



**MARDA COMMERCIAL & HOLDINGS LTD**  
**Regd. Office: "11, Crooked Lane, PS. Hare Street,**  
**Kolkata-700 0069**  
**Email: info@mchl.co.in; Website: www.mchl.co.in**  
**CIN: L65929WB1990PLC048280**

**SHORTER NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 31<sup>ST</sup> Annual General Meeting of the Company will be held at 11, Crooked Lane, PS. Hare Street, Kolkata-700 0069, on Monday, the 28<sup>th</sup> December, 2020 at 04.30 P.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020 along with Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Lalit Agarwal (DIN: 00109920), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**4. RE-APPOINTMENT OF MR. DAULAT RAM AGARWALA (DIN: 00586956) AS MANAGING DIRECTOR OF THE COMPANY: -**

**"RESOLVED THAT** pursuant to the provisions of Section 196 read with Schedule V of the Companies Act, 2013 and subject to provisions of Sections 117, 197, 198, 199, 200, 202, 203 and other applicable provisions, if any, of the Companies Act, 2013 Mr. Daulat Ram Agarwal, Retiring managing Director of the Company be and is hereby reappointed as a Managing Director of the company, for a period of (5) five years with effect from 29<sup>h</sup> day of December, 2020 on the terms

and conditions including remuneration as amended below, pertaining to increase in the overall limit of managerial remuneration payable by the company in respect of any Financial Year from 11% to 25% of the Net Profits if the Company computed in the manner laid down in section 198 of the Companies Act, 2013. He shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and to act as per the direction of the Board of Directors of the Company.

**C) Basic Salary:**

Rupees 1,50,000/- per month with such increment as the Board may decide from time to time as basic salary.

**D) Perquisites and Amenities:**

Mr. Daulat Ram Agarwal, Managing Director of the Company shall be entitled to following perquisites and amenities:

- xvi) **Housing:** Rent free furnished residential accommodation with free gas, electricity and water as per company's policy i.e.,
- xvii) **Leave Travel Concession:** For self and family every year to anywhere in India or abroad, incurred in accordance with the policy of the company.
- xviii) **Insurance premium** for medical and hospitalization and Personal Accident insurance cover.
- xix) **Medical Reimbursement:** Reimbursement of Medical expenses incurred whether in India or abroad for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges as per the rules of the Company.
- xx) Contribution to **Provident Fund** as per the policy of the Company.
- xxi) **Gratuity** as per the policy of the Company.
- xxii) **Encashment of leave** as per the policy of the Company.
- xxiii) **Club Fees:** Fees of Club subject to a maximum of two clubs.
- xxiv) **Use of Car with Driver:** Two cars with the Drivers with reimbursement of running and maintenance expenses.
- xxv) **Telephone** and Mobile facility at residence for official purposes.
- xxvi) **Servant:** Reimbursement of Servant's salary subject to a maximum of two servants.
- xxvii) **Watchman:** Reimbursement of watchman's salary subject to a maximum of two watchmen.
- xxviii) **Gardener:** Reimbursement of Gardener's Salary subject to a maximum of one gardener.
- xxix) **Other Perquisites and Amenities:** Any other perquisites and/or amenities as per the policy applicable to the senior executives of the Company and/or which may become applicable in the future and/or any other perquisites and/or amenities as the Board may decide from time to time.
- xxx) Any other one time, retirement allowances/benefits as may be decided by the Board at the time of retirement.

For the purpose of gratuity, Provident Fund and other like benefits, if any, the services of Mr. Daulat Ram Agarwal, Managing Director shall be considered as continuous service with the Company from the date of his joining the Company.

Provided however that, perquisites and amenities shall be valued, wherever applicable, as per the Income Tax Act, 1961 read with relevant rules issued thereunder.

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Daulat Ram Agarwal remuneration and perquisites not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors.”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps and to do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

#### **5. Regularization of Mr. R. K. Bissa as the Independent Director of the Company**

**“RESOLVED THAT** pursuant to the provisions of section 149,152,160 and all the other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 19(4) read with Part D of Schedule II of Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations 2015, regulations, notifications & circulars of Reserve Bank of India and other applicable laws Mr. Ramesh Kumar Bissa (DIN:00586715), who was appointed as the Additional Independent Director with effect from 28<sup>th</sup> March, 2020 on the Board of the Company pursuant to Section 161 of the Companies Act, 2013 as recommended by Nomination and Remuneration Committee and who holds the office upto this Annual general Meeting and in respect of whom a notice has been received from a member in writing along with the deposit as required under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company, be and is hereby appointed as Independent Director of the Company, to hold office as such for a period of Five(5) consecutive years, with effect from the date of this meeting and that he shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized severally to take such steps as may consider necessary, proper or expedient to give effect to the aforesaid resolution.”

**By Order of the Board  
Marda Commercial & Holdings Limited**

#### **Registered Office:**

11, Crooked Lane, P.S. Hare Street,  
Kolkata – 700069  
CIN: L65929WB1990PLC048280  
E-mail: info@mchl.co.in  
Website: www.mchl.co.in  
Date: 27/12/2020

  
**Daulat Ram Agarwala  
Managing Director  
DIN:00586956**

**NOTES:**

1. **A Member entitled to attend and vote at the Meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. Proxies in order to be effective must be lodged with the Company's Registered Office at least 48 hours before the commencement of the Meeting.
2. Corporate members intending to send their authorised representatives to attend the Meeting pursuant to Section 133 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members/ Proxies/ Authorised Representatives are requested to bring the attendance slip(s) duly filled in for attending the AGM. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number and those who hold shares in physical form are requested to write their folio number on the attendance slip for attending the AGM and hand over the duly filled attendance slip(s) at the entrance to the venue.
4. A statement giving additional details of the Directors seeking appointment as set out in the Resolution in Item Nos. 2. is annexed herewith as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company during business hours upto the date of the Meeting.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from 26<sup>TH</sup> December 2020 to 29<sup>th</sup> December 2020. (both days inclusive)
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
8. Members holding shares in physical form are requested to intimate changes in their registered address mentioning full address in block letters with Pin Code of the Post Office, E-mail Id, Bank particulars and Permanent Account Number (PAN) to the Company's Registrar and the Share Transfer Agent and in case of members holding their shares in electronic form, this information should be given to their Depository Participants immediately.

9. Members desirous of making a nomination in respect of their shareholding, as permitted by section 72 of the Companies Act, 2013, are requested to write to the Registrar and Transfer Agent of the Company for the prescribed form.
10. Members are requested to send their queries, if any on the accounts or operations of the company, to reach the Compliance Officer at the Company's Registered Office,
11. Members are requested to mention their Folio Number in all their correspondence with the Company in order to facilitate response to their queries promptly.
12. Members/Proxies are requested to kindly take note of the following:
  - (i) Copies of Annual Report will not be distributed at the venue of the meeting.
  - (ii) Attendance Slip, as sent herewith, is required to be produced at the venue duly filled in and signed, for attending the meeting.
  - (iii) Entry to the venue will be strictly on the basis of production of duly completed and signed Attendance Slip; and
  - (iv) In all correspondences with the Company and/or the R & T Agent, Folio No. must be quoted.
13. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificate to enable the Company to consolidate their holdings in one folio.
14. Niche Technologies Pvt. Ltd. is the Registrar and Share Transfer Agent (RTA) of the Company. All investor related communication may be addressed to the following address:

Niche Technologies Pvt. Ltd.  
3A, AUKLAND Place, Room No. 7A & 7B,  
7<sup>TH</sup> Floor, Kolkata – 700171  
Phone No.: 033 22806616/6617/6618;  
Email: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)
15. The Ministry of Corporate Affairs (MCA) has come out with Circular Nos. 17/2011 dated 21/04/2011 & 18/2011 dated 29/04/2011 propagating "Green Initiative" encouraging Corporates to serve documents through electronic mode. In view of the above, shareholders are requested to update their e-mail address with the RTA of the Company, if shares are held in physical form and with their Depository Participants (DP), if the shares are held in Dematerialized form.

16. Members may also note that the Notice of the 31<sup>st</sup> Annual General Meeting and the Annual Report for 2020 will also be available on the Company's website [www.mchl.co.in](http://www.mchl.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata, West Bengal for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@mchl.co.in](mailto:info@mchl.co.in).

**ANNEXURE TO THE NOTICE**

**Brief resume of director seeking re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Item No 2: Information about the Director, Lalit Agarwal**

<b>Name of the Director</b>	<b>Mr. Lalit Agarwal</b>
<b>Director Identification Number (DIN)</b>	<u>00109920</u>
<b>Date of Birth</b>	07/10/1960
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	05/04/2000
<b>Qualification</b>	B.com (Hons)
<b>Expertise in specific functional area</b>	He has experience and versatile knowledge in field of Foreign Exchange Trading, Portfolio Management, Accounts, Finance, Security Market operations and related activities.
<b>Shareholding in Marda Commercial &amp; Holdings Limited</b>	350000
<b>List of Directorships held in other Listed Companies</b>	1. Advance Steel Tubes Limited 2. Sophia Exports Limited

(excluding foreign, private and Section 8 Companies)	
Memberships /Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies Including Marda Commercial & Credit Limited	3-Membership 1- Chairmanship

**Item No 2: Information about the Managing Director, Daulat Ram Agarwala**

<b>Name of the Director</b>	<b>Mr. DAULAT Ram Agarwala</b>
<b>Director Identification Number (DIN)</b>	<u>00586956</u>
<b>Date of Birth</b>	
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	05/04/2000
<b>Qualification</b>	Graduation
<b>Expertise in specific functional area</b>	He has experience and versatile knowledge in field of Foreign Exchange Trading, Portfolio Management, Accounts, Finance, Security Market operations and related activities.
<b>Shareholding in Marda Commercial &amp; Holdings Limited</b>	350000
<b>List of Directorships held in other Listed Companies (excluding foreign, private and Section 8 Companies)</b>	1. Advance Steel Tubes Limited 2. Advance Ispat India Limited
<b>Memberships /Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Marda Commercial &amp; Credit Limited</b>	3-Membership 1- Chairmanship

**Item No 2: Information about the Managing Director, Daulat Ram Agarwala**

<b>Name of the Director</b>	<b>Mr. Ramesh Kumar Bissa</b>
<b>Director Identification Number (DIN)</b>	<u>00586715</u>
<b>Date of Birth</b>	
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	28/03/2020
<b>Qualification</b>	Graduation, LL.B
<b>Expertise in specific functional area</b>	He has experience and versatile knowledge in field of Foreign Exchange Trading, Portfolio Management, Accounts, Finance, Security Market operations and related activities.
<b>Shareholding in Marda Commercial &amp; Holdings Limited</b>	NIL
<b>List of Directorships held in other Listed Companies (excluding foreign, private and Section 8 Companies)</b>	1. Sophia Exports Limited 2. Tirupati Structurals Limited
<b>Memberships /Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Marda Commercial &amp; Credit Limited</b>	3-Membership 1- Chairmanship





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**CIN: L65929WB1990PLC048280**  
**Attendance Slip**

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

Name of the Member(s) (In block letters).....

Name of the Proxy, if any (In block letters)

.....

DP ID*	
Client ID*	

Folio No.	
No. of Shares	

I hereby record my presence at the 31<sup>ST</sup> Annual General Meeting of the Company at 11, Crooked Lane, PS. Hare Street, Kolkata – 700069, on Sunday, 27/12/2020 at 04:30 pm

Signature of Shareholder.....

Signature of Proxy.....

- 1) Only members or the Proxy holder can attend the meeting.
  - 2) Member/Proxy Holder should bring his/ her copy of Annual Report for reference at the meeting.
- \* Applicable for investors holding shares in electronic form



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**Regd. Office: "11, Crooked Lane, PS. Hare Street,**  
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**CIN: L65929WB1990PLC048280**

**FORM NO. MGT 11**

**Proxy Form**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules), 2014]**

Name(s) of the Shareholder(s) (including joint-holders, if any):	
Registered address of the Shareholder(s):	
Registered Folio No. /Client ID No. /DP ID No.:	
No. of equity Shares Held	

I/ We being the member(s) of \_\_\_\_ equity share of the above mentioned Company hereby appoint:

1. Name:..... Address:  
.....  
E-mail Id: ..... Signature:.....,or failing him/her
2. Name:..... Address:  
.....  
E-mail Id: ..... Signature:.....,or failing him/her
3. Name:..... Address:  
.....  
E-mail Id: ..... Signature:.....

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held at Mercantile Building, 11, Crooked Lane, PS. Hare Street, Kolkata – 700069, on Sunday, 27<sup>th</sup> December, 2020 at 04:30 PM. In respect of the such resolutions as are indicated below:

I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	For	Against
ORDINARY BUSINESS			
1.	Ordinary Resolution to be passed to receive and adopt the Audited Accounts of the Company for the year ended 31 <sup>st</sup> March, 2019 along with Director's and Auditor's report thereon.		
2.	Ordinary Resolution to appoint a Director in place of Mr. Lalit Agarwal (DIN: 00109920), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Special Resolution for Continuation of Managing Director Shri Daulat Ram Agarwala		
4.	Ordinary Resolution for Regularisation of Independent Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

Affix Revenue Stamp
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**Note:**

The Proxy Form signed across revenue stamp should reach the Registered Office of the Company at least 48 hours before the scheduled time of Meeting.

For the Resolutions, explanatory statements and notes please refer to the Notice of the 30<sup>th</sup> Annual General Meeting

\* This is only optional. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will entitled to vote in the manner as he/she thinks appropriate.

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

### **ITEM NO 4:**

Mr. Daulat Ram Agarwala was re-appointed as Managing Director as per the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Articles of Association of the Company, by the Board of Directors in its meeting held on 27th December, 2020 on the recommendation of nomination and remuneration committee. He holds office up to the date of this ensuing Annual General Meeting.

The Board feels that presence of Mr. Daulat Ram Agarwala on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 for adoption.

Mr. Daulat Ram Agarwala will be paid remuneration by way of salary Rs. 1,50,000 Per Month for the services that he will render as Managing Director. Mr. Daulat Ram Agarwala will discharge all duties and responsibility as is normally done by a person of his designation in other organization.

The Board commends the Special Resolution set out at Item No.4 of the Notice for approval by the Members.

Mr. Daulat Ram Agarwala is interested in the Resolution mentioned at Item No. 5 of the Notice with regard to his appointment. Other than Mr. Daulat Ram Agarwala no other Director, Key Managerial Personnel or their respective relatives are concerned or interested, financially or otherwise in the Resolution mentioned at Item No. 4 of the Notice.

Except Mr. Daulat Ram Agarwala and his relatives none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolutions.

### **ITEM NO. 5:**

Mr. Ramesh Kumar Bissa, on recommendation of the Nomination & Remuneration Committee was appointed as the Additional Director with effect from 28<sup>th</sup> March, 2020, by the Board in accordance with the Article of Association and section 161 of the Companies Act, 2013. Mr. R.K. Bissa holds upto the date of this ensuing Annual General Meeting. The Company has received the requisite notice in writing under section 160 of the Act along with the requisite amount. Mr. R.K. Bissa possesses requisite knowledge, skills and experience for the position of Independent Director.

The Board feels that presence of Mr. RK Bissa on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 5 for adoption.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the Members.

Ms. Ramesh Kumar Bissa is interested in the Resolution mentioned at Item No. 5 of the Notice with regard to his appointment. Other than Mr. RK Bissa, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested, financially or otherwise in the Resolution mentioned at Item No. 5 of the Notice.

**ROUTE MAP TO AGM VENUE OF MARDA COMMERCIAL & HOLDINGS LIMITED**



**Attendance Slip**

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting.

Name of the Member(s) (In block letters) .....

Name of the Proxy, if any (In block letters) .....

DP ID*		Folio No.	
Client ID*		No. of Shares	

I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of the Company at 11, Crooked Lane, PS. Hare Street, Kolkata – 700 001.

Signature of Shareholder.....

Signature of Proxy.....

• Only members or the Proxy holder can attend the meeting.

• Member/Proxy Holder should bring his/ her copy of Annual Report for reference at the meeting.

Applicable for investors holding shares in electronic form

**FORM NO. MGT 11****Proxy Form**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules), 2014]**

Name(s) of the Shareholder(s) (including joint-holders, if any):	
Registered address of the Shareholder(s):	
Registered Folio No. /Client ID No. /DP ID No.:	
No. of equity Shares Held	

I/ We being the member(s) of \_\_\_\_ equity share of the above mentioned Company hereby appoint:

1. Name: .....  
Address: .....  
E-mail Id: ..... Signature:.....,or failing him/her
2. Name: .....  
Address: .....  
E-mail Id: ..... Signature:.....,or failing him/her
3. Name: .....  
Address: .....  
E-mail Id: ..... Signature:.....

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held at Mercantile Building, 11, Crooked Lane, PS. Hare Street, Kolkata – 700069, on Monday, the 28<sup>th</sup> December, 2020 at 4.30 P.M. In respect of the such resolutions as are indicated below:

I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	For	Against
<b>ORDINARY BUSINESS</b>			
1.	Ordinary Resolution to be passed to receive and adopt the Audited Accounts of the Company for the year ended 31 <sup>st</sup> March, 2020 along with Director's and Auditor's report thereon.		
2.	Ordinary Resolution to appoint a Director in place of Mr. Lalit Agarwal (DIN: 00109920), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Special Resolution to Re-appoint Mr. Daulat Ram Agarwal as Managing Director with change in remuneration.		
4.	Ordinary Resolution for Regularization Mr. Ramesh Kumar Bissa as Independent Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

Affix Revenue Stamp
---------------------------

**Note:**

The Proxy Form signed across revenue stamp should reach the Registered Office of the Company at least 48 hours before the scheduled time of Meeting.

For the Resolutions, explanatory statements and notes please refer to the Notice of the 31<sup>st</sup> Annual General Meeting

\* This is only optional. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will have entitled to vote in the manner as he/she thinks appropriate.



# ROUTE MAP TO AGM VENUE OF MARDA COMMERCIAL & HOLDINGS LIMITED



## DIRECTORS' REPORT

To,  
The Members,

Your directors have pleasure in presenting their 31<sup>st</sup> Annual Report on the business and operations of Marda Commercial & Holdings Limited (the "Company") together with the audited Statement of Accounts for the year ended 31st March, 2020.

### Financial Highlights

During the year under review, performance of your company as under:

<i>Financial Result</i>	<i>Year Ended 31.03.2020</i>	<i>Year Ended 31.03.2019</i>
<i>Total Revenue</i>	2,00,08,601	2,18,16,493
<i>Total expenses</i>	1,66,74,852	1,42,02,555
<i>Profit /(Loss) Before Tax</i>	17,41,257	16,62,594
<i>Less: Tax Expenses</i>	(41,667)	11,92,958
<i>Profit /(Loss) After Tax</i>	33,75,416	64,20,980
<i>Transfers to Statutory Reserve</i>	15,30,007	30,78,950
<i>Balance carried to Balance Sheet</i>	30,24,23,475	29,63,03,446

### Operating & Financial Performance

Gross revenues decreased to Rs. 2,00,08,601/- against Rs. 2,18,16,493/- in the previous year. Profit before taxation was Rs. 33,33,749/- against Rs 76,13,938/- in the previous year.

