



# Margo Finance Limited

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

Ref No.: MFL/20/2024-25

July 29, 2024

## **BSE Limited**

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

**Scrip Code: 500206**

**Subject: Annual Report 2023-24 along with Notice of 33<sup>rd</sup> Annual General Meeting of the Company to be held on Wednesday, 21<sup>st</sup> August, 2024 through VC/OAVM**

Dear Sir/Madam,

The Thirty Third (33<sup>rd</sup>) Annual General Meeting (AGM) of Margo Finance Limited ("the Company") is scheduled to be held on Wednesday, 21<sup>st</sup> August, 2024 at 12:00 Noon (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in compliance with MCA circulars.

Pursuant to Regulation 34(1)(a) of Listing Regulations, please find enclosed herewith electronic copy of the Annual Report for the Financial Year 2023-24 along with the Notice of 33<sup>rd</sup> AGM. The said Notice of the AGM and Annual Report being sent today i.e. 29<sup>th</sup> July, 2024 by email to those Members whose email addresses are registered with the Company/Depository Participant(s).

The said Annual Report and Notice of AGM are also available on the website of the Company at [www.margofinance.com](http://www.margofinance.com). The web-links to the same are given below:

**Annual Report 2023-24:** <https://www.margofinance.com/wp-content/uploads/2024/07/margo-annual-report-27.07.2024.pdf>

**Notice of 35<sup>th</sup> AGM:** <https://www.margofinance.com/wp-content/uploads/2024/07/agm-notice.pdf>

The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 14<sup>th</sup> August, 2024 to Wednesday, 21<sup>st</sup> August, 2024 (both days inclusive) for the purpose of AGM.

The Company is providing remote e-voting & e-voting at AGM facility to the members through electronic voting platform of National Securities Depository Limited (NSDL). Members holding shares either in physical form or dematerialized form as on cut-off date i.e. Friday, 16<sup>th</sup> August, 2024 may cast their votes electronically on the resolutions included in the Notice of 33<sup>rd</sup> AGM. The remote e-voting shall commence from 9:00 a.m. (IST) on Sunday, 18<sup>th</sup> August, 2024 and shall end at 5:00 p.m. (IST) on Tuesday, 20<sup>th</sup> August, 2024.

Kindly take same on record.

Thanking you,

Yours faithfully,

For **Margo Finance Limited**

**Krishna Makwana**  
**Company Secretary**

Encl.: A/a



**MARGO FINANCE LIMITED**



***33<sup>rd</sup> Annual Report  
2023-24***





## CORPORATE INFORMATION

### Board of Directors

Mr. Anil Kumar Jain, Chairman (Non-Executive)  
 Mr. Shri Dass Maheshwari, Whole Time Director (Finance) and Chief Financial Officer  
 Mr. Sushil Kumar Agrawal, Non-Executive Non-Independent Director

### Independent Directors

Mr. Govind Prasad Agrawal  
 Mr. Ambarish Sodha  
 Mrs. Smita Kulkarni

### Company Secretary & Compliance Officer

Ms. Krishna Makwana (*w.e.f. 8<sup>th</sup> February, 2024*)

### Statutory Auditors

M/s. Pawan Shubham and Co., Chartered Accountants

### Registered Office

Office No. 3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur, Maharashtra, India, 416109

### Corporate Office

2<sup>nd</sup> Floor, 15/76, Old Rajinder Nagar, Delhi 110060, India.

### Bankers

Karnataka Bank Limited Canara Bank  
 ICICI Bank, Mumbai

### Registrar and Transfer Agent

Link Intime India Private Limited

### Company Information and AGM Details

Corporate Identification Number:	L65910MH1991PLC080534
BSE Code:	500206
33 <sup>rd</sup> AGM through Video Conferencing:	21 <sup>st</sup> August, 2024
VC Platform & E-voting:	NSDL
Website:	<a href="http://www.margofinance.com">www.margofinance.com</a>

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## BOARD'S REPORT

Dear Members,

On behalf of Board of Directors ("the Board"), it gives me immense pleasure to present the Thirty-Third (33<sup>rd</sup>) Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2024.

### Financial Results

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2024 is summarized below:

(₹ in Lakhs, except EPS)

Particulars	FY 2023-24	FY 2022-23
Revenue from Operations	81.15	59.27
Other Income	0.47	0.50
<b>Total Revenue</b>	<b>81.62</b>	<b>59.77</b>
<b>Total Expense</b>	<b>38.06</b>	<b>95.09</b>
<b>Profit / (Loss) before Tax</b>	<b>43.56</b>	<b>(35.32)</b>
Less: Tax Expenses/ Credit	19.28	22.00
<b>Net Profit/ (Loss) after Tax</b>	<b>24.28</b>	<b>(57.32)</b>
Basic & Diluted EPS (in ₹)	0.53	(1.25)

### OPERATIONAL AND FINANCIAL PERFORMANCE

During the financial year under review, the Company's total income is ₹81.62 lakhs as compared to ₹59.77 lakhs of previous financial year. The Company has made a profit of ₹24.28 lakhs as compared to loss of ₹57.32 lakhs in the previous year.

### ACCOUNTING METHOD

Non-Banking Financial Company (NBFC) are required to comply with the Indian Accounting Standards (IND AS) for the preparation of the Financial Statements. Accordingly, the annual financial statements for the year ended 31<sup>st</sup> March, 2024 are prepared as per IND-AS.

### STATE OF COMPANY'S AFFAIRS

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis. Management Discussion and Analysis for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

### RESERVES & DIVIDEND

During the year under review, the Company has not transferred any amount to the General Reserves. As on 31<sup>st</sup> March, 2024, Reserves and Surplus (other equity) of the Company were at ₹ 16,329.51 lakhs. (including other comprehensive income).

The Board of Directors of the Company has not recommended any dividend on the equity shares of the Company for the financial year 2023-24 for conservation of profit.

### SHARE CAPITAL

The paid-up equity share capital of the Company as on 31<sup>st</sup> March, 2024 was ₹ 4,57,00,000/-. During the year under review, there has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of your Company.

Your Company has not issued any equity shares with differential voting rights, convertible securities, warrants or sweat equity shares. Further, your Company does not have any employee stock option scheme or employee stock purchase scheme.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### (a) Appointment / Reappointment

- Mr. Shri Dass Maheshwari (DIN: 00181615) was re-appointed as a Whole Time Director designated as "Whole Time Director - Finance & CFO" of the Company for a period of one (1) year w.e.f. 30<sup>th</sup> April, 2024. The said re-appointment will be subject to the approval of the Members at the ensuing Annual General Meeting (AGM) of the Company.



- (ii) Mr. Ambarish Sodha (DIN: 00489489), was appointed as an Independent Director for a term of five (5) years w.e.f. 11<sup>th</sup> September, 2019 to 10<sup>th</sup> September, 2024. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 29<sup>th</sup> May, 2024, re-appointed Mr. Ambarish Sodha for a second term of five (5) years, subject to the approval of the Members at the ensuing AGM of the Company.
- (iii) Mr. Govind Prasad Agrawal (DIN: 00008429) was appointed as an Independent Director of the Company for a period of five (5) years and his second term is expiring on 22<sup>nd</sup> August, 2024. Further, considering his expertise and vast experience, it is beneficial to the Company, the Board of Directors at its meeting held on 29<sup>th</sup> May, 2024 appointed Mr. Govind Prasad Agrawal as Non-Executive Non Independent Director of the Company w.e.f. 23<sup>rd</sup> August, 2024.

