



MARGO FINANCE LIMITED

Board of Directors	Mr. Anil Kumar Jain Ms. Rekha Tukaram Bolkar Mr. Govind Prasad Agrawal Mr. Anilkumar Indralal Gulati Mr. Venkiteswaran Venkitaswaran Parlikad Mr. Amitkumar Rampal Singh	Chairman Managing Director Director Director Director Director
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Chief Financial Officer Mr. Shri Dass Maheshwari

Company Secretary Miss Jyotsna Jindal

Auditors M/s. AVK & Associates, Chartered Accountants

Bankers Karnataka Bank Limited
Canara Bank

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

Head Office 301, "Arcadia"
Nariman Point,
Mumbai - 400 021
Maharashtra

Corporate Office 2nd Floor,
15/76, Old Rajender Nagar
New Delhi - 110 060

Contents	Page No.
Directors' Report & Annexures to Director's Report	2
Management Discussion & Analysis Report	25
Corporate Governance Report	26
Compliance Certificates	40
Auditors' Report	42
Balance Sheet	48
Statement of Profit and Loss	49
Cash Flow Statement	50
Significant Accounting Policies	51
Notes to Financial Statements	55



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 25th Annual Report of the Company together with the Audited Financial Statements and Auditors' Report for the year ended 31st March, 2016.

Financial Results :

The Company's financial performance, for the year ended 31st March, 2016 is summarized below :

Particulars	2015-2016 (Rs. In lacs)	2014-2015 (Rs. In lacs)
Total Income	36.28	28.01
Profit / (Loss) before depreciation	4.43	2.55
Less : depreciation	1.39	2.05
Profit / (Loss) before tax & extraordinary items	3.04	0.50
Add : exceptional items	—	—
Less : extraordinary items	—	—
Less : provision for taxation	—	1.00
Profit / (Loss) after tax	3.04	(0.50)
Add : profit brought forward from previous year	—	(1.82)
Less : depreciation of the earlier year	—	0.62
Less : transferred to Special Reserve	—	—
Balance carried to the Balance Sheet	3.04	(-)2.94

Operations and State of Company's Affairs :

The Company has earned a Net Profit of Rs. 3,03,391/- during the year under review against the Net loss of Rs. 49,956/- in the Previous Year. The Company is looking for an opportunity to make a suitable expansion / diversification.

As per Memorandum of Association your Company can be engaged in the business of leasing, financing, purchasing and selling of all kinds of properties, equipments and vehicles etc., and also can undertake the business of portfolio investment in securities, bonds and other financial investment schemes. However there is no change in the nature of business and state of Company's Affairs during the Financial Year 2015-16.

Dividend :

Your Directors do not recommend any dividend for the year under review.

Reserves :

During the financial year ended on 31st March, 2016 Rs. 60,678/- has been transferred to Reserves.

Subsidiary, Joint Ventures and Associate Companies :

During the year under review, Indocount Securities Limited ceased to be Company's associate w.e.f 22nd March, 2016. Further the Company does not have any Subsidiary / Joint Ventures.

Risk Management :

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 & Listing Regulations, 2015, the Company has implemented an integrated risk management approach through which it reviews and assesses significant risks controls and mitigation in place. The Audit Committee has additional oversight in the area of financial risk



MARGO FINANCE LIMITED

and control. At present the Company has not identified any element of risk which may threaten the existence of the Company.

Internal Control Systems and their adequacy :

The Company has in place an elaborate internal control system to ensure proper authorization and accounting of transactions as also for safeguarding and protecting Companies assets against loss. The internal auditor reports are periodically reviewed by the management and the Audit Committee and necessary corrective actions are taken from time to time.

Extract of Annual Return :

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form No. MGT-9 forming part of this Annual Report as Annexure-A.

Directors and Key Managerial Personnel :

The Board of Directors is duly constituted in accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Anil Kumar Jain, Director of the Company would retire by rotation and being eligible, offers himself for re-appointment. His appointment will be considered at the ensuing Annual General Meeting.

Mr. Sushilkumar Krishna Agrawal, resigned as Independent Director with effect from 8th February, 2016 due to personal preoccupation. The Board place on record their appreciation for the services rendered by him during his tenure with the Company.

At the Board meeting held on 8th February, 2016, the board had appointed Mr. Amitkumar Rampal Singh as an Additional Director in the category of Independent Director. His office of Directorship shall expire on the conclusion of the forthcoming Annual General Meeting of the Company. As per the provisions of Companies Act, 2013 he is being regularized by the Members as an Independent Director of the Company for 5 (Five) consecutive years with effect from 8th February, 2016 in accordance with Section 149 of the Companies Act, 2013.

The Independent Directors of the Company would not be liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement read with SEBI Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

During the year, the Non-Executive Independent Directors of the Company had no pecuniary relationship or transactions with the Company.

Meetings of the Board and Attendance :

The Board of Directors met 4 (Four) times during the financial year ended on 31st March, 2016 i.e. 13th May, 2015; 31st July, 2015; 20th October, 2015 and 8th February, 2016. The details of the attendance of directors are provided in the Corporate Governance Report appended thereto.

