, Kolkata has acquired more than 36 years of experience in the industry. He started his career from 1975 and had held various key positions in the family business. He was instrumental in turning around BIFR / Sick Units by introducing innovative technology and export culture.
Terms and conditions of reappointment	Mr. Anil Kumar Jain is Non-Executive & Non-Independent Director and liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn.	Not Applicable.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	No Inter-se relationship with any other Director, or Key Managerial Personnel of the Company.
Number of Board Meetings attended during the year	During the year 2020-21, four (4) Board meetings were held and Mr. Anil Kumar Jain attended all the meetings.
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on March 31, 2021	1. Indo Count Industries Limited 2. Pranavaditya Spinning Mills Limited
Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on March 31, 2021	1. Indo Count Industries Limited- Member in Stakeholder Relationship Committee. 2. Pranavaditya Spinning Mills Limited- Member in Stakeholder Relationship Committee.
Number of shares held in the Company as on March 31, 2021	NIL

2. Recommend for re-appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as Whole Time Director of the Company.

Name of the Director	Mr. Shri Dass Maheshwari
Age	68 years
DIN	00181615
Category	Whole Time Director-Finance & Chief Financial Officer
Date of first appointment on the Board	30.04.2018
Qualification, Brief Resume and nature of expertise in specific functional areas	Mr. Shri Dass Maheshwari, B.Com (Hons.) has acquired more than 35 years of experience in field of Finance & Corporate functions. He is associated with the Company for more than 12 years in various capacities.

**MARGO FINANCE LIMITED**

<b>Terms and conditions of reappointment</b>	Mr. Shri Dass Maheshwari is Whole Time Director- Finance & CFO and liable to retire by rotation. The terms and conditions for appointment are as per resolution in item no 3 of the notice.
<b>Details of remuneration sought to be paid and remuneration last drawn.</b>	As per resolution in item no 3 the Remuneration last drawn for FY 20-21 is Rs. 7,14,924/-.
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b>	No Inter-se relationship with any other Director, or Key Managerial Personnel of the Company.
<b>Number of Board Meetings attended during the year</b>	During the year 2020-21, four (4) Board meetings were held and Mr. Shri Dass Maheshwari attended all the meetings.
<b>Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on March 31, 2021</b>	1. Indocount Securities Limited
<b>Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on March 31, 2021</b>	NIL
<b>Number of shares held in the Company as on March 31, 2021</b>	NIL