All Independent Directors of the Company have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA). Further, in the opinion of the Board of Directors of the Company, all Independent Directors possess requisite integrity, expertise and experience including the proficiency required to discharge the duties and responsibilities as Directors of the Company.

**(b) Retiring by rotation**

Mr. Anil Kumar Jain (DIN: 00086106), Chairman (Non-Executive Director) of the Company, retires by rotation and being eligible offers himself for re-appointment. The Board recommends his re-appointment and the same forms part of the notice of Annual General Meeting.

The disclosures required regarding re-appointment of Mr. Anil Kumar Jain pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India are given in the Notice of AGM, forming part of the Annual Report.

**(c) Key Managerial Personnel**

During the year under review, Ms. Krishna Makwana has been appointed as Company Secretary and Compliance Officer w.e.f. 8<sup>th</sup> February, 2024.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company:

- Mr. Shri Dass Maheshwari, Whole Time Director - Finance & CFO
- Ms. Krishna Makwana, Company Secretary.

**NUMBER OF BOARD MEETINGS**

During the financial year under review, four (4) Board Meetings were held with a minimum of one (1) meeting in each quarter and the gap between two (2) consecutive Board meetings was less than one hundred and twenty (120) days. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

**COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee (NRC) has formulated "Nomination and Remuneration Policy" which deals inter-alia with the appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The said policy is uploaded on the website of the Company and web-link thereto is <http://www.margofinance.com/wp-content/uploads/2021/01/mfl-nomination-and-remuneration-policy.pdf>

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. Such accounting policies as mentioned in the notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2024, have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2024 and of the profit of the Company for the year ended on that date;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



4. The annual financial statements for the year ended 31<sup>st</sup> March, 2024, have been prepared on a going concern basis;
5. Internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;
6. Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

#### **AUDIT COMMITTEE**

During the year under review, there has been no change in the composition of the Audit Committee. As on 31<sup>st</sup> March, 2024, the Audit Committee comprises of four (4) Directors/ Members out of which three (3) are Independent Directors. The said composition is as per Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. More details on Audit Committee are given in Corporate Governance Report. All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

#### **AUDITORS**

##### **1. Statutory Auditors**

In accordance with the provisions of Section 139 of the Companies Act 2013, at the Annual General Meeting (“AGM”) held on 16<sup>th</sup> September, 2022, M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No. 011573C) were appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive years to hold office from the conclusion of the 31<sup>st</sup> AGM till the conclusion of 36<sup>th</sup> AGM of the Company.

The Auditors’ Report on the financial statements for the year ended 31<sup>st</sup> March, 2024 forms integral part of this Annual Report. The Auditors’ Report does not contain any qualifications, reservations, adverse remarks and disclaimer. Notes to the Financial Statements are self-explanatory and do not call for any further comments. The Statutory Auditors of the Company have not reported any fraud under Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment for the time being in force).

##### **2. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules thereunder, the Board had appointed M/s. Ashu Gupta & Co, Practicing Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2024. The Secretarial Audit Report issued by Secretarial Auditors in Form No. MR-3 is provided as an “Annexure 1” to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

#### **PUBLIC DEPOSITS**

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

#### **CORPORATE GOVERNANCE REPORT**

Your Company has adopted best practices of Corporate Governance and complied with all the requirement of Corporate Governance laid down by SEBI. As per Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions as specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub Regulation (2) of regulation 46 and Para C, D and E of Schedule V shall not apply to your Company for the Financial Year 2023-24. However, as a part of good corporate governance, we are doing compliance voluntarily.

#### **MANAGEMENT AND DISCUSSION ANALYSIS REPORT**

Pursuant to Regulation 34 of the Listing Regulations, Management Discussion and Analysis Report containing information inter-alia on industry trends, your Company’s performance, future outlook, opportunities and threats for the year ended 31<sup>st</sup> March, 2024, is provided in a separate section forming integral part of this Annual Report.

#### **ANNUAL RETURN**

In terms of Section 92(3) of the Companies Act, 2013 Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at <https://www.margofinance.com/wp-content/uploads/2024/07/annual-return-for-fy-2023-24.pdf>.

**SECRETARIAL STANDARDS**

During the year under review, your Company has complied with all the applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meeting of the Board of Directors' and 'General Meetings' respectively. The same has also been confirmed by Secretarial Auditors of the Company in the Secretarial Audit Report.

**RELATED PARTY TRANSACTIONS**

All Related Party Transactions (RPT) entered during financial year 2023-24 were on arm's length basis and in the ordinary course of the business and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. During the year under review, your Company did not enter into any material RPT under the provisions of Section 188 of the Act and Listing Regulations, accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company and hence does not form part of this report.

The prior approval of the Audit Committee is obtained for all Related Party Transactions. A statement of all Related Party Transactions is reviewed by the Audit Committee on a quarterly basis. Your Company has adopted a policy on Related Party Transactions and it has been uploaded on the Company's website at <http://www.margofinance.com/wp-content/uploads/2021/01/policy-on-related-party-transactions-mfl.pdf>

**PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES AND SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The provisions of Section 186 of the Companies act, 2013 pertaining to investment and lending activities is not applicable to the Company, since the Company is a Non-Banking Financial Company whose principal business is acquisition of securities. Details of guarantees and/or security in connection with loans to other bodies corporates or persons as covered under the provisions of Section 186 of the Act, are given in the Notes to the Financial Statements.

**RISK MANAGEMENT**

The Company has formulated a Risk Management Policy. The Company through the Committee for Investments / Loans and Risk Management identifies, evaluates, analyses and prioritise risks in order to address and minimize such risks. This facilitates identifying high level risks and implement appropriate solutions for minimizing the impact of such risks on the business of the Company. The Committee submits its recommendations and comments for Board's review and necessary action.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Pursuant to the provision of Section 117(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, your Company has established Vigil Mechanism for the Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected incidents of fraud or violation of Code of Conduct. The details of Vigil Mechanism/ Whistle Blower Policy are provided in the Corporate Governance Report. The Vigil Mechanism/ Whistle Blower policy may be accessed on the Company's website at <http://www.margofinance.com/wp-content/uploads/2021/01/whistle-blower-policy-vigil-mechanism-investor-complaint-report.pdf>

**POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

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

However, in order to prevent sexual harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into the complaints relating to sexual harassment at workplace of any woman employee. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on 31<sup>st</sup> March, 2024.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO**

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

**A. Conservation of Energy**

Your Company's business comprises of business of Investment and Investment related financial services. Hence, the operations do not have intense energy requirements. Therefore, there are no particulars required to be furnished in respect of conservation of energy. However, at your Company's office various energy conservation measures are undertaken including use of technology equipment's like LED ceiling lights fitted in place of HMPV lamp/tube lights, which make optimal use of energy resources, at all the stages of its activities.



- B. Technology Absorption- NIL
- C. Foreign Exchange earnings and Outgo- NIL

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 regarding remuneration of Directors, Key Managerial Personnel and other related disclosure is given as “**Annexure 2**” to this report.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

**SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS / COURTS**

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

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2023-24 and the date of this Report.

**COST RECORDS AND AUDITORS**

The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

**GENERAL**

Your Directors state that:

1. During the year under review, there was no change in the general nature of business of the Company.
2. The provisions pertaining to Corporate Social Responsibility were not applicable to the Company during the year under review.

**ACKNOWLEDGEMENTS AND APPRECIATION**

Your Directors wish to place on record their appreciation for dedicated service and contribution made by the employees of the Company at all levels.