Familiarization of Independent Directors :

The details of programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the www.margofinance.com

Board Evaluation :

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement), 2015 effective from 01.12.2015 states that the formal annual evaluation needs to be made by Board of its own performance



MARGO FINANCE LIMITED

and that of its committees and individual Directors, excluding the Directors being evaluated.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report appended in this Annual Report. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

Nomination and Remuneration Policy :

The policy of the Company on Directors appointment and remuneration, including the criteria for determining qualification, positive attributes, independence of a Director and other matters provided under Section 178 of the Companies Act, 2013, adopted by the Board, is appended as Annexure-B to the Directors' Report. We affirm that the remuneration paid to the Directors is as per the term laid out in the Nomination and Remuneration Policy of the Company.

Particulars of Employees :

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company has been annexed as Annexure-C.

The details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not applicable as there is no employee in the Company employed throughout the financial year with salary above Rs. 60 Lacs per annum or employed for part of the financial year with average salary receipts above Rs. 5 Lacs per month.

Further, there is no employee employed throughout the financial year or part thereof, was in receipt of remuneration which in aggregate is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by herself / himself or along with her / his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company.

Auditors and Auditor's Report :

Statutory Auditors :

The Auditors, M/s AVK & Associates, Chartered Accountants were appointed as statutory auditors of the Company at the 24th Annual General Meeting held on 22nd August, 2015 to hold office till the conclusion of the 26th Annual General Meeting subject to ratification by the members at each Annual General Meeting. Accordingly, the appointment of M/s AVK & Associates, Chartered Accountants is placed for ratification by the shareholders. The Company has received eligibility letter in compliance with the conditions prescribed under Section 141 of the Companies Act, 2013 and rules made there under.

The Auditors' Report to the Member together with Accounts for the year ended 31st March, 2016 and the observations of the Auditors as referred in their report are suitably explained in the notes to accounts and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditors :

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Ashu Gupta & Co. Practising Company Secretary, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure D".

The Secretarial Auditor Report has contained the observation pursuant to Section 152(6) of the Companies Act, 2013. However in the Board meeting held on 13th May, 2015, the Board has appointed the rotational



MARGO FINANCE LIMITED

Director and had complied with the provision of Section 152(6) Companies Act, 2013.

Composition of Audit Committee :

The composition of Audit Committee has been revised w.e.f. 8th February, 2016 on resignation of Mr. Sushilkumar Krishna Agrawal, Independent Director.

The revised constitution of the committee comprises of 4 (four) Independent Directors viz., Mr. Anilkumar Indralal Gulati (Chairman), Mr. Govind Prasad Agrawal, Mr. Amitkumar Rampal Singh, and Mr. Venkiteswaran Venkitaswaran Parlikad and 1 (one) Executive Director viz., Ms. Rekha Tukaram Bolkar.

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

Vigil Mechanism / Whistle Blower Policy :

As per the Companies Act, 2013 read with Listing Regulations, 2015, the Board of Directors of the Company has constituted Vigil Mechanism / Whistle Blower Policy and adopted a policy which aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express those concerns in writing through an e-mail or a letter to the Chairman of the Company or to the Compliance Officer or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at www.margofinance.com.

Contracts and Arrangements with Related Parties :

There were no transactions of the Company of material nature with related parties that may have potential conflict with the interest of the Company at large and which fall under the scope of Section 188(1) of the Companies Act, 2013. However, related party disclosure as required by AS - 18 had been reported under Schedule 2.24 in the notes to the financial statements in this report. Policy on dealing with related party transactions is available on the website of the Company at www.margofinance.com.

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

During the year your Company has not given any Guarantee and Security within the meaning of Section 186 of the Companies Act, 2013. Details of Investments made and Loan given are mentioned respectively, in the Schedule 2.10, 2.11 and 2.14 in the notes to the accounts to the Balance Sheet for the financial year ended on 31st March, 2016.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

Being a Non-Banking Financial Company, the Company is not carrying on any manufacturing activities, however necessary actions has been taken by the Company from time to time for optimum utilization of energy. Since, the conservation is very minimal therefore its impact on cost cannot be stated accurately. Since, no outside technology is being used, therefore no technology absorption is required.

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

Directors' Responsibility Statement :

The Directors' Responsibility Statement referred to in clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013, shall state that :



MARGO FINANCE LIMITED

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

Management Discussion & Analysis Report :

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

Listing on Stock Exchanges :

The Equity Shares of your Company are listed with BSE Limited. The Securities Exchange Board of India (SEBI), on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with aim to consolidate and streamline the provisions of Listing Agreement for different segment of capital market to ensure better enforceability, the said regulation become effective from 1st December, 2015. Accordingly all the listed entities were required to enter listing agreement within six months from the effective date. The Company entered Listing Agreement with BSE Limited. Further we confirm that, your Company has paid the listing fees for the financial year 2016-2017.

During the year the equity shares of your Company were suspended from trading due to delay in compliance of Listing Agreement. Your Company has filed detailed representations urging for revocation of suspension from trading of equity shares and have made out a prima facie case for restoration of trading in equity shares of the Company with BSE Limited. Accordingly the trading in shares of your Company was restored w.e.f. 29th March, 2016.