### Material Changes & Commitments

No material changes and commitments have occurred from the date of closure of the financial year till the date of this Report, which affected the financial position of the Company.

### Dividend

With the view to conserve the resources of the company your directors regret to recommend no dividend for the period under review.

### Transfer to Reserves

Your Directors propose no amount to transfer the General Reserves.

### Change in the nature of business, if any

There is no change in the nature of the business of the Company.

### **Statutory & Legal Matters**

There has been no significant and/or material order(s) passed by any Regulators/Courts/Tribunals impacting the going concern status and the Company's operations in future.

### **Financial Liquidity**

Cash and cash equivalent as on March 31, 2020 was ₹ 2,43,00,810/- (previous year was ₹ 9,19,177/-). The Company's working capital management is based on a well-organized process of continuous monitoring and controls.

### **Internal Financial Control**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### **Subsidiary / Joint Ventures / Associates**

The Company had no subsidiary or Associate Company during the financial year. In accordance with Section 129(3) of the Companies Act, 2013, the Company was not required to prepare a consolidated financial statement as a part of the Annual Report. In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone financial statement has been placed on the website of the Company [www.mchl.co.in](http://www.mchl.co.in).

### **Share Capital**

The paid up Equity Share Capital as on March 31, 2020 was Rs. 10,00,06,00. During the year under review the company has not issued any shares or any convertible instruments.

### **Deposits**

The Company being a Non deposit taking NBFC has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder.

### **Risk Management**

Although the company has long been following the principle of risk minimization as the norm in every industry, it has now become a compulsion. The Board members were informed about risk assessment and after which the Board formally adopted and implemented the necessary steps for monitoring the risk management plan for the company.

### **Directors and Key Managerial Personnel**

In accordance with the provisions of Companies Act, 2013 Mr. Lalit Agarwal (DIN: [00109920](#)), Director of the Company retires by rotation and being eligible offers himself for re-appointment.

### **Key Managerial personnel's**

The Key Managerial Personnel (KMPs) of the Company as on 31<sup>st</sup> March, 2020 in accordance with the provisions of section 2(51) and section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification(s) or re-enactment(s) for the time being in force) are as follows:

<b>S. No.</b>	<b>Name of KMPs</b>	<b>Designation</b>
1.	Mr. Daulat Ram Agarwala	Managing Director
2.	Mr. Aashish Agarwal	Chief Financial Officer
3.	Ms. Puja Mantri	Company Secretary

### **Declaration by Independent Director(s)**

The Board of Directors hereby certifies that the Independent Directors appointed on the Board meeting the criteria pursuant to Section 149(6) of the Companies Act, 2013.

Further, all Independent Directors have furnished their Declarations meeting the criteria under Section 149(7) of the Companies Act, 2013 and Regulation 25 SEBI (Listing and Disclosure Requirement) Regulations, 2015.

### **Meetings of Board**

During the Financial Year 2019-2020 Nine (9) meetings of the Board of Directors of the Company were held. The details of which are given in the Corporate Governance Report. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

### **Board Induction, Training and Familiarization programme for Independent Directors**

At the time of appointment of the Director, a formal letter of appointment is given to him which inter-alia explains the role, functions, and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the various compliances required from him as a Director under the various provisions of the Companies Act 2013, Regulation 25 SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2011, the Code of Conduct of the Company and other relevant regulations. The Director, upon appointment, is formally inducted to the Board. In order to familiarize the Independent Directors about the business drivers, they are updated through presentations at Board Meetings about the Financials of the company and also about the new product launches. They are also provided booklets about the business and operations of the company.

### **Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and to fix their

remuneration. The Company's Remuneration Policy is available on the Company's website at [www.mchl.co.in](http://www.mchl.co.in) and forms a part of this Report of the Directors as **Annexure -I**

### **Directors' Responsibility Statement**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, for the year ended on 31.03.2020 and state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors have 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;
- (iii) the directors have 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;
- (iv) the directors have prepared the annual accounts on a going concern basis;
- (v) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **Related Party Transactions**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no material significant related party transactions made by the Company during the year that would have required shareholder approval under Regulation 23 SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. All related party transactions are reported to the Audit Committee. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are planned and/ or repetitive in nature and omnibus approvals are taken within limits laid down for unforeseen transactions. The disclosure under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable. The Policy on Related Party transactions as approved by the Board has been uploaded on the Company's Website and may be accessed at the link:

[http://www.mchl.co.in/policy/DOC\\_169090.MARDA\\_RPT-policy\\_2015.pdf](http://www.mchl.co.in/policy/DOC_169090.MARDA_RPT-policy_2015.pdf)

The details of the transactions with related parties during 2019-2020 are provided in the accompanying financial statements.

None of the Directors had any pecuniary relationship or transactions with the Company during the year under review.

### **Performance Evaluation**

The Nomination and Remuneration Committee (NRC) of your Company has formulated and laid down criteria for performance Evaluation of the Board (including Committees) and every director (including Independent Directors and Chairman & Managing Director) pursuant to provision of Section 134, Section 149 read with Code of Independent Directors(Schedule iv)and section 178 of the companies Act,2013 and Regulation 19(4) read with Part D of schedule II of SEBI Listing Regulations,2015 covering inter-alia the following parameters namely:

1. Board Evaluation- degree of fulfillment of key responsibilities; Board culture and dynamics
2. Board Committee Evaluation-effectiveness of meetings committee dynamics.
3. Individual Director Evaluation (including IDs)-contribution at Board Meetings.

Further, the Chairman and Managing Director is evaluated on key aspects of the role which includes inter-alia effective leadership to the Board and adequate guidance to the CEOs

### **Board Evaluation**

Pursuant to the provisions of Companies Act, 2013 and Regulation 17 SEBI (Listing and Disclosure Requirement) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.

### **Whistleblower Mechanism**

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 these concerns without fear of punishment or unfair treatment. The Company has a strong and effective Whistleblower Policy which aims to deter and detect actual or suspected misconduct.

This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. Any employee may report such incident without fear to the Vigilance Officer or alternatively to the Chairman of the Audit Committee

The Audit Committee is empowered to monitor the functioning of the mechanism. It reviews the status of complaints received under this policy. The Committee has, in its Report, affirmed that no personnel have been denied access to the Audit Committee. The details of whistle blower policy is posted on the website of the Company and can be accessed at [www.mchl.co.in](http://www.mchl.co.in)

### **Corporate Social Responsibility**

The Net worth of the Company was below Rs. 500 Crore, the Turnover of the company was below Rs. 1000 Crore and the Net Profit of the Company was below Rs. 5 crore in any of the preceding three financial year, hence, provisions of section 135(1) of the Companies Act 2013 read with CSR rules 2014 issued in this behalf are not attracted on the Company.

### **Listing**

The shares of the Company are listed on The Calcutta Stock Exchange Limited. The Company's shares are compulsorily traded in the dematerialized form. The ISIN allotted is **INE912C01014**.

### **Statutory Audit**

M/s Nagar Goel & Chawala, Chartered Accountants have been appointed as statutory auditors of the Company till the conclusion of 33rd AGM of the Company. The said firm has given its consent and declared that they are not disqualified to be appointed as statutory auditors.

Report of M/s Nagar Goel & Chawala, Chartered Accountants, and statutory auditor's Report does not contain any qualifications, reservations or adverse remarks. The Auditor's Report is enclosed with the financial statements in this Annual Report.

### **Corporate Governance**

Report on Corporate Governance along with the Certificate thereon as obtained from Yashwant Gupta & Associates, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, is enclosed as **Annexure- II** to the Board's report.

### **Secretarial Audit**

M/s. Yashwant Gupta & Associates, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2019-2020, as required under Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In terms of the provisions of Section 204(1) of the Companies Act, 2013 a Secretarial Audit Report in Form MR-3 given by Secretarial Auditor is annexed to this Report (**Annexure- III**).

The Report confirms that the Company had complied with the statutory provision listed under Form MR-3 and the Company also has proper board processes and compliance mechanism. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **Board Induction, Training and Familiarization programme for Independent Directors**

At the time of appointment of the Director, a formal letter of appointment is given to him which inter-alia explains the role, functions, and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the various compliances required from him as a Director under the various provisions of the Companies Act 2013, Regulation 25 SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2011, the Code of Conduct of the Company and other relevant regulations.

The Director, upon appointment, is formally inducted to the Board. In order to familiarize the Independent Directors about the business drivers, they are updated through presentations at Board Meetings about the Financials of the company and also about the companies background They are also provided booklets about the business and operations of the company.

The Directors are also updated on the changes in relevant corporate laws relating to their roles and responsibilities as Directors.

### **Code of Conduct**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The code laid down by the Board is known as "Code of Business Conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.mchl.co.in](http://www.mchl.co.in).

All the Board Members, the Senior Management personnel and personnel one level below the Board have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

### **Loans, guarantees and investments**

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The detail of the investments made by the Company are given in the notes to the financial statements.

### **Conservation of Energy, Technology Absorption**

Since the Company does not own any manufacturing facility, being an Investment Company, the particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

### **Foreign Exchange Earning and Outgo**

There is no foreign exchange earnings and outgo during the year under review.

### **Extract of Annual Return**

The extract of Annual Return as for the financial year 2019-2020 in Form No. MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is set out as an annexure to this Report. **(Annexure IV)**.

### **Managerial Remuneration**

The information required pursuant to Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is attached here as **Annexure V** and forms a part of the Directors' Report.

There are no employees who are in receipt of remuneration in excess of the limit specified under section 134(3) (q) read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **RBI Guidelines for Non-Banking Financial Companies**

The Company has observed all the prudential norms prescribed by the Reserve Bank of India. The Schedule as required in terms of Paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2015 is annexed with the financial statements.

### **Provisions of Sexual Harassment**

The provisions of the Sexual Harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013 is not attracted on the Company, However the Company has a voluntary policy towards Prevention of Sexual Harassment of Women employees of the Company and has



set up a mechanism for registering and prompt Redressal of complaints received from all permanent and temporary employees and staffs.

### **Cautionary Note**

The statements forming part of the Director's Report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statement

### **General Disclosures**

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:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of Sweat equity shares.
- Your Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- There was no revision in the Financial Statements.
- There was no change in the nature of business.

### **Acknowledgement**

Your Directors take the opportunity of placing their sincere appreciation to the Central Government, State Government, Banks, Financial Institutions, employees, associates, consultants and members of the company for their valuable guidance and support. The Board expects to receive their continuous support in future also.

**For and on behalf of the Board of Directors**

Sd/-  
**Daulat Ram Agarwal**  
Managing Director  
(DIN 00586956)

sd/-  
**Lalit Agarwal**  
Director  
(DIN 00109920)

Place: Kolkata  
Date: 27/12/2020

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **INDUSTRY TREND AND DEVELOPMENT**

India's economic growth is estimated to slowed tremendously in the current fiscal year as compared to last years, as an impact of the deadly pandemic COVID-19. However, acceleration in growth is conditional to the development of social and economic conditions of the Country. Moreover, with the banking system clearly constrained in terms of expanding their lending activities, the role of NBFCs becomes even more important now, especially when the government has a strong focus on promoting entrepreneurship so that India can emerge as a country of job creators instead of being one of job seekers. Innovation and diversification are the important contributors to achieve the desired objective. The Company's principal business being investment in shares and securities, the Company looks forward to increased activities in this segment. However, the Management will continue to review the business strategy from time to time depending on the changes in the policy of Government and Reserve Bank of India. During the year under review favorable conditions prevailed in the market which have been reflected in the profitability of the Company.

### **OPPORTUNITIES AND THREATS**

With the positive attitude of the Government and RBI it appears that new opportunities may open up for sustained growth of Investment Companies. However, the Management is not complacent about the future growth of the Company and constantly reviews the ups and downs of the market particularly bearing in mind that the Company is a small sized NBFC and there are plenty of obstacles which may hinder its growth.

In the past few years, the increased competition from banks in the retail finance segment has led to excess diversification by NBFCs from their core business activities. The sector has witnessed introduction of various innovative products such as used vehicles financing, small personal loans, three-wheeler financing, IPO financing, finance for tyres & fuel, asset management, mutual fund distribution and insurance advisory, etc. Besides, NBFCs are aspiring to emerge as a one-stop shop for all financial services

### **OUTLOOK**

As earlier stated, not only World Bank but other authorities also appear to be optimistic about the growth potential of India's economy. The financial results of the year under review have improved and it is expected that the current year may produce even better results barring unforeseen circumstances.

Your company is fully aware that the opportunities in the infrastructure and real estate will be many and diverse in nature. While this provides impetus for our sustainable growth, your company is also duly careful that amongst the multiple choices of attractive businesses available we always make the right choice. Your company's business model and its risk management policies and mechanism are being constantly reviewed and upgraded to ensure this.

## **RISK AND CONCERN**

As stated earlier, the Company's business is very much dependent on economic and fiscal policies of the Government and RBI. The Management critically examines the ups and downs of the Market and this is a matter of constant concern for the Management. The business strategy needs to be reviewed and corrected suitably to meet the changed situation.

## **INTERNAL CONTROL SYSTEMS AND THERE ADEQUECY**

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company has effective system in place for achieving efficiency in operations, optimum and affective utilization of resources, monitoring thereof and compliance with applicable laws. Comprehensive audit of functional areas and operations of the Company are undertaken to examine the adequacy of and compliance with policies, plans and statutory requirements. Significant observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

The Audit Committee of the Board of Directors comprising Independent Directors also review the system at regular intervals.

## **INDUSTRY STRUCTURE & DEVELOPMENTS**

The Company continues to be a Non Deposit Taking, systemically not important, Non CIC Non-Banking Financial Company and holds the RBI certificate in this behalf. The company has followed the RBI Norms as applicable and has complied with all the statutory obligations.

## **HUMAN RESOURCE DEVELOPMENT**

The Company continues to give priority to its human assets. The Company provides a fair and equitable work environment to all its employees. The Company is working continuously to create and nurture an atmosphere which is highly motivated and result oriented.

## **MATERIAL DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Management maintains a healthy relationship with its employees at all levels. However, the number of employees in the company is low but with the positive growth of operations, the management believes the employee base to grow.

**CAUTIONARY STATEMENT**

Statements made in this Management Discussion and Analysis describing the Company's current position and expectations for the future may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operation include the downtrend in the industry – global or domestic or both, significant changes in political and economic environment in India.

**By Order of the Board of Directors  
For Marda Commercial & Holdings Limited**

**Sd/-  
Daulat Ram Agarwala  
Managing Director  
(DIN 00586956)**

**Place: Kolkata  
Date: 27/12/2020**

## ANNEXURE--I

### NOMINATION & REMUNERATION POLICY of Marda Commercial & Holdings Limited

#### INTRODUCTION

The Company considers human resources as its invaluable assets. This policy on nomination & remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, Key Managerial Personnel (KMPs) and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

#### OBJECTIVE

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### DEFINITIONS

- **“Board”** means Board of Directors of the Company.
- **“Company”** means **“Marda Commercial & Holdings Limited”**
- **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **“Key Managerial Personnel” (KMP)** means
  - (i) CEO or the Managing Director or the Manager
  - (ii) Company Secretary
  - (iii) Whole-time Director
  - (iv) CFO
  - (v) Such other officer as may be prescribed

- **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”
- **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all the functional heads.

## **POLICY FOR APPOINTMENT OF DIRECTORS, KMPs AND SENIOR MANAGEMENT**

### **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

### **Term / Tenure:**

1. Managing Director/Whole-time Director/Manager (Managerial Person): - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time.
2. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re- appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
3. A whole-time KMP of the Company shall not hold office in more than one Company except in its subsidiary company at the same time.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval.

**POLICY RELATING TO REMUNERATION FOR DIRECTORS, KMPs AND OTHER EMPLOYEES**

**General**

1. The remuneration/compensation/commission etc. to the Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration & commission paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.

**Remuneration to Non-Executive/Independent Directors**

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under.

**DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case

## **ANNEXURE-II**

### **REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

#### **CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020.

#### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company is always committed to good Corporate Governance and application of best management practices for safeguarding the interest of all stakeholders. Strict adherence to the principles of fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, are pre-requisites for attaining sustainable growth in this competitive corporate world. Your company seeks to focus on regulatory compliances, complying with all the provisions of Listing Agreement and applicable Corporate Governance Norms with all the modifications within the prescribed time, thereby giving stress on essential pre-requisites of corporate governance.

A Report on compliance with the principles of Corporate Governance as prescribed in The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

#### **ETHICS POLICIES**

We strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code for Board of Directors and Board Committees
- Code of Business Conduct and Ethics for Directors / Management Personnel
- Code of Conduct for Prohibition of Insider Trading

#### **BOARD OF DIRECTORS (BOARD)**

##### **Introduction**

In keeping with the commitment of the management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the Board. The main role of Board is to take right decision to safeguard and enhance shareholders value. The Board periodically evaluates the need for change in its composition and size and selects members to fill Board vacancies and nominating candidates for election by the members at the Annual General Meeting.



### **Composition**

As on 31st March, 2020 the Company's Board comprised of four directors out of which one is Managing Director, one is Non-Executive Director, one woman Non - Executive Independent Director one Non - Executive Independent Directors. Management of the Company is headed by Sri Daulat Ram Agarwala, Managing Director, subject to general supervision, control and direction of the Board.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Reg. 17 of SEBI Listing Regulations.

The details of attendance of the Directors at the Board Meeting during the year and at the last Annual General Meeting held on 28<sup>th</sup> September, 2019 and also the number of other directorships, committee memberships/chairmanships as on 31st March 2020, and the date of joining is given below. All the Directors are compliant with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and "SEBI Regulations" in this regard:

Name of the Directors & DIN No.	Category	Relation ship with other Director s	Financial Year 2019-2020		Attend ance at the Last AGM	Number of Directorshi p(s) held in India public listed companies (including Marda Commercial & Holdings Limited)*	No. of Committee Positions held in other Public Limited Companies **	
			Board Meeting held during the tenure of directors hip	Board Meeting attended			Chairman	Member
Mr. Daulat Ram Agarwala (DIN: 00586956)	Managing Director	----	9	9	No	01	NIL	NIL
Mr. Lalit Agarwal (DIN: 00109920)	Non-Executive Director	-----	9	9	No	03	03	01
Mr. Ashok Kumar Gupta (DIN: 00532083)	Non-Executive Independent Director	-----	3	3	Yes	01	00	03
Ms Kamlesh Gupta (DIN: 07243898)	Non-Executive Independent Director	-----	5	5	Yes	01	NIL	NIL

\* Excludes Directorship in Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 and Alternate Directorship.

\*\* Only Audit Committee and Stakeholders Relationship Committee have been considered.