Your Directors would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from its customers, suppliers, bankers, financial institutions, business partners and other stakeholders.

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

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

Date : 29<sup>th</sup> May, 2024  
Place : Mumbai



**Form No. MR-3****SECRETARIAL AUDIT REPORT**

For the financial year ended 31<sup>st</sup> March, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]

To,  
The Members,  
**Margo Finance Limited**  
Office No. 3, Plot No. 266,  
Village Alte, Kumbhoj Road,  
Taluka Hatkanangale, Kolhapur-416109

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Margo Finance Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
  - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other applicable Law:
  - a) All the Rules, Regulations, Guidelines, Master Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934;
  - b) Indian Stamp Act, 1899;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.



and based on the above examination, I hereby report that, during the review period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

As per provisions of Regulation 15 (2) (a) of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the compliance with the corporate governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V are not applicable to the company for the Financial Year 2023-24 and the Company had filed confirmation of Non- Applicability of Corporate Governance Provisions of SEBI LODR Regulations, 2015 with BSE on 19<sup>th</sup> April, 2024.

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

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

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

Based on the compliance mechanism established by the company and on the basis of Compliance Certificate(s) issued by the company secretary and taken on record by the Board of Directors at the meeting(s), I am of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were -no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.;
- (ii) Redemption / buy-back of securities;
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;
- (iv) Merger / amalgamation / reconstruction, etc.; Foreign technical collaborations.

Place: New Delhi

Date: 29<sup>th</sup> May, 2024

**UDIN:** F004123F000487518

**Ashu Gupta**  
Company Secretary in Practice  
FCS No. 4123 | CP No.: 6646  
PR No.: 730/2020

NOTE: This report is to be read with our letter of even date which is annexed as Annexure A and forms integral part of this report.



To,  
The Members,  
**Margo Finance Limited**  
Office No. 3, Plot No. 266,  
Village Alte, Kumbhoj Road,  
Taluka Hatkanangale, Kolhapur-416109

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that processes and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of accounts of the company.
4. Whenever required, I have obtained management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on the test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficiency and effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi  
Date: 29<sup>th</sup> May, 2024

**UDIN:** F004123F000487518

**Ashu Gupta**  
Company Secretary in Practice  
FCS No. 4123 | CP No.: 6646  
PR No.: 730/2020



## Annexure-2

Information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**i. Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014.**

Name of the Director & KMP	Designation	Remuneration of Directors / KMP for the year ended 31 <sup>st</sup> March, 2024 (Amount in ₹)	% increase in remuneration for the year ended 31 <sup>st</sup> March, 2024	Ratio to Median Remuneration
<b>Directors</b>				
Mr. Anil Kumar Jain,	Chairman (Non- Executive)	Nil		Nil
Mr. Sushil Kumar Agrawal	Non-Executive, Non Independent Director	35,500		0.02
Mr. Govind Prasad Agrawal	Non-Executive Independent Director	44,500		0.02
Ms. Smita Kulkarni	Non-Executive Independent Director	44,500	NA (Refer Note 1)	0.02
Mr. Ambarish Sodha	Non-Executive Independent Director	31,500		0.02
<b>Key Managerial Personnel</b>				
Mr. Shri Dass Maheshwari	Whole time Director & CFO	8,37,500	1.40%	1.11
Ms. Archisha Tyagi*	Company Secretary	5,09,083	-	-
Ms. Krishna Makwana*	Company Secretary	90,000	-	-

\*Ms. Krishna Makwana was appointed w.e.f. 8<sup>th</sup> February, 2024 in place of Mrs. Archisha Tyagi who resigned from the said position w.e.f. 18<sup>th</sup> December, 2023.

**Notes:**

1. During the year under review, pursuant to approval of Board of Directors the sitting fees paid to Independent Directors was increased on 29<sup>th</sup> May, 2023. The remuneration of Independent Directors has varied due to this change in the amount of sitting fees and on account of number of meetings attended by them.
2. The remuneration of all Directors of the Company comprises of sitting Fees for attending Board and Committee Meetings. Depending upon the meeting attended by Directors, sitting fees are paid in the FY 2023-24 and hence calculation of percent (%) increase in remuneration is not applicable.
3. The Non Executive Directors do not get any remuneration except for the sitting fees. Details of the sitting fees paid to the Non Executive Directors during the year are given in Corporate Governance Report.
4. During the year ended 31<sup>st</sup> March, 2024, there was no increase in the median remuneration of employees.
5. As on 31<sup>st</sup> March, 2024, the Company had two (2) Permanent Employees on rolls.
6. We affirm that the remuneration paid during the year 2023-24 is as per the Remuneration policy of the Company.



**Disclosure under Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**1. Details of top ten (10) employees of the Company in terms of remuneration drawn during 2023-24:**

There are only two (2) employees in the Company and the details of their remuneration drawn is mentioned above in this Report.

**2. List of employees of your Company employed throughout the Financial Year 2023-24 and were paid remuneration not less than one crore and two lakh rupees:**

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

**3. Employees employed for the part of the year and were paid remuneration during the Financial Year 2023-24 at a rate which in aggregate was not less than eight lakh and fifty thousand rupees per month:**

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

**On behalf of the Board of Directors**

Date: 29<sup>th</sup> May 2024  
Place: Mumbai

**Anil Kumar Jain**  
Chairman  
DIN: 00086106



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE AND BUSINESS OUTLOOK

Non Banking Financial Company ("NBFC") have played a vital role in the financial system over the last decade. NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. Lower transaction costs, quick decision making, customer orientation and prompt service standards have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, they are well-suited to bridge the financing gap in a large country like India.

Margo Finance Limited ("the Company") is a NBFC registered with the Reserve Bank of India (RBI) and is classified as an NBFC-Core Investment Company (NBFC-CIC). The Company is engaged in Investment activity and is Non Deposit accepting NBFC.

The growth of NBFCs was slower in FY 2023-24, due to the risk perception for players with higher exposure to wholesale lending, asset-liability mismatches, capital adequacy and perceived corporate governance. This led to a scenario where NBFCs with riskier exposures and ALM mismatches finding it difficult to access capital market over the near to medium term.

The growth in the Indian economy together with the growth in the Capital markets will have better future for your Company. NBFCs play major role in financing, inspite of the presence of large number of Foreign as well as Nationalized Banks in this field, the role of NBFCs is established.

Due to growing economy of the country, there is a scope of NBFCs. The economic indicators for the future are also strong. Your Company hopes to explore the opportunities thrown up by the economy.

### 2. OPPORTUNITIES, THREATS, RISK & CONCERNS

Risk is synonym with NBFCs which is inherent part of their business. Your Company is also subjected to various types of such risks. Your Company has identified these risks and guarded itself by adopting a range of strategies and measures to reduce the impact of such risks.

Credit risk is considered to be major risk being faced by NBFCs. Your Company has evolved various policies and systems for credit risk to closely monitor the same. Your Company is having appropriate pre disbursal and post disbursement monitoring and regular follow up of the collection process. A low level of NPA proportion in the assets of your Company reflects its sound risk management policies. Your Company also follows provisioning norms of RBI.

Business Opportunities for NBFCs are enormous. As the new areas and segments are being explored, there is a large scope of small size NBFCs like ours, for certain segment of customers, which remain unserved by Banks and large size NBFCs.

The major threat being faced by NBFCs are from aggressive marketing of Banks and low rates of financing offered by them.

