



MARGO FINANCE LIMITED

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Website : www.margofinance.com

CIN : L65910MH1991PLC080534

Date: 13.11.2014

ANILKUMAR INDRALAL GULATI
C/212, Anu Vidnyan Nagar CHSL,
Agarwadi Mankhurd,
Mumbai- 400088

Sub: Appointment as an Independent Director

Dear Sir,

We are pleased to confirm that you meet the "independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Board of Directors in their Meeting held on 13th November, 2014 has appointed you as an Independent Director. Provided that your appointment as Independent Director shall be subject to the approval of Shareholders in their next General Meeting.

The terms and conditions of the appointment are given below. Please note that this is not a contract of employment

1. Terms of Appointment:

- a) As per the provisions of sub-section (10) of Section 149 of the Companies Act, 2013 ('Act') and subject to the approval of the Shareholders in their next General Meeting the Board of Directors at the Meeting held on 13.11.2014 have appointed you as an Independent Director of the Company for the term of five consecutive years.
- b) Your appointment shall not be subject to rotation as per the provisions of sub-section (6) of Section 152 of Companies Act, 2013.
- c) Your appointment as Independent Director of the Company was based, inter alia, on declaration by you that you comply with the conditions of independence as listed in Section 149 (6) of the Act read with relevant rules, and the Listing Agreement. If there is any change in circumstances affecting your independence, you are required to immediately let the Board of Directors ('Board') know of the same, in terms of Section 149 (7) of the Act.
- d) Your appointment will terminate automatically on the expiry of the term of appointment, or if you vacate your office in terms of Section 167 of the Act. There is no compensation for termination of office in any circumstance.

Anil Gulati "mango"

2. Expectation of Board:

As an Independent Director you are expected to bring objectivity and independent view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board generally meets four to five times in a year. Additionally, committee meetings like Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and other committees takes place as and when required. You are expected to attend Board and Board Committee meetings to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

3. Role and Duties:

Your role and duties will be those normally required of an Independent Director under the Companies Act, 2013 and the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are summarized as under:

1. You shall act in accordance with the Company's Articles of Association.
2. You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
3. You shall discharge your duties with due and reasonable care, skill and diligence.
4. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
6. You shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements, the Board also expects you to perform following functions:

1. You should constructively challenge and help develop proposals on strategy for growth of the Company.
2. You should evaluate the performance of management.
3. You should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
4. You should advise for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.
5. You should advise the processes for accurately reporting on performance and the financial position of Company.

4. Independent Professional Advice:

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense.

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5. Code of conduct:

During your tenure as Director, you are required to comply following codes of conduct of the Company as mentioned below:-

- a) Code for Independent Directors under Schedule IV of Act, 2013. **(Annexure I)**;
- b) Code of Conduct for Board Members and Senior Management;
- c) Code of Conduct for Prevention of Insider Trading in securities of the Company; and such other requirements as the Company / Board of Directors may specify.

6. Liability:

As an Independent Director, your liability will be there in respect of such acts of omission or commission by the Company, which had occurred with your knowledge, attributable through board processes, and with your consent or connivance or where you had not acted diligently.

7. Technology:

- a) You may attend the board or committee meetings through video conferencing or other audio visual means, subject to the applicable provisions of the Act 2013.
- b) You may make use of video, telephone, electronic mail, any other technology which permits each director to communicate with every other director, or any combination of these technologies for the purpose of call and holding directors' meetings.

8. Disclosures:

You will have to submit certain information in the prescribed forms on a defined format periodically to the board:

- a) It is accepted that you may have business interests other than those of the Company. You are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment and at subsequent applicable times.
- b) In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to the Chairman or Company Secretary.
- c) You will be required to give a declaration that you meet the criteria of independence every financial year, as provided under Section 149(6) read with Schedule IV to the Companies Act, 2013 (the Act) and clause 49 of the Listing Agreement in the prescribed format.

9. Directors' fees/remuneration:

- a) You will not be an employee of the Company and this letter shall not constitute a contract of employment.
- b) You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time.
- c) You will have no entitlement for any bonus or employee stock option scheme.

10. Insurance:

Presently, Company doesn't have any Directors' and Officers' liability insurance, however, if in future Company opts for taking such insurance policy, it will be endeavour of the Company to cover you for the full term of your appointment.

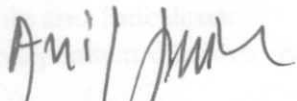
11. Confidentiality and access to records:

- a) Directors have a right of access the Company's documents and records, including financial records, as per the provisions of the Act 2013; and
- b) Any confidential information, which may come to your knowledge in the performance of your duties as a director of the Company must not be divulged, except so far as it may be necessary in connection with the proper performance of your duties to the Company.
- c) The Company may, from time to time, authorize you to disclose such information, as may be required by you with the condition that you will take all reasonable precautions, as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company.
- d) You may be required by law to disclose.

12. Acceptance of Appointment:

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

Yours sincerely,
For Margo Finance Limited
For and on behalf of Board



ANIL KUMAR JAIN
Chairman

AGREE AND ACCEPT

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.



ANILKUMAR INDRALAL GULATI
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Address: C/212, Anu Vidnyan Nagar Chsl,
Agarwadi Mankhurd,
Mumbai- 400088

Date: 13/11/2014

Place: Mumbai