None of the Directors on the Board is a member in more than ten Board-level Statutory Committees or Chairman of more than five such Committees.

All Independent Directors have confirmed their Independence to the Company.

The Non- Executive Directors have no pecuniary relationship for transactions with the Company in their personal capacity.

### **Board Meetings**

A calendar of Board and Committee Meetings is agreed and circulated in advance to the Directors. Additional meetings are held, when necessary. During the year ended 31 March 2020, Nine (9) Board meetings were held on 30<sup>th</sup> May 2019, 14<sup>th</sup> August, 2019, 3<sup>rd</sup> September, 2019, 30<sup>th</sup> September, 2019, 14<sup>th</sup> November, 2019, 23<sup>rd</sup> December, 2019, 20<sup>th</sup> January 2020 and 14<sup>th</sup> February 2020 and 28<sup>th</sup> March, 2020. The gap between any two consecutive meetings did not exceed one hundred and twenty days.

### **Board Agenda**

The meetings of the Board are governed by a structured agenda. The agenda papers are circulated in advance before each meeting to all the Directors. All Board members have access to accurate, relevant and timely information to fulfill their responsibilities. The Board members in consultation with the Chairman may bring up other matters for consideration at the Board Meetings.

### **Information placed before the Board**

Necessary information as required under the Companies Act and the Listing Agreement/SEBI Listing Regulations as applicable have been placed before and reviewed by the Board from time to time. The Board also periodically reviews compliance by the Company with the applicable laws/statutory requirements concerning the business and affairs of the Company.

### **FAMILIARIZATION PROGRAMMES FOR BOARD MEMBERS**

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at [www.mchl.co.in](http://www.mchl.co.in)

## **CODE AND POLICIES**

The Board has adopted all applicable codes and policies as per the requirement of the Companies Act, 2013, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Listing Agreement/SEBI Listing Regulations. The requisite codes and policies are posted on the Company's website at [www.mchl.co.in](http://www.mchl.co.in) and references to these codes and policies have been given elsewhere in this Report.

## **CODES OF CONDUCT**

As a member of the Marda Commercial & Holdings Limited, the Company had adopted Marda Code of Ethics as the Code of Conduct for all its employees including its Whole-time Directors. Marda Code of Ethics anchors ethical and legal behavior within the organization. The Board of Directors laid down a separate Code for the Non-Executive Directors of the Company. The aforesaid Codes are available on the Company's website at [http://www.mchl.co.in/code\\_conduct.php](http://www.mchl.co.in/code_conduct.php). All Directors and Senior Management personnel of the Company as on 31<sup>st</sup> March, 2020 have individually affirmed their compliance with the applicable Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report. The Code of Conduct for the Non-Executive Directors is in line with the provisions of Section 149(8) and Schedule IV of the Companies Act, 2013 and contains brief guidance for professional conduct by the Non-Executive Independent Directors.

During the year, pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of the Company formulated the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to ensure timely and adequate disclosure of price sensitive information to the Stock Exchange(s). The same is also posted on the website of the Company at [www.mchl.co.in](http://www.mchl.co.in).

## **COMMITTEES OF THE BOARD**

As on 31st March 2020, the Company had three committees of the Board of Directors – Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

The minutes of all Board and Committee Meetings are placed before the Board and noted by the Directors at the Board Meetings. The role, composition and terms of reference of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee including the number of meetings held during the year ended and the related attendance are as follows:

## **AUDIT COMMITTEE**

The Committee acts as a link between the management, auditors and the Board of Directors of the Company and has full access to financial information.

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Regulation with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

As on 31st March, 2020 the Audit Committee comprised of two Independent Directors and one Non-Executive Director. Mr. Ramesh Kumar Bissa is the Chairman and Mr. Lalit Agarwal & Mrs. Kamlesh Gupta are the other two members of the Committee. All the members of the Committee have accounting or related financial management expertise.

During the year under review, five meetings of the committee were held on 30.05.2019, 14.08.2019, 14.11.2019, 14.02.2020 and 28.03.2020. The composition of the committee and attendance at its meeting is given below:

<b>Name of the Director</b>	<b>Category</b>	<b>No. of Meetings held</b>	<b>No. of Meetings Attended</b>
Mrs. Kamlesh Gupta	Chairman-Non-Executive Independent Director	5	5
Mr. Lalit Agarwal	Non-Executive Director	5	5
Mr. Ashok Kumar Gupta	Non-Executive Independent Director	3	3

Ms. Puja Mantri, Company Secretary is the secretary to the Committee.

The representatives of Statutory Auditors are permanent invitees to the Audit Committee Meeting.

Mrs. Kamlesh Gupta, the Chairman was duly present in Annual General Meeting held on September 27, 2018.

All the meetings were held in such time that the gap between any two meetings did not exceed four months; thereby complying with the Companies Act, 2013.

The Committee acts as a link between the management, auditors and the Board of Directors of the Company and has full access to financial information.

### **The functions of the Committee include:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors of the company;
3. Approval of payment to Statutory Auditors for any other services rendered by them;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft Audit Report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory auditor internal adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Vigil Mechanism and Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Regulating Internal Financial Control system.
22. Reviewing the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses.
  - Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor.

### **NOMINATION & REMUNERATION COMMITTEE**

As on 31st March, 2020 the Nomination & Remuneration Committee comprised of three Non-Executive Directors out of which two are Independent Directors. Mr. Lalit Agarwal is the Chairman and Mr. Ramesh Kumar Bissa & Mrs. Kamlesh Gupta are the other two members of the Committee.

The Committee had its meeting on 3<sup>rd</sup> September, 2019 where the committee discussed about the policy of the remuneration and decided to continue with the same.

Mr. Lalit Agarwal, Chairman of the Committee attended the Annual General Meeting held on September 28, 2019.

The composition of the committee and attendance at its meeting is given below:

<b>Name of the Director</b>	<b>Category</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Mr. Lalit Agarwal	Chairman-Non-Executive Director	1	1
Mrs. Kamlesh Gupta	Non-Executive-Independent Director	1	1

Mr. Ashok Kumar Gupta	Non-Executive Independent Director	1	1
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**Terms of Reference of the Committee, inter alia, includes the following:**

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- To formulate the criteria for evaluation of Independent Directors and the Board
- To devise a policy on Board diversity
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.

Shares held by the Directors as on 31<sup>st</sup> March, 2020

Name of the Director	Category	No. of Equity Shares held
Mr. Daulat Ram Agarwala	Managing Director	512500
Mr. Lalit Agarwal	Non- Executive Director	350000
Mr. Ramesh Kumar Bissa	Independent	-
Ms Kamlesh Gupta	Independent	-

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

During the year under review, the Stakeholders Relationship Committee comprised of three Directors. The present Members of the Committee are Mr. Ramesh Kumar Bissa, Chairman Mrs. Kamlesh Gupta and Mr. Lalit Agarwal.

Ms. Puja Mantri, Company Secretary acts as the Secretary to the Committee.

The Committee held one meeting during on 14<sup>th</sup> November, 2019.

The composition of the committee and attendance at its meeting is given below:

Name of the Director	Category	No. of Meetings Held	No. of Meetings Attended
Mrs. Kamlesh Gupta	Chairman-Non-Executive Independent Director	1	1

Mr. Lalit Agarwal	Non-Executive Director	1	1
Mr. Ashok Kumar Gupta	Non-Executive Independent Director	1	1

Terms of Reference of the Committee, inter alia, includes the following:

- To approve all transfers (including transmission, transposition, remat) requests received.
- To review action taken on shareholders' grievances and to advise if any further action is to be taken.
- To ensure that correspondence with the shareholders are promptly dealt with by the Company and no cases were pending as on 31st March, 2020.

Shares received for transfer are processed promptly, approved by the Committee and ratified at the following Board Meeting.

The Company did not receive any complaint from any shareholder during the year and no complaint was pending as on 31.03.2020.

Pursuant to Listing Agreement the Company has opened email-id [info@mchl.co.in](mailto:info@mchl.co.in) for Grievance Redressal purpose where complaint can be lodged by the Shareholders.

#### **Separate Meeting of Independent Directors**

During the year 2019-2020, as per the requirement of Schedule IV of the Companies Act, 2013 and the Listing Agreement/SEBI Listing Regulations, one separate meeting of Independent Directors was held on 23<sup>rd</sup> December, 2019 which was attended by all the Independent Directors.

Mrs. Kamlesh Gupta was elected as the Lead Independent Director. In the meeting, the Directors reviewed the performance of Non-Independent Directors and the Board as a whole and further reviewed the performance of the Chairperson of the company taking into account the views of Executive Directors and Non-Executives Director and assessed the quality, quantity and the timeliness of flow of information between the Management and the Board.

#### **SUBSIDIARY COMPANY**

The Company has no subsidiary during the financial year.

#### **COMPLIANCE OFFICER**

The Company has designated Ms. Puja Mantri, Company Secretary of the Company as Compliance Officer.

Ms. Puja Mantri, Company Secretary  
Address: 11, Crooked Lane, First Floor, Room No. 7, P.S.- Hare Street,



Kolkata, West Bengal-700069

Phone Nos.: (033) 2248-5664

Fax : (033) 2243-9601

Email: [info@mchl.co.in](mailto:info@mchl.co.in)

Website: [www.mchl.co.in](http://www.mchl.co.in)

### **CORPORATE SOCIAL RESPONSIBILITY**

Provision of Section 135 of the Companies Act, 2013 i.e. Corporate Social Responsibility is not applicable to the company as it does not have the requisite net worth, turnover or net profit as laid down by the said section as on 31st March, 2020.

### **GENERAL BODY MEETINGS**

The location and time of the last three Annual General Meetings and special resolutions passed therein are as follows:

<b>For the year ended</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>	<b>Special resolutions transacted</b>
March 31, 2019	11, Crooked Lane, First Floor, Room No. 7, P.S.- Hare Street, Kolkata, West Bengal-700069	28.09.2019	11.00 A.M.	None
March 31, 2018	11, Crooked Lane, First Floor, Room No. 7, P.S.- Hare Street, Kolkata, West Bengal-700069	27.09.2018	11.00 A.M	None
March 31, 2017	Mercantile Building, Block-E, 2nd Floor, 9/12, Lal-bazar Street, Kolkata-700001	23.09.2017	11.00 A.M	None

Note: i) No resolution was required to be passed through Postal Ballot.

ii) No Extra -Ordinary General Meeting was held during the year under report.

### **DISCLOSURES**

- i) The financial statements are prepared following the Accounting Standards issued by the Institute Of Chartered Accountants Of India and there is no deviation from it in general.
- ii) There are no significant transactions with Related Parties, which may have a potential conflict with the interests of the Company.
- iii) There were no cases of non-compliance by the Company and no penalties / strictures imposed on the Company by any Statutory Authority on any matter.

- iv) There were no instances of non-compliance of any matter related to the capital market during the last three years. Nor were there any fine or penalty imposed by the said Authorities.
- v) The Company has complied with all the mandatory requirements of Listing Regulations, 2015 the revised Clause 49 of the Listing Agreement. Compliance Status about the non-mandatory requirements of the Listing Regulations, 2015 are disclosed separately elsewhere.
- vi) The Company has adopted a policy on dealing with related party transactions and the same is disclosed at the Company's website at [http://www.mchl.co.in/policy/DOC\\_169090.MARDA\\_RPT-policy\\_2015.pdf](http://www.mchl.co.in/policy/DOC_169090.MARDA_RPT-policy_2015.pdf)
- vii) The Company's Remuneration Policy was adopted by the Nomination & Remuneration Committee and has been placed on the Company's website.
- viii) The Audit Committee had recommended to the Board the Whistle Blower Policy / Vigil Mechanism which was posted on the Company's Website i.e. [www.mchl.co.in](http://www.mchl.co.in)

## **MEANS OF COMMUNICATION**

### **Quarterly / Annual results**

The unaudited quarterly and annual audited results are regularly published in a leading English Daily Newspaper (Business Standard) and a Bengali Daily (Kalantar /Newz Bangla / Duranta Barta) whereas the printed Annual Report containing statement of audited accounts and notice convening the Annual General Meeting are mailed to the shareholders and also displayed on the Company's Website [www.mchl.co.in](http://www.mchl.co.in)

### **Website**

The Company's corporate website [www.mchl.co.in](http://www.mchl.co.in) contains comprehensive information about the company. An exclusive section is for Investors wherein annual reports, quarterly / half-yearly financial results, notices, shareholding patterns among others are available for reference or download.

### **Annual Report**

The Annual Report containing inter alia audited Annual Accounts, Reports of the Auditors and Directors, Chairman's Statement, Management Discussion and Analysis Report and other important information is circulated to the members and displayed on the Company's website.

### **Designated exclusive email-id**

The Company has designated email-id exclusive for investor services [info@mchl.co.in](mailto:info@mchl.co.in)

### **Intimation to Stock Exchange**

The Company intimates the Stock Exchanges about all price sensitive information or such other matters which in its opinion are material and of relevance to the shareholders

### **GENERAL SHAREHOLDER INFORMATION**

#### **Annual General Meeting**

31<sup>st</sup> AGM to be held on Monday, 28<sup>th</sup> December, 2020 at 04.30 P.M. at 11, Crooked Lane, First Floor, Room No. 7, P.S.- Hare Street,  
Kolkata, West Bengal-700069

#### **Book Closure**

The Register of Members and Share Transfer Register will remain closed from 21<sup>st</sup> December, 2020 to 29<sup>th</sup> December, 2020 (both days inclusive).

#### **Registered Office:**

11, Crooked Lane, First Floor, Room No. 7, P.S.- Hare Street,  
Kolkata, West Bengal-700069

#### **Listing of Equity Shares:**

The Calcutta Stock Exchange  
Annual Listing Fee has been duly paid

#### **Demat ISIN Number for NSDL & CDSL:**

INE 912C01014

#### **Market Price Data**

There has been no trading in the shares of the Company on Stock Exchange during the financial year 2019-2020.

#### **Name and Address of the Registrar and Share Transfer Agent (RTA)**

M/s. Niche Technologies Pvt. Ltd.  
D-511, Bagri Market, 71, B.R.B.B. Road,  
Kolkata-700 001

#### **Address for Investors' Correspondence**

Shareholders can correspond with the RTA and also direct to the Registered Office of the Company.

**Shareholding Pattern as on 31<sup>st</sup> March, 2020**

Category	No. of Shares	% of holding
Promoter & Promoter Group	4745900	47.46
Domestic Companies	3544700	35.44
Indian Public	1710000	17.10
<b>Total</b>	<b>10000600</b>	<b>100.00</b>

**Distribution of Shareholding as on 31<sup>st</sup> March, 2020**

Share Holding	Shareholders' Number	Percentage of Shareholders	No of Shares	Percentage of Shares
1 to 500	0	0.00	0	0.00
501 to 1000	0	0.00	0	0.00
1001 to 5000	0	0.00	0	0.00
5001 to 10000	0	0.00	0	0.00
10001 to 50000	1	3.33	25000	0.75
50001 to 100000	2	6.66	173000	1.73
100001 and above	27	90	9802600	98.02
<b>Total</b>	<b>30</b>	<b>100.00</b>	<b>10000600</b>	<b>100.00</b>

**Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity**

None

**RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

In accordance with the requirements for a listed Company, as stipulated by SEBI, a Reconciliation of Share Capital Audit is conducted by a firm of Company Secretaries for the purpose of inter alia,

reconciliation and confirmation of the total admitted equity share capital with the depositories and in the physical form with the total issued / paid up equity share capital of the company as listed on the exchange.

Certificate issued in this regard are placed before the Board of Directors and forwarded to exchange where the shares of the company are listed.

## **OTHER DISCLOSURES**

### **Related-party transactions**

The Company has adopted a policy on dealing with related party transactions and the same is disclosed at the Company's website at [www.mchl.co.in](http://www.mchl.co.in)

There are no significant transactions with Related Parties, which may have a potential conflict with the interests of the Company.

### **Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

During the year under review there was no cases of non-compliance by the Company and no penalties/strictures were imposed on the Company by any Statutory Authority on any matter.

### **Vigil Mechanism**

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the Website of the Company i.e. [www.mchl.co.in](http://www.mchl.co.in).

### **Accounting treatment in preparation of financial statements**

The Company followed the guidelines as laid down in the Accounting Standards, prescribed by the Institute of Chartered Accountants of India, for the preparation of the financial statements and there is no deviation from it in general.

The Company has adopted a policy for determining material subsidiaries and the same is disclosed at the Company's website at [www.mchl.co.in](http://www.mchl.co.in)

The Company's Remuneration Policy was adopted by the Nomination & Remuneration Committee and has been attached in Director's Report.

The Audit Committee had recommended to the Board the Whistle Blower Policy / Vigil Mechanism which was posted on the Company's Website i.e. [www.mchl.co.in](http://www.mchl.co.in)

**CEO (Managing Director)/CFO certification**

The CEO certification as required by Regulation 17(8) of SEBI (Listing and Disclosure Requirement) Regulations, 2015, of is enclosed at the end of the Report.

**Report on Corporate Governance**

The Quarterly Compliance Report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the prescribed format as per SEBI Regulation duly signed by the Company Secretary or Managing Director.

**Compliance**

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this Clause are as below:

**Mandatory requirements**

The Company was fully compliant with mandatory requirements of Listing Regulation

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**DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT**

This is to confirm that a Code of Conduct for the Board Members and Senior Management Personnel including the Managing Director and Executive Directors of the Company has been adopted by the Board and the same was also circulated and posted on the website of the Company. The Company received declarations affirming Compliance of the Code from the persons concerned for the year ended 31st March, 2020 and the same has also been noted by the Board.

For the purpose of this declaration, Senior Management means Chief Financial Officer and Company Secretary as on 31.03.2020.

**For Marda Commercial & Holdings Limited**

Sd/-  
**Daulat Ram Agarwala**  
Managing Director  
(DIN 00586956)

**Place: Kolkata**  
**Date: 27/12/2020**

## CEO / CFO CERTIFICATION

To,  
The Board of Directors  
M/s Marda Commercial & Holdings Limited

### Re: Financial Statement for the Financial Year 2019-2020 – Certification

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We, Daulat Ram Agarwala, Managing Director and Aashish Agarwal, Chief Financial Officer of M/s Marda Commercial & Holdings Limited on the review of Financial Statements and Cash Flow Statement for the year ended 31st March, 2020 and that to the best of my knowledge and belief, hereby certify that:

1. These statement do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2020 which is fraudulent, illegal or violative of Company's Code of Conduct.
4. We accept responsibility of establishing and maintaining internal control systems of the Company pertaining the financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design and operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
  - i. There have been no significant changes in internal control over financial reporting during the period.
  - ii. There have been no significant changes in accounting policies during the period.
  - iii. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

- iv. That there were no deficiencies in the design or operations of Internal controls that could adversely affect the company's ability to record, process, summarize and report financial data including any corrective actions.
- v. That there are no material weaknesses in the Internal controls over financial reporting.