### 3. INTERNAL CONTROL AND THEIR ADEQUACY

Foundation of your Company's control mechanism vests in Management Information systems (MIS). Your Company has devised effective systems so that assets and business of the Company are safeguarded. The internal control is regularly reviewed and augmented by the Audit Committee. The management feels that the systems of internal controls are adequate considering the size of operations of the Company.

### 4. HUMAN RESOURCES

As on 31<sup>st</sup> March, 2024, Company has only two (2) employees on its payroll.

### 5. DISCUSSION ON FINANCIAL PERFORMANCE

During the financial year under review, the Company's total income and net profit after tax is ₹81.62 lakhs and ₹24.28 lakhs respectively. Your Company is looking for an opportunity for future due growth prospects.

### 6. COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS (IND-AS)

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



**7. CAUTIONARY STATEMENT**

The statement in the “Management Discussion and Analysis Report” describes Company's objectives, estimates, and expectations which may be "Forward Looking Statement" within the meaning of applicable laws and regulations. The actual results could differ materially from those expressed or implied, depending upon the economic and climate conditions, government policies, taxation and other incidental factors.

**On behalf of the Board of Directors**

Date: 29<sup>th</sup> May, 2024  
Place: Mumbai

**Anil Kumar Jain**  
Chairman  
DIN: 00086106



## CORPORATE GOVERNANCE REPORT

As per Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions as specified in Regulation 17 to 27 and Clauses (b) to (i) and (t) of Sub Regulation (2) of regulation 46 and Para C, D, and E of Schedule V shall not be applicable to your Company for the Financial Year 2023-24. However, as a part of good corporate governance, we are doing compliance voluntarily.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and ethical behavior in all spheres of its operations and in communications with stakeholders. Your Company continuously strives for the betterment of its Corporate Governance mechanisms to improve efficiency, transparency and accountability of its operations. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

### BOARD OF DIRECTORS

#### a) Composition

The Board is headed by Mr. Anil Kumar Jain, Chairman (Non- Executive) of the Company. As on 31<sup>st</sup> March, 2024, the Board comprises of six (6) Directors out of which two (2) are Non-Executive Non-Independent Directors, one (1) is Executive Director and three (3) are Non-Executive Independent Directors including one (1) Woman Director. All Directors are competent and experienced personalities in their respective fields.

The composition of the Board, details of other directorships and Committee positions as on 31<sup>st</sup> March, 2024 are given in the table below:

Name of the Director & Category	Number of Directorships held in other public companies <sup>#</sup>	Number of Membership/ Chairmanship of Board Committees <sup>@</sup>		Number of Directorships held in other listed companies along with nature of Directorship
		Member	Chairman	
Mr. Anil Kumar Jain Chairman (Non-Executive) DIN: 00086106	1	2	NIL	Indo Count Industries Limited – C & NENID
Mr. Shri Dass Maheshwari (Whole Time Director & CFO) DIN: 00181615	1	NIL	NIL	NIL
Mr. Sushil Kumar Agrawal (Non-Executive Non Independent Director) DIN: 00400892	7	5	3	<ul style="list-style-type: none"> <li>• Reliance Home Finance Limited – NEID</li> <li>• Globesecure Technologies Ltd - NEID</li> </ul>
Mr. Govind Prasad Agrawal (Non-Executive, Independent Director) DIN: 00008429	3	4	1	<ul style="list-style-type: none"> <li>• Rama Vision Limited – NEID</li> <li>• Avonmore Capital &amp; Management Service Limited - NENID</li> </ul>
Mrs. Smita Kulkarni (Non-Executive, Independent Director) DIN: 08127803	NIL	1	1	NIL
Mr. Ambarish Sodha (Non-Executive, Independent Director) DIN: 00489489	NIL	1	1	NIL

Abbreviations:

C = Chairman

WTD = Whole-time Director

NENID = Non-Executive Non-Independent Director

NEID = Non-Executive Independent Director





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

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

Memberships or Chairmanships of the stipulated Board Committees held by all Directors are within the limit specified under Regulation 26 (1) of the Listing Regulations. None of the Directors hold Directorships in more than twenty (20) Companies including ten (10) Public Companies pursuant to the provisions of Section 165 and all the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Companies Act, 2013. Further, the other directorships held by all Directors including Independent Directors are within the limit prescribed under Listing Regulations.

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

#### **Inter – se relationship among directors**

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

#### **Independent Directors Meeting**

During the year under review, a Meeting of Independent Directors of the Company was held on 26<sup>th</sup> March, 2024 through Video Conferencing wherein all Independent Directors were present except Mr. Ambarish Sodha. At the said meeting, Independent Directors discussed and evaluated performance of the Chairman, other Non-Executive Non-Independent Directors, the Board and its various committees as a whole and also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### **Familiarization Programme**

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

The Familiarisation Programme and details of Familiarization Programme imparted during 2023-24 are uploaded on the website of the Company [www.margofinance.com](http://www.margofinance.com) and can be accessed through web-link <https://www.margofinance.com/wp-content/uploads/2024/07/familiarisation-programme-for-fy-2023-24.pdf>

#### **Matrix of skills/competence/expertise of Directors**

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

**Board Competency Matrix**

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



The Company's Board comprises of qualified members, who possesses aforesaid knowledge, experience, technical skills, expertise and competencies for effective contribution to the Board and its Committees. Details of the skills/ expertise/ competencies possessed by the Directors who were part of the Board as on 31<sup>st</sup> March, 2024, are as follows:

Name	Qualifications	Years of Experience	Expertise
Mr. Anil Kumar Jain	B.Com (Hons.)	40+	Business & Corporate Strategy, Industry Experience, Textile field expertise
Mr. Shri Dass Maheshwari	B.com (Hons)	45+	Finance, Taxation, Accounts & Audit
Mr. Sushil Kumar Agrawal	Chartered Accountant	45+	Finance, Taxation, Accounts & Audit
Mr. Govind Prasad Agrawal	Company Secretary	40+	Corporate Laws, Finance and Legal
Mrs. Smita Kulkarni	B.com	35+	Corporate Secretarial & Legal
Mr. Ambarish Sodha	Chartered Accountant	45+	Finance, Taxation, Accounts & Audit

#### Board Meetings

During the Financial Year 2023-24, four (4) Board Meetings were held 29<sup>th</sup> May, 2023, 10<sup>th</sup> August, 2023, 8<sup>th</sup> November, 2023 and 8<sup>th</sup> February, 2024 through Video conferencing. The maximum time gap between any two (2) consecutive Board Meetings of the Company did not exceed one hundred and twenty days (120) days.

#### Annual General Meeting

The Ministry of Corporate Affairs ("MCA") has, vide its circular no. 10/2022 dated 28<sup>th</sup> December, 2022 read together with circular nos. 20/2020, 21/2021 and 02/2022 dated 5<sup>th</sup> May, 2020, 14<sup>th</sup> December, 2021 and 5<sup>th</sup> May, 2022 respectively (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM") during the calendar year 2023 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue till 30<sup>th</sup> September, 2023. Accordingly, 32<sup>nd</sup> AGM of the Company was held on 3<sup>rd</sup> August, 2023 through VC.