Corporate Governance :

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent in the industry. The report on Corporate Governance as stipulated under the Listing Regulation, 2015 forms an integral part of this Report. The requisite certificate from the Practising Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

Corporate Social Responsibility :

No disclosures on Corporate Social Responsibility are required as provision under Section 135 of the Companies Act, 2013 and Rules made thereunder are not applicable to the Company.



MARGO FINANCE LIMITED

Sexual Harassment of women at workplace :

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

General :

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme ESOS.
4. Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees.
5. Bonus Shares.
6. Significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company operations in future.
7. Material changes and commitments, affecting the financial position of the Company occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Acknowledgement :

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government authorities, customers and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors
By Order of the Board
For **MARGO FINANCE LIMITED**

Place : Mumbai
Date : 2nd May, 2016

ANIL KUMAR JAIN
Chairman
DIN : 00086106



Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2016

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L65910MH1991PLC080534
ii)	Registration Date	:	08.10.1991
iii)	Name of the Company	:	Margo Finance Limited
iv)	Category / Sub-Category of the Company	:	Company limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and Contact Details	:	Office No.3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur – 416 109, Maharashtra Telephone No. 011-41539444 & 011-25767330 E-mail : info@margofinance.com
vi)	Whether Listed Company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	Link Intime India Pvt. Ltd. 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi – 110 028 Telephone No. 011-41410592 to 594 Fax No. 011-41410591 E-mail : delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated :

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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



IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholder	No. of shares held at the beginning of the year (01-04-2015)				No. of shares held at the end of the year (31-03-2016)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals / HUF	871215	0	871215	19.06	871215	0	871215	19.06	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	1569416	0	1569416	34.34	1569416	0	1569416	34.34	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) (1)	2440631	0	2440631	53.41	2440631	0	2440631	53.41	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	2440631	0	2440631	53.41	2440631	0	2440631	53.41	0.00
(B) Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	100	0	100	0.00	100	0	100	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B) (1)	100	0	100	0.00	100	0	100	0.00	0.00
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	128293	30250	158543	3.47	59320	30250	89570	1.96	1.51
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual share holders holding nominal share capital up to Rs. 1 Lakh	787501	1091460	1878961	41.12	821096	1074160	1895256	41.47	0.35
(ii) Individual share holders holding nominal share capital in excess of Rs. 1 Lakh	84369	0	84369	1.85	70133	0	70133	1.53	(-) 0.32



MARGO FINANCE LIMITED

Category of Shareholder	No. of shares held at the beginning of the year (01-04-2015)				No. of shares held at the end of the year (31-03-2016)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Other									
i) Director & their Relatives	2000	10	2010	0.04	2000	10	2010	0.04	0.00
ii) Non Resident Indians	1686	0	1686	0.04	656	0	656	0.01	0.03
iii) Clearing Member	3700	0	3700	0.08	21734	0	21734	0.47	0.39
iv) Hindu Undivided Family	0	0	0	0.00	49910	0	49910	1.09	1.09
Sub-Total (B) (2)	1007549	1121720	2129269	46.60	1024849	1104420	2129269	46.57	(-) 0.03
Total Public Shareholding (B) = (B) (1) + (B) (2)	1007649	1121720	2129369	46.60	1024949	1104420	2129369	46.57	(-) 0.03
(C) Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	3448280	1121720	4750000	100.00	3465580	1104420	4570000	100.00	(-) 0.03

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2015)			Shareholding at the end of the year (31-03-2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares / Pledged / Encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Anil Kumar Jain (HUF)	405245	8.87	0.00	405245	8.87	0.00	0.00
2.	Rini Investment & Finance Private Limited	455046	9.96	0.00	455046	9.96	0.00	0.00
3.	Mrs. Gayatri Devi Jain	324870	7.11	0.00	324870	7.11	0.00	0.00
4.	Skyrise Properties Private Limited	313300	6.86	0.00	313300	6.86	0.00	0.00
5.	Yarntex Exports Limited	265370	5.81	0.00	265370	5.81	0.00	0.00
6.	R.H. Finvest Private Limited	204000	4.46	0.00	204000	4.46	0.00	0.00
7.	Slab Properties Private Limited	162700	3.56	0.00	162700	3.56	0.00	0.00
8.	Mrs. Shikha Mohit Jain	100000	2.19	0.00	100000	2.19	0.00	0.00
9.	Commot Impex Private Limited	93000	2.04	0.00	93000	2.04	0.00	0.00
10.	Indocount Securities Limited	76000	1.66	0.00	76000	1.66	0.00	0.00
11.	Mr. Mohit Jain	15100	0.33	0.00	15100	0.33	0.00	0.00
12.	Mrs. Neha Singhvi	13000	0.28	0.00	13000	0.28	0.00	0.00
13.	Mrs. Shivani Patodia	13000	0.28	0.00	13000	0.28	0.00	0.00
	Total	2440631	53.41	0.00	2440631	53.41	0.00	0.00