**For Marda Commercial & Holdings Limited**

**Sd/-**  
**Daulat Ram Agarwala**  
Managing Director  
(DIN 00586956)

**Sd/-**  
**Aashish Agarwal**  
CFO

Place: Kolkata  
Date: 27/12/2020



**YASHWANT GUPTA & ASSOCIATES**

Company Secretaries



**CERTIFICATE OF THE AUDITORS IN RESPECT OF  
COMPLIANCE OF CORPORATE GOVERNANCE**

To the Members of

**Marda Commercial & Holdings Limited**

We have examined the compliance of conditions of corporate governance by **Marda Commercial & Holdings Limited ("the Company")**, for the year ended on 31<sup>st</sup> March, 2020, stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For YASHWANT GUPTA & ASSOCIATES**

**(YASHWANT KUMAR GUPTA) (Proprietor)**

**DATE: 11/02/2021**

**PLACE: DELHI**

**Company Secretary in Practice**

**MEMBERSHIP NO.:15154**

**C.P. No.: 15119**

**UDIN NO.:A015154B002783667**



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44-A/E- Block Extension, Shyam Vihar Phase-1 New Delhi

110043 E-Mail:csguptayash@gmail.com,

Phone:9582088097

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2020**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L65929WB1990PLC048280
2.	Registration Date	29/01/1990
3.	Name of the Company	Marda Commercial & Holdingd Limited
4.	Category/Sub-category of the Company	NBFC/Public Company/Limited by Shares
5.	Address of the Registered office & contact details	11, Crooked Lane, First Floor, Room No. 7,P.S.- Hare Street, Kolkata, West Bengal-700069
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Niche Technologies Pvt. Ltd. 3A, AUKLAND Place, Room No. 7A & 7B, 7 <sup>TH</sup> Floor, Kolkata – 700171 Phone No.: 033 22806616/6617/6618; Email: <a href="mailto:nichetechpl@nichetechpl.com">nichetechpl@nichetechpl.com</a>

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Trading and Investment Activities	64990	94.67%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

There is no business activity of Holding, Subsidiary and associate Company, contributing more than 10 % to total turnover of Marda Commercial & Holdings Limited.



a) Bodies Corp.									
i) Indian	2,44,700	38,00,000	40,44,700	40.445	2,44,700	33,00,000	35,44,700	35.44	
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	0	0	0	0	0				0
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	7,35,000	7,35,000	7.350	10,45,000	6,65,000	17,10,000	17.10	9.75
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>2,44,700</b>	<b>45,35,000</b>	<b>47,79,700</b>	<b>47.794</b>	<b>12,89,700</b>	<b>39,65,000</b>	<b>52,54,700</b>	<b>52.54</b>	<b>4.75</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	2,44,700	45,35,000	47,79,700	47.794	12,89,700	39,65,000	52,54,000	52.45	4.75
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>28,88,100</b>	<b>71,12,500</b>	<b>10000600</b>	<b>100</b>	<b>41,28,100</b>	<b>58,72,500</b>	<b>1,00,00,600</b>	<b>100</b>	<b>0</b>

**B) Shareholding of Promoter-**

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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.	Aashish Agarwal	1,50,000	1.500	0	1,50,000	1.500	0	0
2.	Advance Ispat (India) Limited	19,43,400	19.433	0	19,43,400	19.433	0	0
3.	D N Agarwal(Karta of HUF)	1,75,000	1.750	0	1,75,000	1.750	0	0
4.	Daulat Ram Agarwal	5,12,500	5.125	0	5,12,500	5.125	0	0
5.	Kannu Priya Agarwal	3,25,000	3.250	0	0	0	0	3.250
6.	Lalit Agarwal	3,50,000	3.500	0	3,50,000	3.500	0	0
7.	Laxmi Agarwal	4,40,000	4.400	0	4,40,000	4.400	0	0
8.	Romil Agarwal	2,00,000	2.000	0	4,50,000	4.5000	0	2.5
9.	Sadanand Agarwal	1,60,000	1.600	0	1,60,000	1.600	0	0
10.	Sanmukh Agarwal	2,70,000	2.700	0	2,70,000	2.700	0	0
11.	Shalini Agarwal	1,50,000	1.500	0	1,50,000	1.500	0	0
12.	Sneha Agarwal	5,45,000	5.450	0	0	0	0	5.450
13.	Deoki Nandan Agarwal	0	0	0	1,45,000	1.450	0	1.450

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Aashish Agarwal				
	At the beginning of the year	1,50,000	1.5		
		(No Change during the year)			
	At the end of the year			1,50,000	1.5
2.	Advance Ispat (India) Limited				
	At the beginning of the year	19,43,400	19.433		
		(No Change during the year)			
	At the end of the year			19,43,400	19.433
3.	DN Agarwal (Karta of HUF)				
	At the beginning of the year	1,75,000	1.750		
		(No Change during the year)			
	At the end of the year			1,75,000	1.750
4.	Daulat Ram Agarwal				
	At the beginning of the year	5,12,500	5.125		
		(No Change during the year)			
	At the end of the year			5,12,500	5.125
5.	Kannu Priya Agarwal				
	At the beginning of the year	3,25,000	3.250		
		(Transferred to Shashi Agarwal)			
	At the end of the year			0	0
6.	Lalit Agarwal				
	At the beginning of the year	3,50,000	3.5		
		(No Change during the year)			
	At the end of the year			3,50,000	3.5
7.	Laxmi Agarwal				
	At the beginning of the year	4,40,000	4.40		
		(No Change during the year)			
	At the end of the year			4,40,000	4.40
8.	Romil Agarwal				
		2,00,000	2.00		

	At the beginning of the year				
		(Trans from GEEFCEE Finance Ltd.)			
	At the end of the year			4,50,000	4.50
9.	Sadanand Agarwal				
	At the beginning of the year	1,60,000	1.6		
		(No Change during the year)			
	At the end of the year			1,60,000	1.6
10.	Sanmukh Agarwal				
	At the beginning of the year	2,70,000	2.7		
		(No Change during the year)			
	At the end of the year			2,70,000	2.7
11.	Shalini Agarwal				
	At the beginning of the year	1,50,000	1.5		
		(No Change during the year)			
	At the end of the year			1,50,000	1.5
12.	Sneha Agarwal				
	At the beginning of the year	5,45,000	5.45		
		(Trans to DN Agarwal & Vatsal Agarwal)			
	At the end of the year			0	0
13.	Deoki Nandan Agarwal				
	At the beginning of the year	0	0		
		(Transferred from Sneha Agarwal)			
	At the end of the year			1,45,000	1.45
	TOTAL	52,20,900	52.206	44,95,900	44.96

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

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	M/s. Farsight Brokers Private Limited	2,25,000	2.250		

	At the beginning of the year				
					(No Change during the year)
	At the end of the year			2,25,000	2.250
2.	Farsight Securities Limited	3,75,000	3.75		
	At the beginning of the year				
					(No Change during the year)
	At the end of the year			3,75,000	3.75
3.	Goyal Commercial Private Limited	1,71,700	1.72		
	At the beginning of the year				
					(Transferred to Shashi Agarwal & Romil Agarwal)
	At the end of the year			1,71,700	1.72
4.	IM Securities Private Limited				
	At the beginning of the year	5,00,000	5.00		
					(No Change during the year)
	At the end of the year			5,00,000	5.00
5.	KK Capital Services (P) Ltd.				
	At the beginning of the year	2,50,000	2.5		
					(No Change during the year)
	At the end of the year			2,50,000	2.5
6.	Roma Impex Private Limited				
	At the beginning of the year	4,50,000	4.5		
					(No Change during the year)
	At the end of the year			4,50,000	4.5
7.	Reebok Advertising & Marketing (P) Ltd.				
	At the beginning of the year	2,50,000	2.5		
					(No Change during the year)
	At the end of the year			2,50,000	2.5
8.	Shanti Associated (P) Ltd.	2,50,000	2.5		
	At the beginning of the year				
					(No Change during the year)
	At the end of the year			2,50,000	2.5
9.	Shiv Pure Water Point (P) Ltd				
	At the beginning of the year	4,00,000	4.00		
					(No Change during the year)



	At the end of the year			4,00,000	4.00
10.	Shridhar Financial Services Limited				
	At the beginning of the year	4,50,000	4.5		
		(No Change during the year)			
	At the end of the year			4,50,000	4.5
	Total	36,50,000	36.498	36,50,000	36.498

**E) Shareholding of Directors and Key Managerial Personnel:**

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Lalit Agarwal (Director)				
	At the beginning of the year	3,50,000	3.490		
		(No Change during the year)			
	At the end of the year			3,50,000	3.490
2.	Shri. Daulat Ram Agarwala (MD)				
	At the beginning of the year	5,12,500	5.12		
		(No Change during the year)			
	At the end of the year			5,12,500	5.12
3.	Mr. Aashish Agarwal (CFO)				
	At the beginning of the year	1,50,000	1.5		
		(No Change during the year)			
	At the end of the year			1,50,000	1.5

(V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	9,15,45,682	-	9,15,45,682
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-		-	
<b>Total (i+ii+iii)</b>	-	9,15,45,682	-	9,15,45,682
<b>Change in Indebtedness during the financial year</b>	-			
* Addition	-	65,91,290	-	65,91,290
* Reduction	-		-	
<b>Net Change</b>	-		-	
<b>Indebtedness at the end of the financial year</b>	-			
i) Principal Amount	-	9,81,36,972	-	9,81,36,972
ii) Interest due but not paid			-	
iii) Interest accrued but not due			-	-
<b>Total (i+ii+iii)</b>	-	9,81,36,972	-	9,81,36,972

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Daulat Ram Agarwal (Managing Director)	
1	Gross salary	6,00,000	6,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-

4	Commission- as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	6,00,000	6,00,000
	Ceiling as per the Act	-	-

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Ashok Kumar Gupta	Lalit Agarwal	Kamlesh Gupta	
	Fee for attending board /committee meetings	22,500	-	-	22,500
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	22,500	-	-	22,500

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	1,44,000	6,00,000	7,44,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-

2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
		-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	1,44,000	6,00,000	7,44,000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Place: Kolkata  
Date: 27/12/2020

For and on Behalf of the Board

Sd/-  
Daulat Ram Agarwal  
(Managing Director)  
DIN: 00586956

sd/-  
Lalit Agarwal  
(Director)  
DIN: 00109920

**ANNEXURE – V**  
**PARTICULARS OF EMPLOYEES**

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(g) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

**A) Information as per Rule 5(1) of chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**1) REMUNERATION PAID TO DIRECTOR**

**Notes:-**

- A. Calculation based on annualized salary.
- B. Salary includes bonus amount.
- C. No remuneration is paid to any Non-Executive director during the period
- D. The Median Remuneration of Employees (MRE) including Managing Directors (MD) was Rs. 6,00,000/- in the financial year 2019-20.
- E. The Median Remuneration of Employees (MRE) excluding Managing Directors (MD) was Rs. 6,00,000/- in the financial year 2019-20.
- F. The number of permanent employees in the rolls of the company as on 31.03.2019 and 31.03.2020 were 3 and 3 respectively.
- G. The Company being listed in CSE Ltd and at CSE the market capitalization stands at Rs. 100,006,000 (Divided into 10,000,600 Equity Shares @ Rs. 10 each). The shares of the company were last traded for Rs. 2.05 on 11/07/2005. The growth in market capitalization remained stagnant.
- H. The company has a Nomination & Remuneration Policy in place, and it is strictly followed for fixation and payment of remuneration to the managerial personnel and other employees of the company. The policy has been developed with adherence to the Companies Act, 2013 and all other statutes as applicable.
- I. During the Financial year 2019-20 no employee received remuneration in excess of the highest paid Director.
- J. There is no percentage increase in median remuneration of employees during F.Y 2019-2020.
- K. There is no change in salaries paid to employees in the last financial year.
- L. The remuneration provided is as per the remuneration policy as approved by the Nomination & remuneration Committee of the Company.

**INDEPENDENT AUDITORS' REPORT**

**To the Members of Marda Commercial & Holdings Ltd  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of **Marda Commercial & Holdings Ltd** comprising of the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, including other comprehensive income, the Cash Flow Statement and the Statement of Changes 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 (hereinafter referred to as 'the Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ('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 31 March 2020, their profit including other comprehensive income, their cash flows and the statement of changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 Act 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 audit opinion on the Ind AS financial statements.

**Key Audit Matters**

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements



Sl.	Key Audit matter	Auditors' Response
1.	<p>Transition to Ind AS accounting framework</p> <p>The Company has adopted Ind AS from 1 April 2019 with an effective date of 1 April 2018 for such transition. For periods up to and including the year ended 31 March 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2020, together with the comparative financial information for the previous year ended 31 March 2019 and the transition date Balance Sheet as at 1 April 2018 have been prepared under Ind AS.</p> <p>The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under the extant Reserve Bank of India (RBI) directions. In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</p>	<ul style="list-style-type: none"> <li>• Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.</li> <li>• Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.</li> <li>• Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</li> <li>• Tested the disclosures prescribed under Ind AS.</li> </ul>
2	<p>Impairment on financial assets (expected credit losses).</p> <p>Ind AS 109 requires the Company to recognise impairment loss allowance towards its financial assets (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including:</p> <ul style="list-style-type: none"> <li>• unbiased, probability weighted outcome under various scenarios;</li> </ul>	<p>We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</p> <ul style="list-style-type: none"> <li>• We tested the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa.</li> <li>• We evaluated the reasonableness of the Management estimates by</li> </ul>



<ul style="list-style-type: none"> <li>• time value of money;</li> <li>• impact arising from forward looking macro-economic factors and;</li> <li>• availability of reasonable and supportable information without undue costs.</li> </ul> <p>Applying these principles involves significant estimation in various aspects, such as:</p> <ul style="list-style-type: none"> <li>• grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>• staging of loans and estimation of behavioral life;</li> <li>• determining macro-economic factors impacting credit quality of receivables;</li> <li>• estimation of losses for loan products with no/minimal historical defaults.</li> </ul> <p>Considering the significance of such allowance to the overall financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.</p>	<p>understanding the process of ECL estimation and tested the controls around data extraction and validation.</p> <ul style="list-style-type: none"> <li>• Tested the ECL model, including assumptions and underlying computation.</li> <li>• Assessed the floor/minimum rates of provisioning applied for loan products with inadequate historical defaults.</li> <li>• Audited disclosures included in the Ind AS financial statements in respect of expected credit losses.</li> </ul>
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**Information other than the Financial Statements and Auditors' Report thereon**

- The Company's Board of Directors is responsible for the preparation of other information which comprises the Director's Report including annexures to Director's Report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.
- Based on the work we have performed, if we conclude that there is a material misstatement of this other information; we are required to report the fact. We have nothing to report in this regard.





### **Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the Companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS financial statements by the Directors of the Company, as aforesaid.

In preparing the Ind AS financial statements, the respective Board of Directors of the companies are responsible for assessing the ability of the Company 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 respective Board of Directors of the Companies are also responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the 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 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

#### **Report on other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure (A)" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid Ind AS financial statements;
- 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 maintained for the purpose of preparation of the Ind AS financial statements;



- d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure (B)".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended,  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 31 to the Financial Statements;
  - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred by the company to the Investor Education and Protection Fund during the year ended 31<sup>st</sup> March 2020.

*For Nagar Goel & Chawla*  
*Chartered Accountants*  
ICAI Firm Registration No. : 009933N

  
**Dharmender Singh**  
Partner  
Membership No. : 515984  
UDIN: 20515984AAAAJF7753  
Place: New Delhi  
Date: 25.08.2020



**ANNEXURE (A) TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MARDA COMMERCIAL & HOLDINGS LTD**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March, 2020, we report that:

- (i) In respect of its property, plant and equipment:  
The Company does not have any property, plant and equipment; therefore the provision of this clause of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company;
- (ii) In respect of its Inventory  
The Company does not have any inventory; therefore the provision of this clause of companies (Auditor's Report) Order, 2016 is not applicable to the company.
- (iii) In our opinion and according to the information and explanations provided to us, the Company has granted loans to a Company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the parties listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - (b) The terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand with interest.
  - (c) Since the term of arrangement do not stipulate any repayment schedule and the loans are repayable on demand, no question of overdue amounts will arise in respect of the loans granted to the parties listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations provided to us, the Company has not accepted any deposits from the public. Accordingly, the directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder in this regard, are not applicable.
- (vi) According to the information and explanations provided to us, the Central Government has not specified for maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the activities carried on by the Company. Hence, the provisions of paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us us in respect of statutory dues;
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities,





- b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.
- c. Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as at 31<sup>st</sup> March, 2020 on account of disputes are given below:


Name of the Statute	Nature of Dues	PERIOD (A.Y.)	Amount involved (Rs. in Hundred)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2011-12	19,780.39	CIT (appeals) Kolkata
Income Tax Act, 1961	Income Tax	2012-13	23,488.92	IT (appellate tribunal) Kolkata
Income Tax Act, 1961	Income Tax	2014-15	15,072.65	CIT (appeals) Kolkata

- (viii) In our opinion and according to the information and explanations given to us, the Company has not raised loan or borrowings from banks, financial institutions, and Government or debenture holders during the year under audit and therefore paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations provided to us, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and not availed the facility of term loans during the year under audit and therefore paragraph 3(ix) of the Order is not applicable.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud on or by the company or any fraud by its officers or employees was noticed or reported during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, the company has registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Nagar Goel & Chawla**  
*Chartered Accountants*  
ICAI Firm Registration No. : 009933N

  
**Dharmender Singhal**  
Partner  
Membership No. : 515984  
UDIN: 20515984AAAAJF7753



Place: New Delhi  
Date: 25.08.2020

**ANNEXURE- (B) TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MARDA COMMERCIAL & HOLDINGS LTD**

**Report on the Internal Financial Controls under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Marda Commercial & Holdings Ltd** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 company's 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 under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit with reference to these Ind AS financial statements. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting 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, 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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**

A company's internal financial control over financial reporting 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. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

*For Nagar Goel & Chawla*  
*Chartered Accountants*  
ICAI Firm Registration No. : 009933N

**Dharmender Singh**  
Partner  
Membership No. : 515984  
UDIN: 20515984AAAAJF7753  
Place: New Delhi  
Date: 25.08.2020



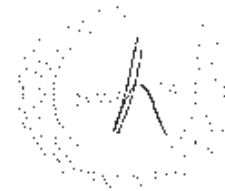


**NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2020**

To  
Board of Directors  
Marda Commercial & Holdings Ltd  
81, Functional Industrial Estate  
Patparganj, Delhi 110092  
Dear Sirs,

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions 2016", issued by Reserve Bank of India (RBI), on the matters specified in Chapter - II of the said Directions to the extent applicable to the Company, we report that:

1. The company is engaged in the business of Non-banking financial institution and has obtained certificate of registration from RBI, as a Non- banking financial company, without accepting public deposit, vide Certificate of Registration (COR) no. 5.02261.
2. The Company is meeting the principal business criteria (Financial asset / income pattern) as laid down vide the bank's press release dated 08 April 1999 and directions issued by DNBR and therefore is entitled to continue to hold above Certificate of registration (COR) in terms of its asset / income pattern as on 31 March 2020.
3. The Company is meeting the requirement of net owned funds applicable to Non-Banking Financial Companies as laid down in Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
4. The Board of Directors have passed a resolution in its meeting held on 17 May 2019 for non-acceptance of any public deposit during FY 2019-20.
5. The Company has not accepted any public deposit during the year ended 31 March 2020.
6. In our opinion and to the best of our information and according to the explanation given to us, company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.