#### Attendance of Directors at Board Meetings and AGM

Attendance of Directors at the Board Meetings and the Annual General Meeting ("AGM") held through VC during the year under review is as under:

Name of the Director	No. of Meetings held during the tenure of directorship	No. of Meetings attended	Attendance at last AGM held on 3 <sup>rd</sup> August, 2023 through VC
Mr. Anil Kumar Jain	4	4	Yes
Mr. Shri Dass Maheshwari	4	4	Yes
Mr. Sushil Kumar Agrawal	4	3	Yes
Mr. Govind Prasad Agrawal	4	4	Yes
Mrs. Smita Kulkarni	4	4	Yes
Mr. Ambarish Sodha	4	3	Yes

#### Board Meetings Procedure

In order to ensure maximum presence of all Directors in the Board Meeting, dates of the Board Meetings are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda papers along with relevant explanatory notes and supporting documents are circulated within prescribed time to all Directors. All the provisions of Section 173(2) of the Act read with Rule 3 of the Companies (Meetings of the Board and its Powers) Rules, 2014 were complied with while conducting all Board Meetings/Committee Meetings through VC.

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



## AUDIT COMMITTEE

### Terms of reference

The terms of reference of the Audit Committee covers matters specified under Regulation 18(3) read with Part C of Schedule II of Listing Regulations and Section 177 of the Companies Act, 2013 as amended from time to time. The terms of reference of Audit Committee *inter alia* includes following matters:

### Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and disclosure of its financial information.
- Reviewing with the Management the quarterly unaudited financial results and Auditors Review Report thereon and make necessary recommendation to the Board.
- Reviewing with the Management audited annual financial statements and Auditors' Report thereon and make necessary recommendation to the Board. This would, *inter alia*, include reviewing changes in the accounting policies, if any, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements arising out of audit findings, disclosure of related party transactions, compliance with legal and other regulatory requirements with respect to the financial statements.
- Reviewing the Management Discussion & Analysis of financial and operational performance and Board's Report.
- Scrutiny of inter-corporate loans and investments.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

### Internal Controls and Governance Processes

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

### Audit & Auditors

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

### Composition and Meetings

During the year under review, there has been no change in the composition of the Audit Committee. As on 31<sup>st</sup> March, 2024, the Audit Committee comprises of four (4) Directors / Members out of which three (3) are Independent Directors. Mr. Ambarish Sodha, Chairman of the Audit Committee is a Chartered Accountant and all the Members of the Audit Committee are professionals, experienced and possess sound knowledge of finance and accounting practices.

During the Financial Year 2023-24, four (4) Audit Committee Meetings were held 29<sup>th</sup> May, 2023, 10<sup>th</sup> August, 2023, 8<sup>th</sup> November, 2023 and 8<sup>th</sup> February, 2024 through Video conferencing. The maximum time gap between any two consecutive Audit Committee Meetings of the Company did not exceed 120 days.

The Composition of Audit Committee as on 31<sup>st</sup> March, 2024 and attendance of Directors at the Audit Committee Meetings held through VC during the year under review is as under:



Name of the Director	Category	No. of Meetings held during the tenure of directorship	No. of Meetings attended
Mr. Ambarish Sodha (Chairman)	Non-Executive Independent	4	3
Mrs. Smita Kulkarni	Non-Executive Independent	4	4
Mr. Govind Prasad Agrawal	Non-Executive Independent	4	4
Mr. Sushil Kumar Agrawal	Non-Executive Non Independent	4	4

All members of Audit Committee were also present at the last AGM held through VC/OAVM on 3<sup>rd</sup> August, 2023

The partner/representatives of the Statutory Auditors, Internal Auditors and Chief Financial Officer were invitees to the Audit Committee Meetings. Mrs. Archisha Tyagi, Company Secretary was Secretary to the Audit Committee and she attends the meetings.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

### Composition and Meetings

There was no change in the composition of Stakeholders' Relationship Committee during the year under review. As on 31<sup>st</sup> March, 2024, the Stakeholders' Relationship Committee (SRC) consists of four (4) Directors /Members viz. Mrs. Smita Kulkarni, Non-Executive Independent Director as Chairperson, Mr. Anil Kumar Jain, Chairman (Non-Executive), Mr. Ambarish Sodha as Non-Executive, Independent Director and Mr. Sushil Kumar Agrawal, Non-Executive Non-Independent Director as members of the Committee.

### Terms of Reference

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

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

### Investor Complaints

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

During the year 2023-24, no complaint was received from the shareholders of the Company and no complaint was pending as on 31<sup>st</sup> March, 2024. There were no complaints of shareholders received from BSE Limited on BSE portal and SEBI on SCORES platform.

### Compliance Officer

Ms. Krishna Makwana, Company Secretary is Compliance Officer of the Company w.e.f. 8<sup>th</sup> February, 2024.

## NOMINATION AND REMUNERATION COMMITTEE

### Brief description of terms of reference

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees.
- Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors and KMP and other Senior Management positions.



- Recommendation to the Board about appointment, re-appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down.
- Recommendation to the Board on remuneration payable to the Directors of the Company.
- Formulation of the criteria for evaluation of performance of every Director and carry out performance evaluation of Directors and to recommend to the Board on whether to extend or continue the term of appointment of Independent Director.
- Devising a policy on Board Diversity.
- Recommendation to the board, all remuneration, in whatever form, payable to senior management.

#### Composition, Meetings and Attendance

During the year under review, there has been no change in the composition of Nomination and Remuneration Committee. As on 31<sup>st</sup> March, 2024, NRC comprises of four (4) Directors/ Members headed by Mr. Govind Prasad Agrawal, Non-Executive Independent Director as Chairman.

Pursuant to the provisions of Regulation 19(3A) of Listing Regulations, with effect from 1<sup>st</sup> April, 2019, it is mandatory to hold one (1) NRC meeting in a financial year. During the year under review, two (2) meetings of NRC was held through VC on 29<sup>th</sup> May, 2023 and 8<sup>th</sup> February, 2024.

Composition of NRC as on 31<sup>st</sup> March, 2024 and Attendance of members at the NRC Meetings held through VC during the year under review is as under:

Name of the Director	Category	No. of Meetings held during the tenure of directorship	No. of Meetings attended
Mr. Govind Prasad Agrawal (Chairman)	Non-Executive Independent	2	2
Mr. Ambarish Sodha	Non-Executive Independent	2	1
Mrs. Smita Kulkarni	Non-Executive Independent	2	2
Mr. Sushil Kumar Agrawal	Non-Executive Non Independent	2	2

#### Nomination and Remuneration Policy

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

#### Criteria for evaluation of Independent Directors

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

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

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

#### REMUNERATION OF DIRECTORS

Details of remuneration paid/payable to all Directors of the Company for the financial year ended 31<sup>st</sup> March, 2024 is as under:

Name of the Director	Tenure	Remuneration for the financial year ended 31 <sup>st</sup> March, 2024 (Amount in ₹)			
		Basic Salary	Perquisites & Allowances	Sitting Fees	Total
Mr. Anil Kumar Jain*	NA	NIL	NIL	NIL	NIL
Mr. Shri Dass Maheshwari	1 year (upto 29 <sup>th</sup> April, 2025)	4,79,500	3,58,000	NIL	8,37,500
Mr. Sushil kumar Agrawal	NA	NIL	NIL	35,500	35,500



Mr. Govind Prasad Agrawal	5 years (upto 22 <sup>nd</sup> August, 2024)	NA	NA	44,500	44,500
Mrs. Smita Kulkarni	5 years (upto 7 <sup>th</sup> May, 2028)	NA	NA	44,500	44,500
Mr. Ambarish Sodha	5 years (upto 10 <sup>th</sup> September, 2024)	NA	NA	31,500	31,500

\*Mr. Anil Kumar Jain has voluntarily waived off receipt of sitting fees for any meeting attended by him.

