



MARGO FINANCE LIMITED



ANNUAL REPORT 2017 - 2018



CORPORATE INFORMATION

Board of Directors	Mr. Anil Kumar Jain	Chairman
	Mr. Shri Dass Maheshwari	Whole –Time Director-Finance and Chief Financial Officer
	Mr. Govind Prasad Agrawal	Independent Director
	Mr. Anilkumar Indralal Gulati	Independent Director
	Mr. Venkiteswaran Venkitaswaran Parlikad	Independent Director
	Mr. Sushilkumar Krishna Agrawal	Director
	Ms. Smita Kulkarni	Independent Director
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Company Secretary	Miss Jyotsna Jindal (13.11.2014-09.06.2018)	
	Miss Surbhi Maheshwari (w.e.f. 28.06.2018)	
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Auditors	M/S Pawan Shubham and Co. Chartered Accountants 603, Laxmi Deep Building, 9, District Centre, Laxmi Nagar, Delhi 110092	
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Bankers	Karnataka Bank Limited Canara Bank	
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Registered Office	Office No. 3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka: Hatkanangale, Dist. Kolhapur - 416 109 Maharashtra	
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Corporate Office	2 nd Floor, 15/76, Old Rajinder Nagar, New Delhi-110060	
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Registered and Share Transfer Agent	Link Intime India Private Limited 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi-28	

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DIRECTOR'S REPORT

Dear Members,

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

Financial Results

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

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

Operations and the state of Company Affairs

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

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

Dividend

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

Reserves

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

Subsidiary, Joint Ventures and Associate Companies

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

Risk Management

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



Internal Control Systems and their adequacy

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

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

Directors and Key Managerial Personnel

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

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

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

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

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

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

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

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

Directors' Responsibility Statement

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

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



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

Extract of Annual Return

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

Number of Board Meetings

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

Company's Policy on appointment and remuneration of Directors

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

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

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

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

Performance Evaluation of Board, Committee and Directors

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

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

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



Audit Committee

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

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

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

Statutory Auditors

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

Auditors' Report

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

Internal Auditor

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

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

Secretarial Auditor and Secretarial Audit Report

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

Public Deposits

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

Vigil Mechanism/Whistle Blower Policy

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



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

Corporate Governance Report

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

Related Party Transactions

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

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

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

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

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

Familiarization of Independent Directors

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

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

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

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

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

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

Management Discussion & Analysis Report

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

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

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



Significant or Material orders passed by Regulators / Courts

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

Material Changes and Commitments affecting the Financial Position of the Company

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

Compliance with Applicable Secretarial Standards

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

General

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

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

Acknowledgements and Appreciation

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

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

**Place: Mumbai
Date: 28th June 2018**

**ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106**



EXTRACT OF ANNUAL RETURN

Form No. MGT-9

As on the financial year ended 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category -wise Share Holding

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