7. As per the information and according to the explanation given to us and based on our audit, the Company is not covered under NBFC Micro Finance Institutions (MFI) as defined in the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

**For Nagar Goel & Chawla**

*Chartered Accountants*

ICAI Firm Registration No. : 009933N



**Dharmender Singhal**

Partner

Membership No. : 515984

UDIN: 20515984AAAAKA1949

Place: New Delhi

Date: 26.08.2020



# NAGAR GOEL & CHAWLA

Chartered Accountants

## Statutory Auditors' Certificate (SAC)

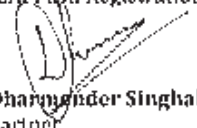
We have examined the books of accounts and other records of **Marda Commercial & Holdings Ltd** for the Financial Year ending March 31, 2020. On the basis of the information submitted to us, we certify the following:

Sl.	Particulars	Details
1	Name of the company	Marda Commercial & Holdings Ltd
2	Certificate of Registration No.	5.02261
3	Registered office Address	11, Crooked Lane, First Floor Room No. 7 P.S.- Hare Street Kolkata-700069
4	Corporate office Address	B1, Functional Industrial Estate Patparganj, Delhi 110092
5	The company has been classified by RBI as : (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IIFC/ NBFC)	Loan Company
6	Net Owned Fund (Rs. in Crore) (Calculation of the same is given in the Annexure-1)	32.20
7	Total Assets (Rs. in Crore)	59.74
8	Asset-Income pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999)	
	a) % of Financial Assets to Total Assets	81.81%
	b) % of Financial Income to Gross Income	94.68%
	(NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)	
9	Whether the company was holding any Public Deposits, as on March 31, 2020? (If Yes, the amount (Rs. in Crore))	No
10	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (in terms of Sec 45-IC of the RBI Act, 1934)	Yes
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	No
12	If the company is classified as an NBFC-Factor: a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	Not Applicable
13	If the company is classified as an NBFC-MFI: % of Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234 CGM (US) 2011 dated December 02, 2011)	Not Applicable
14	If the company is classified as an AFC: a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of Income generated out of these assets to Total Income	Not Applicable
15	If the company is classified as an NBFC-IFC: % of Infrastructure Loans to Total Assets	Not Applicable
16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI? (please refer to Master Directions issued by DNBR i) Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions ; and ii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions.)	No

In terms of Chapter II of the Master Direction- Non Banking financial Companies Auditor's Report (Reserve bank) Directions, 2016, a separate report to the Board of Directors of the company has been prepared.

I have read and understood Chapter III of the Master Direction- Non Banking financial Companies Auditor's Report (Reserve bank) Directions, 2016.

For Nagar Goel & Chawla  
Chartered Accountants  
ICAI Firm Registration No. : 009933N

  
Dharaminder Singhal  
Partner  
Membership No. 515984  
UDIN:20515984AAAALH7433  
Place: New Delhi  
Date:23.09.2020



**MARDA COMMERCIAL & HOLDINGS LTD**  
**CIN - L65929WB1990PLC048280**

Balance sheet as at 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

Particulars	Note	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	3	2,43,008.10	9,191.77	37,214.74
Bank Balance other than cash and cash equivalents	4	1,29,637.60	1,21,948.34	1,14,847.57
Receivables -	5			
Trade Receivable		-	-	-
Other Receivable		11,850.00	458.01	4.30
Loans	6	16,11,424.83	17,64,824.75	16,18,382.67
Investments	7	32,76,189.66	32,37,884.49	31,22,972.35
Other financial assets	8	5,267.75	4,553.44	4,828.47
		<b>52,77,377.94</b>	<b>51,38,860.80</b>	<b>48,98,250.10</b>
<b>Non-financial Assets</b>				
Current tax assets (Net)	9	37,594.00	30,726.28	25,419.95
Investment property	10	6,39,050.67	6,50,068.79	6,61,086.91
Property, plant and equipments	11	-	530.37	530.37
Other non-financial assets	12	20,011.80	20,000.00	-
		<b>6,96,656.47</b>	<b>7,01,325.44</b>	<b>6,87,037.23</b>
<b>Total assets</b>		<b>59,74,034.41</b>	<b>58,40,186.24</b>	<b>55,85,287.33</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings (other than Debt Securities)	13	9,81,369.72	9,15,456.82	8,37,836.51
Other financial liabilities	14	5,553.73	8,356.53	7,050.02
		<b>9,86,923.45</b>	<b>9,23,813.35</b>	<b>8,44,886.53</b>
<b>Non-financial Liabilities</b>				
Current tax liabilities (Net)	15	17,412.57	16,625.94	21,000.00
Deferred tax liabilities (Net)	16	6,36,036.70	6,40,936.37	6,15,362.86
Other non-financial liabilities	17	7,993.65	9,642.90	8,817.75
		<b>6,61,442.92</b>	<b>6,67,205.21</b>	<b>6,45,180.61</b>
<b>Equity</b>				
<b>Shareholder's funds</b>				
Equity Share capital	18	10,00,060.00	10,00,060.00	10,00,060.00
Other equity	19	33,25,608.04	32,49,107.68	30,95,160.19
		<b>43,25,668.04</b>	<b>42,49,167.68</b>	<b>40,95,220.19</b>
<b>Total liabilities and equity</b>		<b>59,74,034.41</b>	<b>58,40,186.24</b>	<b>55,85,287.33</b>
Significant accounting policies and notes to accounts	1-42	-	-	-

As per our report of even date

For **Nagar Goel & Chawla**

Chartered Accountants

ICAI Firm Registration No. : 009933N

**Dharmender Singhal**

Partner

Membership No. 515984

Place : New Delhi

Date : 25.08.2020



On behalf of the Board of Directors

For **MARDA COMMERCIAL & HOLDINGS LTD**

*Daulat Ram*

**Daulat Ram Agarwala**

Managing Director

DIN : 0000586956

**Lalit Agarwal**

Director

DIN : 00001099920

**Aashish Agarwal**

Chief Financial Officer

PAN NO. AEJPA0655G

**Puja Mantri**

Company Secretary

PAN NO. DUGMP5770C

**MARDA COMMERCIAL & HOLDINGS LTD**
**CIN- L65929WB1990PLC048280**
**Statement of Profit & Loss for the year ended 31st March 2020**
*All amounts are in Rupees hundred, unless otherwise stated*

	Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
I	<b>Revenue</b>			
	Revenue from operations	20	1,89,436.54	2,12,314.93
II	Other income	21	10,649.47	5,850.00
III	<b>Total Income (I+II)</b>		<b>2,00,086.01</b>	<b>2,18,164.93</b>
	<b>Expenses</b>			
	Finance costs	22	73,236.55	91,823.34
	Impairment of financial instruments	23	57,837.31	6,925.70
	Employee benefits expense	24	13,320.00	12,840.00
	Depreciation and amortization	25	11,018.12	11,018.12
	Other expense	26	11,336.54	19,418.39
IV	<b>Total expense</b>		<b>1,66,748.52</b>	<b>1,42,025.55</b>
V	Profit before exceptional and extraordinary items and tax (III-IV)		33,337.49	76,139.38
VI	Exceptional items		-	-
VII	<b>Profit before tax ( V-VI )</b>		<b>33,337.49</b>	<b>76,139.38</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		17,412.57	16,625.94
	(2) Short/(Excess) provision of income tax for earlier years		(671.74)	(88.67)
	(2) Deferred tax liability/(assets)		(17,157.50)	(4,607.69)
			(416.67)	11,929.58
IX	Profit/(Loss) for the period from continuing operations (VII-VIII )		33,754.16	64,209.80
X	Profit/(Loss) for the period from discontinuing operations		-	-
XIII	<b>Profit for the period (IX-X)</b>		<b>33,754.16</b>	<b>64,209.80</b>
XIV	Other Comprehensive Income			
	Items that will not be reclassified to profit & loss			
	Change in fair value of equity instruments(Un-quoted) through OCI		55,004.03	1,19,918.89
	Tax impact on above		12,257.83	30,181.20
	<b>Other Comprehensive Income for the year (net of tax)</b>		<b>42,746.20</b>	<b>89,737.69</b>
	<b>Total Comprehensive Income for the period</b>		<b>76,500.36</b>	<b>1,53,947.49</b>
XII	<b>Earnings per equity share:</b>			
	Basic and diluted earning per share (in Rs.) [face value of Rs. 10 each]	27	0.34	0.64

As per our report of even date

**For Nagar Goel & Chawla**

Chartered Accountants

ICAI Firm Registration No. : 009933N

**Dharmender Singhal**

Partner

Membership No. 515984

Place :New Delhi

Date : 25.08.2020



On behalf of the Board of Directors

**For MARDA COMMERCIAL & HOLDINGS LTD**
*Daulat Ram*
**Daulat Ram Agarwala**

Managing Director

DIN : 0000586956

**Aashish Agarwal**

Chief Financial Officer

PAN NO. AEJPA0655G

**Lalit Agarwal**

Director

DIN : 00001099920

*Ruja Mantri*
**Ruja Mantri**

Company Secretary

PAN NO. DUGMP5770C

**MARDA COMMERCIAL & HOLDINGS LTD**  
**Statement of Changes in Equity for the year ended 31st March 2020**  
**CIN-L65929WB1990PLC048280**  
**All amounts are in Rupees hundred, unless otherwise stated**

**a. Equity share capital**

Balance as at 1 April 2018	10,00,060
Changes in equity share capital during the year 2018-19	
Balance as at 31 March 2019	10,00,060
Changes in equity share capital during the year 2019-20	-
Balance as at 31 March 2020	10,00,060

**b. Other equity**

Particulars	Retained earnings	Statutory Reserve under Section 45-IC of the RBI Act, 1934	Total
Balance as at 1 April 2018	28,39,876.47	2,55,283.72	30,95,160.19
Profit for the year	64,209.80	-	64,209.80
Other comprehensive income (net of tax)	89,737.69		89,737.69
<b>Total comprehensive income for the year</b>	<b>1,53,947.49</b>	<b>-</b>	<b>1,53,947.49</b>
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(30,789.50)	30,789.50	-
<b>Balance as at 31 March 2019</b>	<b>29,63,034.46</b>	<b>2,86,073.22</b>	<b>32,49,107.68</b>
Balance as at 1 April 2019	29,63,034.46	2,86,073.22	32,49,107.68
Profit for the year	33,754.16	-	33,754.16
Other comprehensive income (net of tax)	42,746.20		42,746.20
<b>Total comprehensive income for the year</b>	<b>76,500.36</b>	<b>-</b>	<b>76,500.36</b>
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(15,300.07)	15,300.07	-
<b>Balance as at 31 March 2020</b>	<b>30,24,234.75</b>	<b>3,01,373.29</b>	<b>33,25,608.04</b>

As per our report of even date  
For Nagar Goel & Chawla  
Chartered Accountants  
ICAI Firm Registration No. : 009933N

**Dharmender Singhal**  
Partner  
Membership No. 515984  
Place :New Delhi  
Date : 25.08.2020



On behalf of the Board of Directors  
For MARDA COMMERCIAL & HOLDINGS LTD

*Daulat Ram*

**Daulat Ram Agarwala**  
Managing Director  
DIN : 0000586956

**Lalit Agarwal**  
Director  
DIN : 00001099920

*Aashish Agarwal*  
**Aashish Agarwal**  
Chief Financial Officer  
PAN NO. AEJPA0655G

*Puja Mantri*  
**Puja Mantri**  
Company Secretary  
PAN NO. DUGMP5770C

**MARDA COMMERCIAL & HOLDINGS LTD**  
**CIN- L65929WB1990PLC048280**  
**Statement of Cash Flows for the year ended ended 31st March 2020**  
*All amounts are in Rupees hundred, unless otherwise stated*

Particulars	Year ended 31st March 2020	As at 31st March 2019
<b>A) Cash flow from operating activities:</b>		
Profit before tax	33,337.49	76,139.38
<b>Adjustments for :-</b>		
Depreciation and amortisation	11,018.12	11,018.12
Impairment of financial instruments	57,837.31	6,925.70
Loss on sale of assets	30.37	-
loss/(Gain) on fair valuation of financial instruments	(2,156.47)	1,065.51
<b>Operating profit before working capital changes-</b>	<b>1,00,066.82</b>	<b>95,148.71</b>
<b>Adjustments for :-</b>		
Decrease/(Increase) in Receivables	(11,391.99)	(453.71)
Decrease/(Increase) in loans	95,562.61	(1,53,367.78)
Decrease/(Increase) in Other financial assets	(714.31)	275.03
Decrease/(Increase) in Other non-financial assets	(11.80)	(20,000.00)
Increase /(Decrease) in Other financial liabilities	(2,802.80)	1,306.51
Increase /(Decrease) in non-financial liabilities	(1,649.25)	825.15
<b>Cash used in operations:-</b>	<b>1,79,059.28</b>	<b>(76,266.09)</b>
Income tax paid	(22,821.92)	(26,217.66)
<b>Cash Flow Before Extraordinary Items</b>	<b>1,56,237.36</b>	<b>(1,02,483.75)</b>
Extraordinary items	-	-
<b>Net cash used in operating activities (A)</b>	<b>1,56,237.36</b>	<b>(1,02,483.75)</b>
<b>B) Cash flow from investing activities:</b>		
Sale of property, plant and equipment	500.00	-
Sale/(purchase) of investment (Net)	18,855.33	3,941.24
Investment in bank deposits (having original maturity of more than 3 months)	(7,689.26)	(7,100.77)
<b>Net cash from / (used in) investing activities (B)</b>	<b>11,666.07</b>	<b>(3,159.53)</b>
<b>C) Cash flow from financing activities:</b>		
Proceeds from Borrowings (other than Debt Securities)	65,912.90	77,620.31
<b>Net cash from financing activities (C)</b>	<b>65,912.90</b>	<b>77,620.31</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,33,816.33</b>	<b>(28,022.97)</b>
Cash and cash equivalents as at the beginning of the year (refer note no. 3)	9,191.77	37,214.74
<b>Cash and cash equivalents as at the end of the year (refer note no. 3)</b>	<b>2,43,008.10</b>	<b>9,191.77</b>
- Cash and cash equivalents	<b>2,43,008.10</b>	<b>9,191.77</b>

As per our report of even date

For **Nagar Goel & Chawla**  
Chartered Accountants

ICAI Firm Registration No. : 009933N

**Dharmender Singhal**  
Partner  
Membership No. 515984  
Place : New Delhi  
Date : 25.08.2020



On behalf of the Board of Directors

For **MARDA COMMERCIAL & HOLDINGS LTD**

*Daulat Ram*

**Daulat Ram Agarwala**  
Managing Director  
DIN : 0000586956

**Lalit Agarwal**  
Director  
DIN : 00001099920

*Aashish Agarwal*  
**Aashish Agarwal**  
Chief Financial Officer  
PAN NO. AEJPA0655G

*Puja Mantri*  
**Puja Mantri**  
Company Secretary  
PAN NO. DUGMP5770C

## 1. Background

MARDA COMMERCIAL & HOLDING LIMITED. ("The Company") was incorporated on 29<sup>th</sup> January, 1990 under Registrar of Companies under the provision of the Companies Act, 1956. The main objects of the company are to provide the fund based financial services etc.

The Company is a Non-Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India (RBI).

## 2. Significant accounting policies

### 2.1 Basis of accounting and preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with guidelines issued by the Securities and Exchange Board of India (SEBI) and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The financial statements are presented in Indian rupees.

For all periods up to and including the year ended 31 March 2019, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended 31 March 2020 are the first the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note no. 37.

### 2.2 Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.





### **Critical accounting estimates and judgments**

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

- Business model assessment [Refer note no.2.13]
- Fair value of financial instruments [Refer note no.2.14 & 36]
- Effective Interest Rate (EIR) [Refer note no. 2.4]
- Impairment on financial assets [Refer note no.2.13 & 35(c)]
- Provisions and other contingent liabilities [Refer note no. 2.8]
- Provision for tax expenses [Refer note no. 2.10]
- Residual value and useful life of property, plant and equipment and Investment Property [Refer note no.2.6]

### **2.3 Current/ Non-current classification**

All assets and liabilities are classified into current and non-current.

#### **Assets**

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

#### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

#### **Operating cycle**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



## **2.4 Revenue recognition**

### **Interest income**

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non-payment of contractual cash flows is recognised on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

## **2.5 Inventories**

Raw material, packing materials, stores and spares, finished goods, semi-finished goods & stocks in process are valued at cost or market price whichever is lower in accordance with valuation principles laid out in Ind AS-2.

## **2.6 Property, Plant and Equipment and Investment Property**

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'

### **Depreciation on property, plant and equipment**

Depreciation / amortisation are provided over the useful life of the assets, pro rata for the period of use, on a written-down method. The useful life estimates prescribed in Part C of Schedule II to the 2013 Act have been considered as useful life for tangible assets. Acquired intangible assets are amortised over a period as per management estimates of their useful life. Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



**Gains / losses on disposal of assets**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised.

**Investment Property**

Investment property is the property that is not occupied by the Company, and which is held to earn rentals or for capital appreciation, or both. Upon initial recognition, an investment property is measured at cost, including directly attributable overheads, if any. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any. Investment property needs to be valued at Fair value but as an exception, in the instant case, there is a clear evidence that, fair value of investment property is not reliably measurable, as the market for comparable properties is inactive and alternate reliable measurements of fair value cannot be applied.

The Management has decided to convert the immovable property held previously as investments into investment property, to be recognized/ classified as per INDAS.

Any gain or loss on disposal of an investment property is recognised in profit or loss, unless any other standard specifically requires otherwise.

Company depreciates the investment property using the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Company Act, 2013.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 01 April 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties

**2.7 Impairment of non- financial assets**

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

**2.8 Provisions and contingent liabilities**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



## 2.9 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 2.10 Taxes

### i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### ii) Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



**iii) Employee benefits**

- i) Short Term Employee Benefits: (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.
- ii) Contributions towards provident fund are recognized as expense. Provident Fund contributions in respect of all employees are made to Provident Fund Authorities.
- iii) Provision for gratuity payable has been made in accordance with the period of qualifying service put in by the each employee of the Company from the date of joining and up to the end of the financial year.
- iv) Contribution to Central Government Employees State Insurance Scheme for eligible employees is recognized as charge for the year.