At present, all Non-Executive Directors of the Company are entitled to receive sitting fees of ₹7,500/- each for attending Board Meetings, ₹2,500/- each for Audit Committee Meetings and ₹1,500 Nomination and Remuneration Committee Meetings, Stakeholders' Relationship Committee Meetings and Independent Directors Meeting.

**Notes:**

1. As on 31<sup>st</sup> March, 2024, none of the Non-Executive Independent Directors are holding equity shares or convertible instruments of the Company, except Mr. Govind Prasad Agrawal who is holding 972 Equity Shares of ₹10/- each of the Company
2. There is no separate provision for payment of severance fees.
3. There are no variable components and performance linked incentives.
4. There are no pecuniary relationships or transactions between Non-Executive Directors and the Company during the year 2023-24.

**Stock options**

The Company does not have any Employee Stock Option Scheme.

**OTHER COMMITTEES**

**(a) Share Transfer Committee**

The Committee deals with various matters relating to share transfers, transmission, issue of duplicate share certificates, change transposition/deletion of name, split and consolidation of shares, re-materialisation of shares. The Share Transfer Committee meetings are held as and when required to approve the said matters.

During FY 2023-24, six (6) meetings of Share Transfer Committee were held on 27<sup>th</sup> April, 2023, 17<sup>th</sup> May, 2023, 5<sup>th</sup> September, 2023, 10<sup>th</sup> November, 2023, 22<sup>nd</sup> January, 2024 and 28<sup>th</sup> March, 2024.

**1. GENERAL BODY MEETINGS**

**(a) Annual General Meetings:**

The details of last three (3) Annual General Meetings (AGM) of the Company are given below:

Financial Year	Day, Date & Time	Venue
2020-21	Friday, 28 <sup>th</sup> September, 2021 through VC/OAVM at 12.00 noon (IST)	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") VC Platform – provided by NSDL
2021-22	Friday, 16 <sup>th</sup> September, 2022 through VC/OAVM at 12:30 p.m. (IST)	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") VC Platform – provided by NSDL
2022-23	Thursday, 3 <sup>rd</sup> August, 2023 through VC/OAVM at 12:30 p.m. (IST)	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") VC Platform – provided by NSDL

The Ministry of Corporate Affairs ("MCA") has, vide its circular no. 10/2022 dated 28<sup>th</sup> December, 2022 read together with circular nos. 20/2020, 21/2021 and 02/2022 dated 5<sup>th</sup> May, 2020, 14<sup>th</sup> December, 2021 and 5<sup>th</sup> May, 2022 respectively (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM") during the calendar year 2023 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue till 30<sup>th</sup> September, 2023. Accordingly, 32<sup>nd</sup> AGM of the Company was held on 3<sup>rd</sup> August, 2023 through VC.

**(b) Special resolutions passed at the last three Annual General Meetings (AGM) of the Company:**

1. At the AGM held on 28<sup>th</sup> September, 2021 – one (1) special resolution was passed for the Re-Appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as "Whole Time Director- Finance & CFO" of the Company for a further period of two (2) years w.e.f 30<sup>th</sup> April, 2021.



2. At the AGM held on 16<sup>th</sup> September, 2022 – no special resolution was passed.
3. At the AGM held on 3<sup>rd</sup> August, 2023 – two (2) special resolutions were passed as under:
  - i. Re- Appointment of Ms. Smita Kulkarni (DIN: 08127803) as Non-Executive, Independent Director of the Company.
  - ii. Re-Appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as “Whole Time Director- Finance & CFO” of the Company for a further period of 1 year w.e.f 30<sup>th</sup> April, 2023.

**(c) Extraordinary General Meeting:** No Extraordinary General Meeting was held during the year under review.

**(d) Postal Ballot:** During the year under review, no Postal Ballot was passed by the Company.

## 2. MEANS OF COMMUNICATION

- **Website:** The Company's website [www.margofinance.com](http://www.margofinance.com) contains *inter alia* updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, shareholding pattern, important announcements made to the stock exchanges. The said information is available in a user friendly and downloadable form in “Investor Section” of website.
- **Financial Results:** Pursuant to Regulation 33 of the Listing Regulations, the quarterly, half yearly and annual financial results of the Company are submitted to the BSE Limited (“BSE”) after approval of the Board of Directors of the Company within prescribed time. The results of the Company are published in one vernacular newspaper viz. “Business Standard”, “Nav Shakti” and one English newspaper viz. “Free Press Journal” within 48 hours of approval thereof and are also available on the website of the Company [www.margofinance.com](http://www.margofinance.com).
- **Annual Report:** Annual Report containing *inter alia* Standalone Financial Statements, Auditors' Report, Board's Report, Management discussion and Analysis Report, Corporate Governance Report is sent to all Members of the Company within the required time frame and is also available on the website of the Company [www.margofinance.com](http://www.margofinance.com).
- **Designated Exclusive Email ID:** The Company has designated Email Id [info@margofinance.com](mailto:info@margofinance.com) exclusively for shareholder / investor grievances redressal.
- **SCORES (SEBI Complaints Redressal System):** SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.
- **Uploading on BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchange are filed electronically on BSE Listing Centre.
- **Investor Presentations:** No Investor Presentations were made to analysts, Institutional Investors during the year under review.

## 3. DISCLOSURES

### a) Related Party Transactions

All transactions entered with Related Parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year 2023-24 were in the ordinary course of business and arm's length basis and omnibus approval of the Audit Committee was also obtained. During the financial year under review, there were no materially significant transactions with related parties having potential conflict with the interest of the Company at large. Necessary disclosures regarding Related Party Transactions are given in the notes to the Financial Statements.

The Company has formulated a policy for Related Party Transactions and the policy of RPT has been uploaded on the website of the Company. The web link thereto is as under <http://www.margofinance.com/wp-content/uploads/2021/01/policy-on-related-party-transactions-mfl.pdf>

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

The Company has complied with all the requirements of the Stock Exchanges / SEBI and other statutory authorities on all matters related to the capital markets during the last three (3) years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets during last three (3) years. The Company has also obtained Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2024 as per Regulation 24A of Listing Regulations from M/s. Ashu Gupta & Associates, Practicing Company Secretaries. The said report & certificate does not contain any qualifications or adverse remarks.



### c) Whistle Blower policy and Vigil Mechanism

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, your Company has formulated Vigil Mechanism / Whistle Blower Policy to enable Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance and / or reputation, in a secure and confidential manner.

The said policy provides adequate safeguards against victimization of Directors/employees and direct access to Chairman of Audit Committee, in exceptional cases. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company under the web-link: <http://www.margofinance.com/wp-content/uploads/2021/01/whistle-blower-policy-vigil-mechanism-investor-complaint-report.pdf>

Your Company affirms that no Director/Employee of the Company has been denied access to the Chairman of the Audit Committee and no complaint has been received under the Whistle Blower Policy during the year under review.

### d) Subsidiaries

Your Company does not have any subsidiary. However, your Company has formulated a policy on material subsidiaries. The said policy is hosted on website of the Company under the web- link: <http://www.margofinance.com/wp-content/uploads/2021/01/margo-policy-on-material-subsiidaries.pdf>

### e) Code of Conduct

The Company has adopted a Code of Conduct applicable for all Directors and Senior Management of the Company which is in consonance with the requirements of Listing Regulations. The said code is available on the website of the Company and can be accessed on website of the company [www.margofinance.com](http://www.margofinance.com)

All members of the Board Members the executive officers and senior employees have affirmed compliance to the code of conduct as on 31<sup>st</sup> March, 2024. A declaration to this effect signed by Mr. Shri Dass Maheshwari, Whole Time Director - Finance and Chief Financial Officer forms part of this Annual Report as **Annexure I**.