**2.11 Finance costs**

Borrowing costs on financial liabilities are recognised using the EIR.

**2.12 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.13 Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

**(i) Financial assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

**Initial measurement**

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.



### **Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified into four categories:

- (a) Debt instruments at amortised cost
- (b) Debt instruments at FVOCI
- (c) Debt instruments at FVTPL
- (d) Equity instruments designated at FVOCI

#### **(a) Debt instruments at amortised cost**

The Company measures its financial assets at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios in the books of the Company, it may sell these portfolios to banks and/or asset reconstruction companies.

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

#### **(b) Debt instruments at FVOCI**

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.



Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Debt instruments such as long term investments in Government securities to meet regulatory liquid asset requirement of the Company's deposit program and mortgage loans portfolio where the Company periodically resorts to partially selling the loans by way of assignment to willing buyers are classified as FVOCI.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

**(c) Debt instruments at FVTPL**

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

The Company's investments into mutual funds, Government securities (trading portfolio) and certificate of deposits for trading and short term cash flow management have been classified under this category.

**(d) Equity investments designated under FVOCI**

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

**Derecognition of Financial Assets**

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.



The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised at fair value if the fee to be received is not expected to compensate the Company adequately for performing the service. If the fees to be received are expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

### **Impairment of financial assets**

ECL is recognised for financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised.

Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

### **Treatment of the different stages of financial assets and the methodology of determination of ECL**

#### **(a) Credit impaired (stage 3)**

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.





Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months-post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default is done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

**(b) Significant increase in credit risk (stage 2)**

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

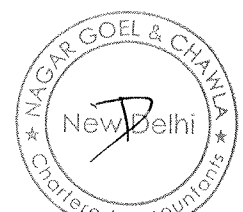
**(c) Without significant increase in credit risk since initial recognition (stage 1)**

ECL resulting from default events that are possible in the next 12 months is recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behavioural score cards and other performance indicators, determined statistically.

**(d) Measurement of ECL**

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

Measurement of expected credit losses are based on 3 main parameters:



- **Probability of default (PD):** It is defined as the probability of whether borrowers will default on their obligations in future. Since the company don't have any history of past losses therefore it was not adequate enough to create our own internal model through which actual defaults for each grade could be estimated. Hence, the default study published by one of the recognised rating agency is used for estimating the PDs for each range grade.
- **Loss given default (LGD):** It is the magnitude of the likely loss, if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value. The default study published by one of the recognised rating agency is used for estimating the LGD for secured and unsecured loans.
- **Exposure at default (EAD):** EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

**Write offs** – The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

**(ii) Financial liabilities**

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

**Initial measurement**

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.



**Subsequent measurement**

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

**Derecognition**

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

**(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

**2.14 Fair value measurements**

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy





**MARDA COMMERCIAL & HOLDINGS LTD**
**CIN - L65929WB1990PLC048280**
**Notes on financial statements for the year ended 31st March 2020**
**All amounts are in Rupees hundred, unless otherwise stated**

<b>Mutual Funds</b>						
Nippon Reliance arbitrage fund - monthly dividend plan(AFMPD) (Formerly Reliance arbitrage fund up to March-2019)	53,70,761	53,70,761	53,70,761	5,73,097.82	5,70,455.40	5,68,231.90
Aditya Birla Mutual fund	100	100	100	190.00	190.00	5,760.00
Reliance mutual fund ETF liquid bees	867	1,266	2,454	8,670.00	12,658.39	24,536.08
<b>Total(i)</b>				<u>5,89,693.97</u>	<u>5,95,592.83</u>	<u>6,00,599.58</u>
<b>(ii) Un-quoted- At fair value through other comprehensive income (FVOCI)*</b>						
Equity Shares						
Advance Hightech Agro Products Limited (Face Value Rs. 10/-)	50,000	50,000	50,000	25,062.67	24,220.84	22,969.74
Tirupati Structural Limited (Face Value Rs. 10/- each)	14,47,900	14,47,900	14,47,900	26,61,433.02	26,10,601.39	24,91,967.98
Farsight Securities Limited (Face value Rs. 10/- each)		45,000	45,000	-	7,469.43	7,435.05
<b>Total(ii)</b>				<u>26,86,495.69</u>	<u>26,42,291.66</u>	<u>25,22,372.77</u>
* The company has designated certain unquoted equity instruments as FVOCI on the basis that these are not held for trading.						
<b>Total(i+ii)</b>				<u>32,76,189.66</u>	<u>32,37,884.49</u>	<u>31,22,972.35</u>
<b>Out of above Investments</b>						
in India				32,76,189.66	32,37,884.49	31,22,972.35
in outside India				-	-	-
				<u>32,76,189.66</u>	<u>32,37,884.49</u>	<u>31,22,972.35</u>
<b>8 Other financial assets</b>				<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	<b>As at 1st April 2018</b>
Unsecured - considered good (unless otherwise stated) <b>At amortised cost</b>						
Interest accrued and but not due				5,267.75	4,553.44	4,828.47
				<u>5,267.75</u>	<u>4,553.44</u>	<u>4,828.47</u>
<b>9 Current tax assets (Net)</b>				<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	<b>As at 1st April 2018</b>
Advance tax & TDS				37,594.00	30,726.28	25,419.95
				<u>37,594.00</u>	<u>30,726.28</u>	<u>25,419.95</u>



**MARDA COMMERCIAL & HOLDINGS LTD**
**CIN - L65929WB1990PLC048280**
**Notes on financial statements for the year ended 31st March 2020**
**All amounts are in Rupees hundred, unless otherwise stated**

10	Investment Property	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	<b>Gross Carrying amount</b>			
	Opening Gross Carrying Amount	6,61,086.91	6,61,086.91	6,61,086.91
	Addition/Deletion			
	<b>Closing Gross Carrying Amount</b>	<u>6,61,086.91</u>	<u>6,61,086.91</u>	<u>6,61,086.91</u>
	<b>Accumulated Depreciation</b>			
	Opening Accumulated Depreciation	11,018.12	-	-
	Depreciation Charge	11,018.12	11,018.12	-
	<b>Closing Accumulated Depreciation</b>	<u>22,036.24</u>	<u>11,018.12</u>	<u>-</u>
	<b>Net Carrying Amount</b>	<u>6,39,050.67</u>	<u>6,50,068.79</u>	<u>6,61,086.91</u>
	<b>Fair Value</b>	6,65,000.00	6,98,250.00	7,33,162.50
	<b>Details of Rental income derived from Investment Property:</b>			
	Rental income derived from investment properties	10,420.00	5,850.00	-
	Direct operating expenses (including repairs and maintenance) generating rental income	1,778.78	11,722.18	-
	<b>Income arising from investment properties before depreciation</b>	<u>8,641.22</u>	<u>(5,872.18)</u>	<u>-</u>
	Depreciation	11,018.12	11,018.12	-
	<b>Income arising from investment properties (Net)</b>	<u>(2,376.90)</u>	<u>(16,890.30)</u>	<u>-</u>
	<b>Note</b>			
	<b>Premises given on Residential Rental basis</b>			
	The Company has given investment properties on residential rental basis. These rental arrangements are for 11 months period.			
	<b>Estimation of Fair Value</b>			
	The fair valuation is based on current prices in the active market for similar properties as declared and provided by the management. The main inputs used by the management in determining the fair value are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in Flats in Jaypee Greens Noida U.P.			
	<b>Carrying value</b>			
	The Company has elected to continue with the carrying value for all of its property as recognised in the financial statements as at 'the date of transition to Ind AS i.e. 1st April, 2018, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The carrying value as at 1st April, 2018 amounting to Rs 6,61,08,691 of Investment Property represents gross cost of 6,61,08,691 net of accumulated depreciation of Rs. NIL 7 as at March 31, 2018.			
	The Company's investment property consists of 7 properties as at 31st March, 2020, 2019 & 2018. Company has let out four property as of 31st March, 2019 and six as of 31st March, 2020 .			
12	<b>Other non-financial assets</b>			
	<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	<b>As at 1st April 2018</b>
	Other advances recoverable	20,011.80	20,000.00	-
		<u>20,011.80</u>	<u>20,000.00</u>	<u>-</u>



**MARDA COMMERCIAL & HOLDINGS LTD**

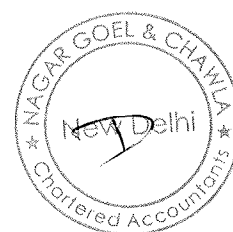
CIN - L65929WB1990PLC048280

Notes on financial statements for the year ended 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

**Note-11**

Particulars	Vehicles	Total Tangible Assets
<b>Property, Plant and Equipment</b>		
Deemed cost as at April 01, 2018	530.37	530.37
Additions	-	-
Disposals	-	-
<b>Gross carrying amount as at March 31,2019</b>	530.37	530.37
Additions	-	-
Disposals	530.37	530.37
<b>Gross carrying amount as at March 31,2020</b>	-	-
<b>Accumulated depreciation /amortisation and impairment</b>		
Balance as at April 01,2018	-	-
Depreciation for the year	-	-
Depreciation on disposals	-	-
<b>Balance as at March 31, 2019</b>	-	-
Depreciation for the year	-	-
Depreciation on disposals	-	-
<b>Balance as at March 31, 2020</b>	-	-
<b>Net carrying amount</b>		
As at April 01, 2018	530.37	530.37
As at March 31, 2019	530.37	530.37
As at March 31, 2020	-	-
Useful Life of the asset (In Years)	8	8
Method of Depreciation	Written down value	



## MARDA COMMERCIAL &amp; HOLDINGS LTD

CIN - L65929WB1990PLC048280

Notes on financial statements for the year ended 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

13	Borrowings (other than Debt Securities)	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	Particulars			
	(A) In India			
	(At amortised cost)			
	Inter corporate deposits	9,81,369.72	9,15,456.82	8,37,836.51
	Outside India	-	-	-
	(B) Out of above	9,81,369.72	9,15,456.82	8,37,836.51
	Secured	-	-	-
	Unsecured			
	From related parties	9,81,369.72	9,15,456.82	8,37,836.51
	Inter corporate deposits	-	-	-
		<u>9,81,369.72</u>	<u>9,15,456.82</u>	<u>8,37,836.51</u>
14	Other financial liabilities			
	Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	Employee benefits payable	-	2,850.00	2,400.00
	Other liabilities	5,553.73	5,506.53	4,650.02
		<u>5,553.73</u>	<u>8,356.53</u>	<u>7,050.02</u>
15	Current tax liabilities (Net)			
		As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	For Income Tax	17,412.57	16,625.94	21,000.00
		<u>17,412.57</u>	<u>16,625.94</u>	<u>21,000.00</u>
16	Deferred tax liabilities (Net)			
	Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	Deferred tax relates to the following:			
	Deferred tax liabilities:			
	- Related to Investment	6,67,280.90	6,54,480.33	6,24,567.29
		<u>6,67,280.90</u>	<u>6,54,480.33</u>	<u>6,24,567.29</u>
	Deferred tax assets:			
	- Related to property, plant and equipment	-	780.16	847.65
	- Related to investment properties	5,546.08	2,773.04	-
	- Related to impairment of financial instruments	25,698.12	9,990.76	8,356.78
		<u>31,244.20</u>	<u>13,543.96</u>	<u>9,204.43</u>
	Deferred tax liabilities (Net)	<u>6,36,036.70</u>	<u>6,40,936.37</u>	<u>6,15,362.86</u>
17	Other non-financial liabilities			
	Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	Statutory dues	7,993.65	9,642.90	8,817.75
		<u>7,993.65</u>	<u>9,642.90</u>	<u>8,817.75</u>





**MARDA COMMERCIAL & HOLDINGS LTD**  
**CIN - L65929WB1990PLC048280**

**Balance sheet as at 31st March 2020**

**All amounts are in Rupees hundred, unless otherwise stated**

18	Equity Share capital Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
		Number	Amount	Number	Amount	Number	Amount
		Authorised share capital Equity shares of Rs. 10 each	1,01,00,000	10,10,000.00	1,01,00,000	10,10,000.00	1,01,00,000
Issued, subscribed and fully paid up Equity shares of Rs. 10 each	1,00,00,600	10,00,060.00	1,00,00,600	10,00,060.00	1,00,00,600	10,00,060.00	

**a) Reconciliation of shares outstanding at the beginning and at the end of reporting period**

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Number	Amount	Number	Amount	Number	Amount
	At the beginning of the year	1,00,00,600	10,00,060.00	1,00,00,600	10,00,060.00	1,00,00,600
Add/less:-	-	-	-	-	-	-
	<b>1,00,00,600</b>	<b>10,00,060.00</b>	<b>1,00,00,600</b>	<b>10,00,060.00</b>	<b>1,00,00,600</b>	<b>10,00,060.00</b>

**b) Terms/rights attached to equity shares**

The Company has only one class of equity shares, having a par value of Rs.10 per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is eligible to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c) The details of shareholders holding more than 5% shares**

Name of shareholder	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)
Advance Ispat( India) Ltd.	19,43,400	19.43%	19,43,400	19.43%	19,43,400	19.43%
Daulat Ram Agrawal	5,12,500	5.12%	5,12,500	5.12%	5,12,500	0.05
Sneha Agarwal	-	-	5,45,000	5.45%	5,45,000	5.45%
<b>Total</b>	<b>24,55,900</b>	<b>24.56%</b>	<b>30,00,900</b>	<b>30.01%</b>	<b>30,00,900</b>	<b>30.01%</b>

**19 Other equity**

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>Statutory Reserve under Section 45-IC of the RBI Act, 1934</b>			
Balance as per last year	2,86,073.22	2,55,283.72	2,55,283.72
Add : Transferred from profit and loss account	15,300.07	30,789.50	-
	<b>3,01,373.29</b>	<b>2,86,073.22</b>	<b>2,55,283.72</b>
<b>Retained earnings</b>			
Balance as per last year	29,63,034.46	28,39,876.47	28,39,876.47
Add : Profit for the year	76,500.36	1,53,947.49	-
Less : Appropriations - Transferred to statutory reserve	15,300.07	30,789.50	-
	<b>30,24,234.75</b>	<b>29,63,034.46</b>	<b>28,39,876.47</b>
<b>Other equity</b>	<b>33,25,608.04</b>	<b>32,49,107.68</b>	<b>30,95,160.19</b>

**Statutory Reserve:**

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of the Company's net profit after tax every year in terms of Section 45-IC of the RBI Act, 1934.

**Retained earnings:**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.



**MARDA COMMERCIAL & HOLDINGS LTD**

**CIN - L65929WB1990PLC048280**

**Notes on financial statements for the year ended 31st March 2020**

**All amounts are in Rupees hundred, unless otherwise stated**

20	Revenue from operations	Year ended 31st March 2020	Year ended 31st March 2019
	<b>On financial assets measured as amortised cost</b>		
	Interest on loans	1,51,327.17	1,69,853.09
	Interest on deposits with banks	9,404.72	13,232.47
	Dividend from Equity Shares	172.77	-
	Dividend from Mutual Funds	28,531.88	29,229.37
		<u>1,89,436.54</u>	<u>2,12,314.93</u>
21	Other income	Year ended 31st March 2020	Year ended 31st March 2019
	Rental Income	10,420.00	5,850.00
	Miscellaneous Income	229.47	-
		<u>10,649.47</u>	<u>5,850.00</u>
22	Finance costs	Year ended 31st March 2020	Year ended 31st March 2019
	<b>On financial liabilities measured as amortised cost</b>		
	Interest paid on loans	73,236.55	91,823.34
		<u>73,236.55</u>	<u>91,823.34</u>
23	Impairment of financial instruments	Year ended 31st March 2020	Year ended 31st March 2019
	<b>On financial instruments measured at amortised cost</b>		
	Provisions for expected credit loss	57,837.31	6,925.70
		<u>57,837.31</u>	<u>6,925.70</u>
24	Employee benefits expense	Year ended 31st March 2020	Year ended 31st March 2019
	Salary, wages and other benefits	13,320.00	12,840.00
		<u>13,320.00</u>	<u>12,840.00</u>
24.1	Salary includes Director remuneration of Rs.6,00,000( previous year Rs. 6,00,000 )		



**MARDA COMMERCIAL & HOLDINGS LTD**

CIN - L65929WB1990PLC048280

Notes on financial statements for the year ended 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

25	Depreciation and amortization	Year ended 31st	Year ended 31st
		March 2020	March 2019
	Deprecation and amortization	11,018.12	11,018.12
		<b>11,018.12</b>	<b>11,018.12</b>
26	Other expenses	Year ended 31st	Year ended 31st
		March 2020	March 2019
	<b>Repairs &amp; maintenance</b>		
	- Building	1,653.38	11,715.22
	- Office	125.40	-
	Travelling & conveyance	35.00	20.00
	Rates fees & taxès	1,661.27	735.49
	Depository charges	1,062.00	1,062.00
	Rent paid	1,080.00	1,080.00
	Loss on sale/fair valuation of financial instruments	3,439.05	2,650.18
	General & other expenses	521.61	443.75
	Bank charges	3.66	29.94
	Legal & professional charges	580.00	384.00
	Statutory audit fees	767.00	767.00
	Internal audit fees	300.00	250.00
	Printing & stationery	22.80	205.81
	Postage & courier	55.00	75.00
	Loss on sale of motor vehicle	30.37	-
		<b>11,336.54</b>	<b>19,418.39</b>



**MARDA COMMERCIAL & HOLDINGS LTD**

CIN - L65929WB1990PLC048280

Balance sheet as at 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

**27 Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per Share"**

Particulars		As at 31st March 2020	As at 31st March 2019
<b>Basic</b>			
Profit after tax	A	33,754.16	64,209.80
Weighted average number of equity shares outstanding	B	1,00,00,600	1,00,00,600
Basic earning per share (Rs)	A/B	0.34	0.64
<b>Diluted</b>			
Profit after tax (Rs. In Lakhs)	A	33,754.16	64,209.80
Weighted average number of equity shares outstanding	B	1,00,00,600	1,00,00,600
Add: Weighted average number of potential equity shares	C	-	-
Weighted average number of shares outstanding for diluted EPS	D=B+C	1,00,00,600	1,00,00,600
Diluted earning per share (before and after extraordinary items) (Rs)	A/D	0.34	0.64
Face value of shares (Rs)		10.00	10.00

**28 Auditors Remuneration**

Particulars	As at 31st March 2020	As at 31st March 2019
<u>Payment to auditors (net of GST credit availed)</u>		
Statutory audit	767.00	767.00
	-	-
	<b>767.00</b>	<b>767.00</b>

**29 Expenditure in foreign currency:**

Particulars	As at 31st March 2020	As at 31st March 2019
	-	-
	-	-

Note :

i) There are no reportable earnings in foreign currency during the year ended 31st March 2020. (31st March 2019: Nil)

ii) The Company do not have any exposures in foreign currency as at the Balance Sheet date.

**30 Disclosure pursuant to Ind AS 108 "Operating Segment"**

The Company operates mainly in the business segment of Lending activity. As such there are no reportable segments as per Ind AS 108 on Operating Segment. Since the business operations of the Company are concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

**31 Contingent Liabilities and Commitments**

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>Contingent liabilities</b>			
Claims against the Company not acknowledged as debt			
- Income Tax matters	-	-	-
CIT(appeals) Kolkata AY 2011-12	19,780.39	19,780.39	-
IT(appellate tribunal) Kolkata AY 2012-13	23,488.92	23,488.92	-
CIT(appeals) Kolkata AY 2014-15	15,072.65	15,072.65	15,072.65
Guarantees			
- Bank Guarantees	-	-	-
	<b>58,341.96</b>	<b>58,341.96</b>	<b>15,072.65</b>
<b>Commitments</b>			
Estimated amount of contracts(net of advances) remaining to be executed	-	-	-
Undrawn committed sanctions to borrowers	-	-	-
	<b>58,341.96</b>	<b>58,341.96</b>	<b>15,072.65</b>



**MARDA COMMERCIAL & HOLDINGS LTD**

CIN - 165929WB1990PLC048280

Balance sheet as at 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

**32 Disclosure of Related party transactions pursuant to (Ind AS - 24) and Companies act 2013  
"Related Party Disclosures"****a. Name of related parties and relationship****i) Key Managerial Personnels/Director**

Aashish Agarwal  
Lalit Agarwal  
Daulat Ram Agarwala  
Kamlesh Gupta  
Puja Mantri

**ii) Others**

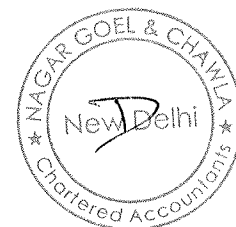
Tak Buildtech Pvt Ltd  
Advance Steel Tubes Ltd.  
Tirupati Structural Ltd.  
Shyama devi Agarwal  
Devaki Nandan Agarwal

**b. Transaction with related parties**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Key Management personal	Others	Key Management personal	Others
Loan given received back		21,476.28		
Interest received	-	1,40,226.49	-	1,68,850.35
Interest paid	-	73,236.55	-	91,628.98
Salary Paid	7,320.00		6,840.00	
Directors Remuneration	6,000.00	-	6,000.00	-
Rent paid		1,080.00		1,080.00
Sale of shares		10,800.00		
Sitting fees	225.00			

**c. Closing balance with related parties**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Key Management personal	Others	Key Management personal	Others
Borrowings (other than Debt Securities)	-	9,81,369.72	-	9,15,456.82
Other Receivable		10,800.00		
Other financial liabilities	-	-	2,850.00	
Loans given	-	15,37,893.09	-	15,59,369.38



33 Disclosure pursuant to Ind AS 12 'Income Taxes'

(i) Tax Expenses recognised in the Statement of Profit and Loss

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Current tax:</b>		
In respect of current year	17,412.57	16,625.94
In respect of short/(excess) provision of income tax for earlier years	-671.74	-88.67
<b>Deferred Tax:</b>		
Deferred tax liability/(assets) relating to origination and reversal of temporary differences	(17,157.50)	(4,607.69)
<b>Total Income Tax recognised in profit or loss</b>		
Current tax	16,740.83	16,537.27
Deferred tax	(17,157.50)	(4,607.69)
<b>Total Income Tax recognised in profit or loss</b>	<b>(416.67)</b>	<b>11,929.58</b>

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Deferred tax related to items recognised in Other comprehensive income during the year:</b>		
Fair value of equity instruments	12,257.83	30,181.20
<b>Total Income tax recognised in Other comprehensive income</b>	<b>12,257.83</b>	<b>30,181.20</b>

(iii) Reconciliation of effective tax rate :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit before Tax	33,337.49	76,139.38
Enacted income tax rate (%)	25.17%	26.00%
Income tax expense calculated at applicable income tax rate	8,390.38	19,796.24
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Expenses that are not deductible for tax purposes	17,797.57	4,942.43
Dividend income exempt from income tax	-7,224.39	-7,599.64
Deductions available under income tax	(1,695.56)	(513.09)
Interest u/s 234B & 234C	144.58	
Income tax for earlier year	-671.74	-88.67
Income Tax expense recognised in profit and loss	16,740.83	16,537.27
Deferred Tax recognised in profit and loss	(17,157.50)	(4,607.69)
<b>Tax recognised in profit and loss</b>	<b>-416.67</b>	<b>11,929.58</b>
<b>Actual effective income tax rate (%)</b>	<b>-1.25%</b>	<b>15.67%</b>

(iv) Recognised deferred tax assets and liabilities

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>Deferred Tax Asset :</b>			
Related to property, plant and equipment	-	780.16	847.65
Related to investment properties	5,546.08	2,773.04	-
Related to impairment of financial instruments	25,698.12	9,990.76	8,356.78
<b>Deferred Tax Liability:</b>			
Related to Investment	6,67,280.90	6,54,480.33	6,24,567.29
<b>Net Deferred Tax Asset/(Liability)</b>	<b>-6,36,036.70</b>	<b>-6,40,936.37</b>	<b>-6,15,362.86</b>

(v) Movement in temporary differences

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Credit / (Charge) in the Statement of Profit and Loss during the period</b>		
Loans	15,707.36	1,633.98
Property, Plant and Equipment & Intangible assets	-780.16	-67.49
Investment properties	2,773.04	2,773.04
Investment	-542.74	268.16
<b>Total (a)</b>	<b>17,157.50</b>	<b>4,607.69</b>
<b>Credit / (Charge) in the other comprehensive income during the period</b>		
Provisions - Investment	(12,257.83)	(30,181.20)
<b>Total (b)</b>	<b>(12,257.83)</b>	<b>(30,181.20)</b>
Net deferred income tax asset at the beginning (c)	-6,40,936.37	-6,15,362.86
<b>Net deferred tax asset/(Liabilities) at the end of the period (d) = (a) + (b)</b>	<b>-6,36,036.70</b>	<b>-6,40,936.37</b>

34 Maturity Analysis of Assets & Liabilities

	As at 31st March 2020			As at 31st March 2019			As at 1st April 2018		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
<b>Assets</b>									
<b>Financial Assets</b>									
Cash & cash equivalents	2,43,008.10	-	2,43,008.10	9,191.77	-	9,191.77	37,214.74	-	37,214.74
Bank balances other than Cash & cash equivalents	1,29,637.60	-	1,29,637.60	1,21,948.34	-	1,21,948.34	1,14,847.57	-	1,14,847.57
Receivables	-	-	-	-	-	-	-	-	-
- Trade Receivables	-	-	-	-	-	-	-	-	-
- Other Receivables	11,850.00	-	11,850.00	458.01	-	458.01	4.30	-	4.30
Loans	16,11,424.83	-	16,11,424.83	17,64,824.75	-	17,64,824.75	16,18,382.67	-	16,18,382.67
Investments	16,596.15	32,59,593.51	32,76,189.66	25,137.43	32,12,747.06	32,37,884.49	32,367.68	30,90,604.67	31,22,972.35
Other financial assets	5,267.75	-	5,267.75	4,553.44	-	4,553.44	4,828.47	-	4,828.47
<b>Non-financial Assets</b>									
Current tax assets	37,594.00	-	37,594.00	30,726.28	-	30,726.28	25,419.95	-	25,419.95
Investment property	-	6,39,050.67	6,39,050.67	-	6,50,068.79	6,50,068.79	-	6,61,086.91	6,61,086.91
Property, plant and equipments	-	-	-	-	530.37	530.37	-	530.37	530.37
Other non-financial assets	20,011.80	-	20,011.80	20,000.00	-	20,000.00	-	-	-
<b>Total Assets</b>	<b>20,75,390.23</b>	<b>38,98,644.18</b>	<b>59,74,034.41</b>	<b>19,76,840.02</b>	<b>38,63,346.22</b>	<b>58,40,186.24</b>	<b>18,33,065.38</b>	<b>37,52,221.95</b>	<b>55,85,287.33</b>
<b>LIABILITIES</b>									
<b>Financial Liabilities</b>									
Borrowings (other than Debt Secu	9,81,369.72	-	9,81,369.72	9,15,456.82	-	9,15,456.82	8,37,836.51	-	8,37,836.51
Other financial liabilities	5,553.73	-	5,553.73	8,356.53	-	8,356.53	7,050.02	-	7,050.02
<b>Non-financial Liabilities</b>									
Current tax liabilities (net)	17,412.57	-	17,412.57	16,625.94	-	16,625.94	21,000.00	-	21,000.00
Deferred tax liabilities (Net)	-	6,36,036.70	6,36,036.70	-	6,40,936.37	6,40,936.37	-	6,15,362.86	6,15,362.87
Other non-financial liabilities	7,993.65	-	7,993.65	9,642.90	-	9,642.90	8,817.75	-	8,817.75
<b>Total Liabilities</b>	<b>10,12,329.67</b>	<b>6,36,036.70</b>	<b>16,48,366.37</b>	<b>9,50,082.19</b>	<b>6,40,936.37</b>	<b>15,91,018.56</b>	<b>8,74,704.28</b>	<b>6,15,362.86</b>	<b>14,90,067.14</b>
Net	10,63,060.56	32,62,607.48	43,25,668.04	10,26,757.83	32,22,409.85	42,49,167.68	9,58,361.10	31,36,859.09	40,95,220.19



35 Financial Risk Management

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 has constituted the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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

The Company has exposure to the following risks arising from its business operations:

i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount.

Credit Risk is monitored through stringent credit appraisal, counter party limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

Company primarily offers loans secured by Real estate. In order to mitigate credit risk, Company also seeks collateral appropriate to the product segment. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of real estate.

a) Maximum exposure to the Credit risk

This table below shows the Company's maximum exposure to the credit risk.

Particulars	Mar-20	Mar-19	Mar-18
Financial Assets at amortised cost - Loans & Advances (Gross)	17,13,531.14	18,09,093.75	16,55,725.97
Less : Impairment loss allowances	1,02,106.31	44,269.00	37,343.30
Financial Assets at amortised cost - Loans & Advances (Net)	16,11,424.83	17,64,824.75	16,18,382.67
Trade receivables	11,850.00	458.01	4.30
<b>Total</b>	<b>16,23,274.83</b>	<b>17,65,282.76</b>	<b>16,18,386.97</b>

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status and other qualitative factors leading to increase in credit risk.

**Inputs, assumptions and techniques used for estimating impairment**

In assessing the impairment of financial assets under the expected credit loss model, the Company defines default when a loan obligation is overdue for more than 90 days and credit impaired.

**Assessment of significant increase in credit risk**

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD) and other qualitative internal or external factors demonstrating credit or liquidity risk.

**Calculation of expected credit losses**

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

For PD the Company has relied upon the PD data from industry benchmarks and external rating agencies. For Loss Given Default (LGD) the Company has relied on internal and external information.

In relation to COVID-19, Management has applied appropriate overlay to the above method of determining ECL.





MARDA COMMERCIAL & HOLDINGS LTD  
CIN - L65929WB1990PLC048280  
Balance sheet as at 31st March 2020  
All amounts are in Rupees hundred, unless otherwise stated

The following table sets out information about the credit quality of financial assets measured at amortised cost.

Particulars	As at	As at	As at
	31st March 2020	31st March 2019	1st April 2018
Gross Stage 1 (DPD< 30 days) Performing asset and 12 monthh ECL	15,64,709.24	16,60,271.85	14,06,904.07
Less : Impairment loss allowance	27,695.36	29,386.81	24,902.20
<b>Net Stage 1 Assets</b>	<b>15,37,013.88</b>	<b>16,30,885.04</b>	<b>13,82,001.87</b>
ECL Prov. Coverage	1.77%	1.77%	1.77%
<b>Gross Stage 2 (30&gt;DPD&lt; 90 days) Under performing assets</b>			
<b>Increase in credit risk and Lifetime ECL</b>	-	1,48,821.90	2,48,821.90
Less : Impairment loss allowance	-	14,882.19	12,441.10
<b>Net Stage 2 Assets</b>	-	<b>1,33,939.71</b>	<b>2,36,380.80</b>
ECL Prov. Coverage	0.00%	10.00%	5.00%
<b>Gross Stage 3 (DPD&gt;90) Non-performing assets credit impaired and lifetime ECL</b>	<b>1,48,821.90</b>	-	-
Less : Impairment loss allowance	74,410.95	-	-
<b>Net Stage 3 Assets</b>	<b>74,410.95</b>	-	-
ECL Prov. Coverage	50.00%	-	-
<b>Total Loans &amp; Advances</b>	<b>17,13,531.14</b>	<b>18,09,093.75</b>	<b>16,55,725.97</b>
Less : Impairment loss allowance	1,02,106.31	44,269.00	37,343.30
<b>Net Loans &amp; Advances</b>	<b>16,11,424.83</b>	<b>17,64,824.74</b>	<b>16,18,382.67</b>
ECL Provision Coverage	5.96%	2.45%	2.26%

**Credit impairment charge to the income statement**

Particulars	For the year ended	For the year ended
	31st March 2020	31st March 2019
New and increased provisions (incl. write off)	57,837.31	6,925.70
Write-backs of specific provisions	-	-
Recoveries of specific provisions	-	-
<b>Total charge to the income statement</b>	<b>57,837.31</b>	<b>6,925.70</b>

**Write-offs still under enforcement activity**

The contractual amount outstanding on loans and advances that were written off during the year ended March 2020, and are still subject to enforcement activity was Nil.



MARDA COMMERCIAL & HOLDINGS LTD

CIN - L65929WE1999PLC048280

Balance sheet as at 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

c) Movement in Gross Exposures and credit impairment for loans and advances

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost or FVTOCI. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Please refer to the accounting policy for details.

	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Balance as at April 1, 2018</b>	14,06,904.07	2,48,821.90	-	16,55,725.97	24,902.20	12,441.10	-	37,343.30
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	-	-	-	-	-	-	-	-
- Transferred to lifetime ECL - significant increase in credit risk	-	-	-	-	-	-	-	-
- Transferred to lifetime ECL credit - impaired	-	-	-	-	-	-	-	-
Increase due to financial assets originated	1,00,902.47	-	-	1,00,902.47	1,705.97	-	-	1,785.97
Decrease due to loans derecognised on part payment	-	(1,00,000.00)	-	(1,00,000.00)	-	-	-	-
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	1,52,465.31	-	-	1,52,465.31	2,698.64	2,441.09	-	5,139.73
Amounts written off during the year	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>16,60,271.85</b>	<b>1,48,821.90</b>	<b>-</b>	<b>18,09,093.75</b>	<b>29,386.81</b>	<b>14,882.19</b>	<b>-</b>	<b>44,269.00</b>
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	-	-	-	-	-	-	-	-
- Transferred to lifetime ECL - significant increase in credit risk	-	(1,48,821.90)	1,48,821.90	-	-	(14,882.19)	14,882.19	-
- Transferred to lifetime ECL credit - impaired	-	-	-	-	-	-	-	-
Increase due to financial assets originated	-	-	-	-	-	-	-	-
Decrease due to loans derecognised on part payment	(95,562.61)	-	-	(95,562.61)	(1,691.45)	-	-	(1,691.45)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	59,528.76	59,528.76
Amounts written off during the year	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>15,64,709.24</b>	<b>-</b>	<b>1,48,821.90</b>	<b>17,13,531.14</b>	<b>27,695.36</b>	<b>-</b>	<b>74,410.95</b>	<b>1,02,106.31</b>



**ii) Liquidity Risk**

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

Company has in place an Asset-Liability Management Committee (ALCO) which functions as the operational unit for managing the Balance Sheet within the performance and risk parameters laid down by the Board and Risk Committee of the Board. ALCO reviews Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. ALCO ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc.

Key principles adopted in the Company's approach to managing liquidity risk include:

- Monitoring the Company's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information.
- Maintaining a high quality liquid asset portfolio or maintaining undrawn bank lines.
- Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations.

The Company's principal sources of liquidity are cash and cash equivalents, liquid asset portfolio like Mutual funds and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at 31st March 2020	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	9,81,369.72	9,81,369.72	-	-	-
Other Financial Liabilities	5,553.73	5,553.73	-	-	-
	<b>9,86,923.45</b>	<b>9,86,923.45</b>	-	-	-

As at 31st March 2019	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	9,15,456.82	9,15,456.82	7,645.54	-	-
Other Financial Liabilities	8,356.53	8,356.53	-	-	-
	<b>9,23,813.35</b>	<b>9,23,813.36</b>	<b>7,645.54</b>	-	-

As at 1st April 2018	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	8,37,836.51	8,37,836.51	-	-	-
Other Financial Liabilities	7,050.02	7,050.02	-	-	-
	<b>8,44,886.53</b>	<b>8,44,886.53</b>	-	-	-

**iii) Market Risk**

Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

**iv) Interest rate risk**

Company has exposure to interest rate risk, primarily from its lending business and related borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's Statement of Profit and Loss.

	% Increase in rate		Increase/(decrease) in profit	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Borrowings that are re-priced	0.25%	0.25%	-	-
Loans that are re-priced	0.25%	0.25%	-	-

Interest rate risk is managed primarily by monitoring the sensitivity of expected net interest income ('NII') under varying interest rate scenarios. This monitoring is undertaken by ALCO on regular basis. The NII sensitivities shown are indicative and based on simplified scenarios.



36 Financial Instruments

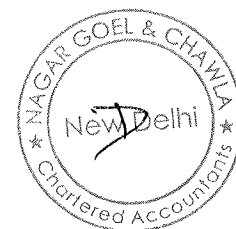
i) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial instruments (excluding investment in subsidiaries), including their levels in the fair value hierarchy. The company has disclosed financial instruments not measured at fair value at carrying values because their carrying amounts are a reasonable approximation of the fair values.