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

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

There is no deviation in following the treatments prescribed in Indian Accounting Standards (Ind-AS) in the preparation of financial statements for the year 2023-24.

### g) Risk Management

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

### h) CEO & CFO Certification

Pursuant to Regulation 17(8) of Listing Regulations, Mr. Shri Dass Maheshwari, Whole Time Director & Chief Financial Officer of the Company have furnished certificate to the Board on financial statements for the year ended 31<sup>st</sup> March, 2024, in the prescribed format. The certificate has been reviewed by the Audit Committee and taken on record by the Board on the meeting held on 29<sup>th</sup> May, 2024.

### i) Reconciliation of Share Capital Audit

In terms of the provisions of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary the said report is also submitted to BSE Limited.

### j) Code for Prevention of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, your Company has adopted a code of conduct to regulate, monitor and report trading by designated persons and their immediate relatives for prevention of Insider Trading in the shares of the Company. This code is applicable *inter-alia* to all Directors and Designated persons / employees of the Company who are expected to have access to unpublished price sensitive information.

This code, *inter-alia*, prohibits purchase / sale / dealing in the equity shares of the Company by Designated persons and their immediate relatives while in possession of unpublished price sensitive information about the Company and during the time when trading window is closed. The Code also contains procedure for pre-clearance of trade, disclosure requirements etc. The Code is available on the website of the Company at [www.margofinance.com](http://www.margofinance.com).





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

M/s. Ashu Gupta & Associates, Practising Company Secretaries have certified that for the financial year ended 31<sup>st</sup> March, 2024, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority. A certificate issued by M/s. Ashu Gupta & Associates to that effect is attached as **Annexure II** forming part of this report.

**l) Recommendation of the committees**

During FY 2023-24, the Board has accepted all recommendations made by Audit Committee and Nomination and Remuneration Committee.

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

During FY 2023-24, Rs 70,200/- (Rupees Seventy Thousand Two Hundred) was paid to M/s. Pawan Shubham & Co., Statutory Auditors for all services availed by the Company.

The Statutory Auditors does not belong to any other network group.

**n) Disclosure regarding Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

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

However, in order to prevent sexual harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into the complaints relating to sexual harassment at workplace of any woman employee. During the year under review, your Company has not received any complaint pertaining to sexual harassment and no complaint was pending as on 31<sup>st</sup> March, 2024.

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

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

- **The Board:** The Company has a Non-Executive Chairman and he is allowed reimbursement of expenses in relation to performance of his duties.
- **Shareholder's Rights:** Quarterly, half-yearly, annual financial results of the Company are published in English and Marathi newspapers and are also forwarded to BSE Limited. The said results are also uploaded on the website of the Company [www.margofinance.com](http://www.margofinance.com). Hence, the same are not sent to the Shareholders of the Company.
- **Modified Opinion in Audit Report:** There was no qualification or modified opinion in the Independent Auditors' Report on Audited Financial Statements for the year ended 31<sup>st</sup> March, 2024, nor in past two (2) years.
- **Separate posts of Chairperson and Chief Executive Officer:** Mr. Anil Kumar Jain, Non-Executive Director is the Chairman of the Company and Mr. Shri Dass Maheshwari is the Chief Financial Officer of the Company.
- **Reporting of Internal Auditors:** The representatives/partners of Internal Auditors of the Company are permanent invitee to the Audit Committee Meeting. They attend each Audit Committee Meeting and present their internal audit observations to the Audit Committee. They directly interact with Audit Committee Members during the meeting.

**p) General**

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

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

As per Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions as specified in Regulation 17 to 27 and Clauses (b) to (i) and (t) of Sub Regulation (2) of regulation 46 and Para C, D, and E of Schedule V shall not be applicable to your Company for the Financial Year 2023-24 However, as a part of good corporate governance, we are doing compliance voluntarily.



#### 4. CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

The certificate regarding compliance of the conditions of corporate governance for the year ended 31<sup>st</sup> March, 2024 is not applicable.

#### 5. GENERAL SHAREHOLDER'S INFORMATION

Margo Finance Limited was incorporated at Delhi on 8<sup>th</sup> October, 1991.

AGM Day & Date	AGM Time	Financial Year
Wednesday, 21 <sup>st</sup> August, 2024	12:00 Noon (IST)	1 <sup>st</sup> April to 31 <sup>st</sup> March

**Tentative Financial Calendar (for Financial Year 2024-25)** for approval of:

Financial Results for Quarter ending 30 <sup>th</sup> June, 2024 (Unaudited)	On or before 14 <sup>th</sup> August, 2024
Financial Results for Quarter and half year ending 30 <sup>th</sup> September, 2024 (Unaudited)	On or before November 14, 2024
Financial Results for Quarter and nine months ending 31 <sup>st</sup> December, 2024 (Unaudited)	On or before February 14, 2025
Financial Results for Quarter and year ending 31 <sup>st</sup> March, 2025 (Audited)	On or before May 30, 2025

#### Date of Book Closure

Wednesday, 14<sup>th</sup> August, 2024 to Wednesday, 21<sup>st</sup> August, 2024 (both days inclusive)

#### Listing on Stock Exchanges

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street,

Mumbai - 400 001

Scrip Code: 521016

#### Listing Fees

The Company has paid Listing Fees for FY 2023-24 to BSE.

#### Annual Custody Fees

The Company has paid the Annual Custody Fees to Central Depository Services (India) Limited and National Securities Depository Limited for FY 2023-24.

#### International Securities Identification Number (ISIN)

The International Securities Identification Number (ISIN) for equity shares of the Company of face value of ₹ 10/- each is **INE680B01019**.

**Corporate Identity Number (CIN):** L65910MH1991PLC080534

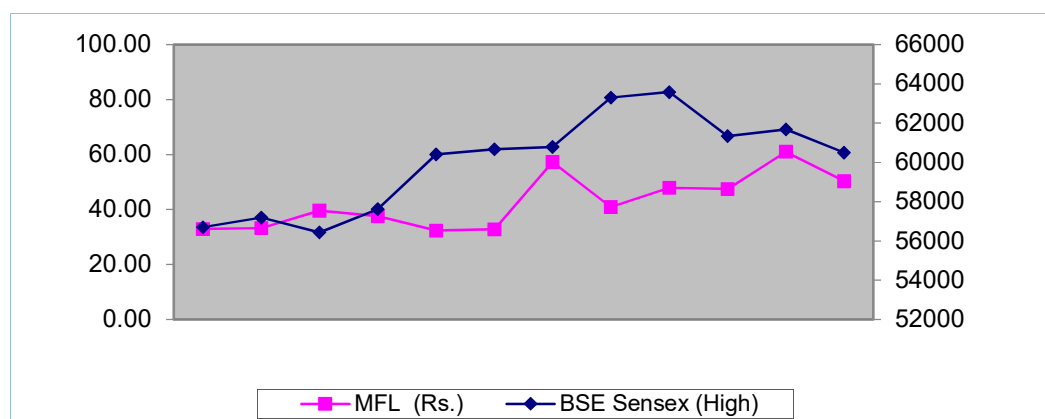
#### Market Price Data

The monthly high and low quotations of the closing price and volume of shares traded at BSE Ltd. (BSE) from April, 2023 to March, 2024 are as under:

Month	BSE		
	High (in Rs.)	Low (in Rs.)	Total number of equity shares traded
April-23	32.92	25.55	21,092
May-23	33.30	27.00	24,730
June-23	39.57	29.83	78,306
July-23	37.64	29.00	35,860
August-23	32.35	27.05	33,988
September-23	32.80	25.64	47,326
October-23	57.37	27.25	8,13,559
November-23	40.94	34.57	1,09,655
December-23	47.91	40.08	74,168
January-24	47.48	37.20	46,240
February-24	60.99	42.10	1,66,672
March-24	50.36	37.26	29,223



### Performance of Share price of the Company in comparison to the BSE Sensex



### Registrar and Share Transfer Agents

Link Intime India Private Limited Noble Heights, 1 <sup>st</sup> floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi – 110058	Telephone No: 011-41410592 to 594; Fax No.: 011- 41410591, E-mail: delhi@linkintime.co.in
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### Share Transfer System

During the Financial Year 2023-24, transfer of shares was allowed only in dematerialised mode and the same is done through the depositories. Further, pursuant to SEBI Circular dated 25<sup>th</sup> January 2022, transmission, transposition & any endorsement shall be made only through demat mode. The Company had also sent intimation followed by 2 reminders to the shareholders holding shares in physical form to take necessary steps to dematerialize the shares at earliest.