As at 31st March 2020	Carrying Amount				Fair value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Cash and cash equivalents	-	-	2,43,008.10	2,43,008.10	-	-	-	-
Bank balances other than Cash & cash equivalents	-	-	1,29,637.60	1,29,637.60	-	-	-	-
Other receivables	-	-	11,850.00	11,850.00	-	-	-	-
Loans	-	-	16,11,424.83	16,11,424.83	-	-	-	-
Investments	5,89,693.97	26,86,495.69	-	32,76,189.66	5,89,693.97	-	26,86,495.69	32,76,189.66
Other financial assets	-	-	5,267.75	5,267.75	-	-	-	-
<b>Total</b>	<b>5,89,693.97</b>	<b>26,86,495.69</b>	<b>20,01,188.28</b>	<b>52,77,377.94</b>	<b>5,89,693.97</b>	<b>-</b>	<b>26,86,495.69</b>	<b>32,76,189.66</b>
<b>Financial liabilities</b>								
Borrowings (other than Debt Securities)	-	-	9,81,369.72	9,81,369.72	-	-	-	-
Other financial liabilities	-	-	5,553.73	5,553.73	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,86,923.45</b>	<b>9,86,923.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31st March 2019	Carrying Amount				Fair value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Cash and cash equivalents	-	-	9,192	9,192	-	-	-	-
Bank balances other than Cash & cash equivalents	-	-	1,21,948	1,21,948.34	-	-	-	-
Other receivables	-	-	458	458.01	-	-	-	-
Loans	-	-	17,64,825	17,64,824.75	-	-	-	-
Investments	5,89,693.97	26,48,191	-	32,37,884.49	-	-	-	-
Other financial assets	-	-	4,553	4,553.44	-	-	-	-
<b>Total</b>	<b>5,89,693.97</b>	<b>26,48,190.52</b>	<b>19,00,976.31</b>	<b>51,38,860.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>								
Borrowings (other than Debt Securities)	-	-	9,15,456.82	9,15,456.82	-	-	-	-
Other financial liabilities	-	-	8,356.53	8,356.53	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,23,813.35</b>	<b>9,23,813.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 1st April 2018	Carrying Amount				Fair value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Cash and cash equivalents	-	-	37,215	37,215	-	-	-	-
Bank balances other than Cash & cash equivalents	-	-	1,14,848	1,14,847.57	-	-	-	-
Other receivables	-	-	4	4.30	-	-	-	-
Loans	-	-	16,18,383	16,18,382.67	-	-	-	-
Investments	6,00,599.58	25,22,373	-	31,22,972.35	-	-	-	-
Other financial assets	-	-	4,828	4,828.47	-	-	-	-
<b>Total</b>	<b>6,00,599.58</b>	<b>25,22,372.77</b>	<b>17,75,277.75</b>	<b>48,98,250.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>								
Borrowings (other than Debt Securities)	-	-	8,37,836.51	8,37,836.51	-	-	-	-
Other financial liabilities	-	-	7,050.02	7,050.02	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,44,886.53</b>	<b>8,44,886.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



37 Ind AS 101 - First Time adoption of Indian Accounting Standards:

The Company has transitioned its basis of accounting to Ind AS from Previous GAAP (the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder). These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. Accordingly, the Significant Accounting Policies set out in Note No 1, have been applied consistently to all the periods presented in the financial statements, including comparative information presented in the financial statements for the year ended March 31, 2019 and the opening Ind AS Balance Sheet as at April 1, 2018.

In preparing these Ind AS Financial Statements, the Company has also availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2018 and the subsequent financial

**Optional Exemptions from retrospective application**

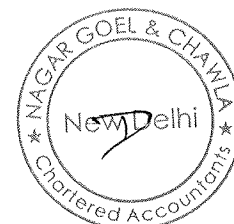
Ind AS 101 allows first time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application of Ind AS:

- Deemed cost for Property, Plant and Equipment, Intangible Assets and Investments properties**  
The Company has elected to measure all its property, plant and equipment, intangible assets and investments properties at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.
- Investments in subsidiaries:**  
The Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

The company has prepared opening Balance Sheet as per Ind AS as of April 01, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

**Reconciliation of balance sheet (including equity) as previously reported under IGAAP to Ind AS**

	As at 1st April 2018			As at 31st March 2019		
	Previous GAAP	Adjustment	Ind AS	Previous GAAP	Adjustment	Ind AS
<b>ASSETS</b>						
<b>1 Financial Assets</b>						
(a) Cash & cash equivalents	37,214.74	-	37,214.74	9,191.77	-	9,191.77
(b) Bank balances other than Cash & cash equivalents	1,14,847.57	-	1,14,847.57	1,21,948.34	-	1,21,948.34
(c) Receivables	4.30	-	4.30	458.01	-	458.01
- Other Receivables						
(d) Loans (refer note i and ii)	16,55,725.97	(37,343.30)	16,18,382.67	18,03,093.75	(44,269.00)	17,64,824.75
(e) Investments	6,41,379.43	24,81,592.92	31,22,972.35	6,37,438.19	26,00,446.30	32,37,884.49
(f) Other financial assets	4,828.47	-	4,828.47	4,553.44	-	4,553.44
<b>2 Non-financial Assets</b>						
(a) Current tax assets (Net)	25,419.95	-	25,419.95	30,726.28	-	30,726.28
(b) Investment property (refer vii)	6,61,086.91	-	6,61,086.91	6,61,086.91	(11,018.12)	6,50,068.79
(c) Property, plant and equipments (refer vii)	530.37	-	530.37	530.37	-	530.37
(d) Other non-financial assets	-	-	-	20,000.00	-	20,000.00
<b>Total Assets</b>	<b>31,41,037.71</b>	<b>24,44,249.62</b>	<b>55,85,287.33</b>	<b>32,95,627.06</b>	<b>25,45,159.18</b>	<b>58,40,186.23</b>
<b>LIABILITIES AND EQUITY</b>						
<b>1 LIABILITIES</b>						
<b>Financial Liabilities</b>						
(a) Borrowings (other than Debt Securities)	8,37,836.51	-	8,37,836.51	9,15,456.82	-	9,15,456.82
(b) Other financial liabilities	7,050.02	-	7,050.02	8,356.53	-	8,356.53
<b>2 Non-Financial Liabilities</b>						
(a) Current tax liabilities (Net)	25,139.31	(4,139.31)	21,000.00	21,198.67	(4,572.73)	16,625.94
(b) Deferred tax liabilities (Net)	(847.65)	6,16,210.51	6,15,362.86	(730.16)	6,41,716.53	6,40,936.37
(c) Other non-financial liabilities	8,817.75	-	8,817.75	9,642.90	-	9,642.90
<b>EQUITY</b>						
(a) Equity share capital	10,00,060.00	-	10,00,060.00	10,00,060.00	-	10,00,060.00
(b) Other equity	12,62,981.77	18,32,178.42	30,95,160.19	13,41,992.30	19,08,015.38	32,49,107.68
<b>Total Liabilities and Equity</b>	<b>31,41,037.71</b>	<b>24,44,249.62</b>	<b>55,85,287.33</b>	<b>32,95,627.06</b>	<b>25,45,159.18</b>	<b>58,40,186.23</b>



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Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

		For the year ended 31st March 2019		
		Previous GAAP	Adjustment	Ind AS
1	Revenue:			
	Revenue from operations	2,12,314.93	-	2,12,314.93
	Other income	5,850.00	-	5,850.00
	<b>Total income</b>	<b>2,18,164.93</b>	<b>-</b>	<b>2,18,164.93</b>
2	Expenses :			
	Finance costs	91,823.34	-	91,823.34
	Impairment of financial instruments	433.42	6,492.28	6,925.70
	Employee benefits expense	12,840.00	-	12,840.00
	Depreciation and amortization	-	11,018.12	11,018.12
	Other expense	19,352.88	1,065.51	19,418.39
	<b>Total expenses</b>	<b>1,23,449.64</b>	<b>18,575.91</b>	<b>1,42,025.55</b>
(V)	Profit / (loss) before exceptional items and tax (III-IV)	<b>94,715.29</b>	<b>(18,575.91)</b>	<b>76,139.38</b>
(VI)	Exceptional items	-	-	-
3	<b>Profit/(loss) before tax</b>			
4	Tax Expense:			
	Current tax	16,625.94	-	16,625.94
	Short/(Excess) provision of income tax for earlier years	(88.67)	-	(88.67)
	Deferred tax liability/(assets) (refer note vi)	67.49	4,675.18	(4,607.69)
	<b>Total Tax expense</b>	<b>16,604.76</b>	<b>4,675.18</b>	<b>11,929.58</b>
5	<b>Profit / (loss) for the period from continuing operations</b>	<b>78,110.53</b>	<b>(13,900.73)</b>	<b>64,209.80</b>
6	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit or loss	-	1,19,918.89	1,19,918.89
	Change in fair value of equity instruments(Un-quoted) through OCI	-	30,181.20	30,181.20
	Tax impact on above	-	89,737.69	89,737.69
	<b>Other Comprehensive Income</b>		<b>89,737.69</b>	<b>89,737.69</b>
7	<b>Total Comprehensive Income for the period</b>	<b>78,110.53</b>	<b>75,836.96</b>	<b>1,53,947.49</b>

Transition to Ind AS - Reconciliations

Reconciliation of Equity

Particulars	As at 31st March 2019	As at 1st April 2018
Total Equity as per IGAAP	23,41,152.30	22,63,041.77
Adjustment made during the transition to IND AS		
a) ECL Adjustment on Financial instruments measured at Amortized cost (ii)	(39,696.27)	(33,203.99)
b) Fair value of Investments	26,00,446.30	24,81,592.92
c) Investment property valuation as per Ind AS 16 & 40	(1,018.12)	-
d) DTA on the above adjustment	(6,41,716.53)	(6,16,210.51)
Total Impact due to Ind AS transition on April 1, 2018	19,08,015.38	18,32,178.42
Total Equity as per Ind AS as at 1st April, 2018	42,49,167.68	40,95,220.19

Reconciliation of Total Comprehensive Income for the year ended March 31, 2019

Particulars	Amount
Profit after Tax as per GAAP	78,110.53
Adjustment made during the transition to IND AS	
1 Loan given to Staff at concessional rate	(6,492.28)
2 Expected credit loss	(11,018.12)
3 Depreciation on investment property as per Ind AS 16 & 40	(1,065.51)
4 Fair value of Investments	4,675.18
7 DTA on the above adjustment	89,737.69
Profit after tax as per Ind AS (Before Other Comprehensive income)	64,209.80
Other Comprehensive Income (Net of Tax)	89,737.69
Total Comprehensive Income as per Ind AS	1,53,947.49

Statement of reconciliation of cash flow statement under Ind AS and cash flow statement reported under Previous GAAP

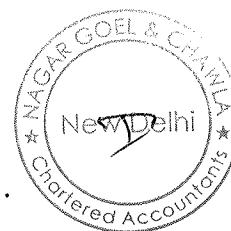
Particulars	Previous GAAP	Adjustment	Ind AS
Net cash used in operating activities (A)	67.96	(1,02,483.75)	(1,02,483.75)
Net cash used in investing activities (B)	(1,05,711.24)	1,02,551.71	(3,159.53)
Net cash generated from financing activities (C)	77,620.31	-	77,620.31
Net increase in cash and cash equivalents (A+B+C)	(28,022.97)	0.00	(28,022.97)
Cash and cash equivalents at beginning of the year	37,214.74	-	37,214.74
Cash and cash equivalents at the end of the year	9,191.77	0.00	9,191.77



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- i) **Effective interest rate (EIR) method :**  
Previous GAAP did not require loans to be recorded using the EIR method. Under Ind AS, the EIR method calculates the amortised cost of a financial instrument and allocated such interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.
- ii) **Expected credit loss (ECL) :**  
Previous GAAP provisions for credit losses were primarily based on RBI guidelines. Under Ind AS, the ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial assets (' life time ECL '), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL.
- iii) **Income recognition on credit-impaired loans :**  
RBI guidelines required income on NPAs to be reversed. Under Ind AS, income continues to be recognised on credit impaired loans, by applying the effective interest rate to the net amortised cost of loans (i.e. net of allowance for loan losses)
- iv) **Borrowing costs :**  
Previous GAAP did not require amortised cost accounting for liabilities. Under Ind AS, the Company determines the effective interest rate of its borrowings and records interest expense on that basis.
- v) **Employee defined benefit plans :**  
Previous GAAP required actuarial experience adjustments relating to defined benefit plans, i.e. gratuity to be recorded in the profit and loss account. By contrast, under Ind AS, the Company records such adjustments in OCI if any.
- vi) **Deferred tax :**  
Deferred tax effect of all adjustments has been recognised on transition date and during the year ended 31 March 2019
- vii) **Ind AS 101 exemptions :**  
The company has used certain available exemptions under Ind AS 101 for first-time adoption, and accordingly has retained the accounting under Previous GAAP for transactions that occurred prior to the Ind AS transition date. These optional exemptions relate to property plant and equipment, intangible assets, investment in subsidiaries.
- viii) **Cash flow statement :**  
There are no significant differences in the principles used for presenting cash flows between the previous GAAP and Ind AS.



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Notes on financial statements for the year ended 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

38 Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
<b>Performing assets</b>						
Standard	Stage 1	15,64,709.24	27,695.36	15,37,013.88	3,911.77	23,783.59
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		<b>15,64,709.24</b>	<b>27,695.36</b>	<b>15,37,013.88</b>	<b>3,911.77</b>	<b>23,783.59</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	1,48,821.90	74,410.95	1,48,821.90	14,882.19	59,528.76
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		1,48,821.90	74,410.95	1,48,821.90	14,882.19	59,528.76
Loss		-	-	-	-	-
<b>Subtotal for NPA</b>		<b>1,48,821.90</b>	<b>74,410.95</b>	<b>1,48,821.90</b>	<b>14,882.19</b>	<b>1,19,057.52</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Stage 1</b>	<b>15,64,709.24</b>	<b>27,695.36</b>	<b>15,37,013.88</b>	<b>3,911.77</b>	<b>23,783.59</b>
	<b>Stage 2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Stage 3</b>	<b>1,48,821.90</b>	<b>74,410.95</b>	<b>74,410.95</b>	<b>14,882.19</b>	<b>59,528.76</b>
	<b>Total</b>	<b>17,13,531.14</b>	<b>1,02,106.31</b>	<b>16,11,424.83</b>	<b>18,793.96</b>	<b>83,312.35</b>





MARDA COMMERCIAL & HOLDINGS LTD

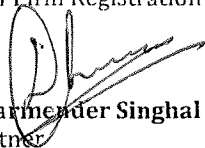
CIN - L65929WB1990PLC048280

Notes on financial statements for the year ended 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

- 39 The outbreak of COVID 19 pandemic and consequent lockdown partially impacted the operation of the company since the last week of the March 2020. In relation to COVID-19, judgments and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied prior to the COVID-19 pandemic, the Company has separately incorporated estimates, assumptions and judgments specific to the impact of the COVID-19 pandemic based on early indicators of and delayed payments metrics observed along with an estimation of potential stress on probability of defaults and exposure at defaults. The extent to which the COVID-19 pandemic will impact the Company's impairment loss allowance on assets and future results will depend on future developments, which are highly uncertain and the Company will continue to closely monitor the same.
- 40 The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 25th August, 2020
- 41 There have been no events after the reporting date that require disclosure in these financial statements.
- 42 The company is not required to spend any amount on account of Corporate Social Responsibilities activities as per the provisions of Section 135 of the Companies Act, 2013.

As per our report of even date  
For Nagar Goel & Chawla  
Chartered Accountants  
ICAI Firm Registration No. : 009933N

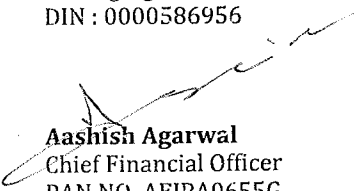
  
Dharmender Singhal  
Partner  
Membership No. 515984  
Place : New Delhi  
Date : 25.08.2020

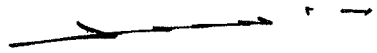


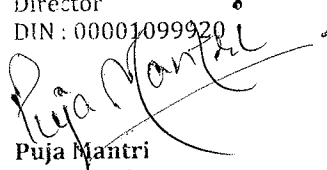
On behalf of the Board of Directors  
For MARDA COMMERCIAL & HOLDINGS LTD



Daulat Ram Agarwala  
Managing Director  
DIN : 0000586956

  
Aashish Agarwal  
Chief Financial Officer  
PAN NO. AEJPA0655G

  
Lalit Agarwal  
Director  
DIN : 00001099920

  
Puja Mantri  
Company Secretary  
PAN NO. DUGMP5770C

MARDA COMMERCIAL & HOLDINGS LTD

CIN - L65929WB1990PLC048280

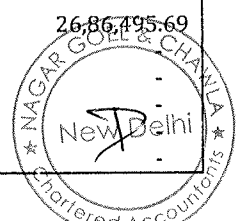
Notes on financial statements for the year ended 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

[Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016]

LIABILITIES SIDE		Amount	Amount Overdue
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	Outstanding	
	a. Debentures (other than falling within the meaning of public		
	- Secured	-	-
	- Unsecured	-	-
	b. Deferred Credits	-	-
	c. Term Loans	-	-
	d. Inter-corporate loans and borrowings	9,81,369.72	-
	e. Commercial Paper	-	-
	f. Public Deposits (Refer note 1 below)	-	-
	g. Other Loans	-	-
ASSET SIDE			
2	Break up of Loans and Advances including bills receivables (other than those included in (4) below):		Amount Outstanding
	a. Secured		-
	b. Unsecured		16,11,424.83
3	Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities		Amount Outstanding
	i. Lease Assets including lease rentals under sundry debtors:		
	a. Finance Lease		-
	b. Operating Lease		-
	ii. Stocks on hire including hire charges under sundry debtors:		
	a. Assets on hire		-
	b. Repossessed Assets		-
	iii. Other Loans counting towards AFC activities:		
	a. Loans where assets have been repossessed		-
	b. Loans other than (a) above		-
4	Break up of Investments:		Amount
	Current Investments		
	1. Quoted		
	i. Shares - Equity		7,736.15
	- Preference		-
	ii. Debentures and Bonds		-
	iii. Units of mutual funds		-
	iv. Government Securities		-
	v. Others		-
	2. Unquoted		
	i. Shares - Equity		-
	- Preference		-
	ii. Debentures and Bonds		-
	iii. Units of mutual funds		-
	iv. Government Securities		-
	v. Others		-
	Long Term Investments		
	1. Quoted		
	i. Shares - Equity		-
	- Preference		-
	ii. Debentures and Bonds		-
	iii. Units of mutual funds		5,81,957.82
	iv. Government Securities		-
	v. Others		-
	2. Unquoted		
	i. Shares - Equity		-
	- Preference		-
	ii. Debentures and Bonds		-
	iii. Units of mutual funds		-
	iv. Government Securities		-
	v. Others		-

26,86,795.69



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Notes on financial statements for the year ended 31st March 2020

All amounts are in Rupees hundred, unless otherwise stated

5 Borrower group-wise classification of all leased assets, stock on hire and loans and advances (Refer note 2 below):			
Category	Amount net of provision		
	Secured	Unsecured	Total
1 Related Parties**	-	-	-
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	-	1,00,752.45	1,00,752.45
2 Other than related parties	-	15,10,672.38	15,10,672.38
Total	-	16,11,424.83	16,11,424.83

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)		
Category	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**	-	-
a. Subsidiaries	-	-
b. Companies in the same group	26,86,495.69	26,86,495.69
c. Other related parties	5,89,693.97	5,89,693.97
2 Other than related parties	-	-
Total	32,76,189.66	32,76,189.66

\*\* As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

7 Other information	Amount
i. Gross Non-Performing Assets	-
a. Related Parties	-
b. Other than related parties	1,48,821.90
ii. Net Non-Performing Assets	-
a. Related Parties	-
b. Other than related parties	74,410.95
iii. Assets acquired in satisfaction of debt	-

**Notes:**

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company - Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category 4 above.