### Distribution of Shareholding as on 31<sup>st</sup> March, 2024:

No. of equity shares of face value of Rs.2/- each	No. of Shareholders*	% of Shareholders	No. of shares held	% of shareholding
Upto 500	8,463	95.23	12,33,216	26.99
501 – 1000	259	2.91	2,12,579	4.65
1001 – 2000	68	0.77	1,01,416	2.22
2001 – 3000	30	0.34	77,228	1.69
3001 – 4000	15	0.17	53,539	1.17
4001 – 5000	8	0.09	37,308	0.82
5001 – 10000	17	0.19	1,31,230	2.87
Above 10000	27	0.30	27,23,484	59.59
<b>Total</b>	<b>8,887</b>	<b>100.00</b>	<b>45,70,000</b>	<b>100.00</b>

### Shareholding pattern as on 31<sup>st</sup> March, 2024

Category of Shareholder	31 <sup>st</sup> As on March, 2024	
	No. of Equity shares (Face value of Rs.2/- each)	As a percentage of total paid-up Share Capital
<b>A. Promoter and Promoter Group</b>	<b>24,40,631</b>	<b>53.41</b>
<b>B. Public Shareholding</b>		
<b>Institutions</b>		
Banks	100	0.00
<b>Non-Institutions</b>		
Individuals	19,63,372	42.96
Non Resident Indians (NRIs)	2,930	0.06
Bodies Corporate	45,393	0.99
HUF	1,17,474	2.57
Unclaimed or Suspense or Escrow Account	100	0.00
<b>Sub Total (B)</b>	<b>21,29,369</b>	<b>46.59</b>
<b>Total (A + B)</b>	<b>45,70,000</b>	<b>100.00</b>



### Dematerialization of shares and liquidity

The equity shares of the Company are available for dematerialization with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). As on 31<sup>st</sup> March, 2024, 45,70,000 Equity Shares of the Company constituting 78.93% of the paid-up share capital of the Company are held in dematerialized form and 21.07% is held in Physical form. The Company's shares were regularly traded on the BSE Limited.

### Shares held in demat and physical mode as on 31<sup>st</sup> March, 2024

Category	Number of		% to total equity
	Shareholders	Shares	
<b>Demat Mode</b>			
NSDL	1,697	7,44,548	16.30
CDSL	1,474	28,62,542	62.63
<b>Total Demat</b>	<b>3,171</b>	<b>3,607,090</b>	<b>78.93</b>
Physical Mode	5,716	962910	21.07
<b>Grand Total</b>	<b>8,887</b>	<b>45,70,000</b>	<b>100.00</b>

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

As on 31<sup>st</sup> March, 2024, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instrument.

### Address for correspondence

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

<p><b>The Company Secretary</b> Margo Finance Limited 301, 3<sup>rd</sup> Floor, "Arcadia", Nariman Point, Mumbai – 400 021 Phone: 022 - 4341 9500 / 501 Email: <a href="mailto:krishna.makwana@margofinance.com">krishna.makwana@margofinance.com</a> / <a href="mailto:info@margofinance.com">info@margofinance.com</a></p>	<p><b>Registrar &amp; Transfer Agent</b> Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 Phone: 011-41410592 to 594, Fax No. 011- 41410591, Email: <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a></p>
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On behalf of the Board of Directors

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

Date: 29<sup>th</sup> May, 2024  
Place: Mumbai



**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

Pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management Personnel of Margo Finance Limited ("the Company") have affirmed compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March, 2024.

For **Margo Finance Limited**

**Shri Dass Maheshwari**

Whole Time Director-Finance & CFO  
DIN: 00181615

Date: 17<sup>th</sup> May, 2024



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MARGO FINANCE LIMITED** (hereinafter referred to as 'the Company') having CIN: L65910MH1991PLC080534 and having registered office at Office No.3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale Kolhapur-416109, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its Directors, we hereby certify that none of the Directors on the Board of the Company as on **31<sup>st</sup> March, 2024** as stated below, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority(ies):

Sr. No.	Name of Director	DIN	Date of appointment
1	Mr. Govind Prasad Agrawal	00008429	18/10/1991
2	Mr. Anil Kumar Jain	00086106	18/10/1991
3	Mr. Shri Dass Maheshwari	00181615	30/04/2018
4	Mr. Sushilkumar Agrawal	00400892	11/08/2016
5	Smt. Smita Kulkarni	08127803	08/05/2018
6	Sh. Ambarish Ratilal Sodha	00489489	11/09/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 29<sup>th</sup> May, 2024

**UDIN:** F004123F000487562

**Ashu Gupta**  
Company Secretary in Practice  
FCS No. 4123 | CP No.: 6646  
PR No.: 730/2020



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

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

As per Regulation 15 (2) of SEBI (LODR) Requirements, 2015, it has been stipulated that the compliance with the corporate governance provisions as specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub Regulation (2) of regulation 46 and Para C, D, and E of Schedule V shall not be applicable in respect of:

*The Listed Entity having paid-up equity share capital not exceeding Rs. 10.00 Crore and net worth not exceeding Rs. 25.00 Crore as on the last day of the previous financial year.*

As on 31<sup>st</sup> March 2024, the paid-up equity share capital of Margo Finance Limited is Rs. 4.57 Crore and net worth is Rs. 8.13 Crore, with regard to same, we would like to draw your kind attention that the paid-up equity share capital of the company does not exceed rupees Ten Crore and Net Worth does not exceed rupees Twenty Five Crore.

Therefore, as per provisions of Regulation 15 (2) (a) of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 the compliance with the corporate governance provisions as specified in regulations 17, 49[17A,] 18, 19, 20, 21,22, 23, 24, 50[24A,] 25, 26, 27 and clauses (b) to (i) 51[and (t)] of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply to our Company for the Financial Year 2023-24.

For **Margo Finance Limited**

**Shri Dass Maheshwari**

DIN: 00181615

Whole Time Director-Finance & CFO

Date : 29<sup>th</sup> May, 2024

Place : Delhi



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Margo Finance Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the Ind AS financial statements of Margo Finance Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity & the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (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<sup>st</sup> March, 2024, and its Profit and other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS financial statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the year under report. 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 that there are no key audit matters to communicate in our report.

#### Information other than the financial statements and Auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report (including annexures thereto), Business Responsibility Statement and Management Discussion and Analysis ('MD&A') (collectively referred to as 'other information').

Our opinion on the financial statements does not cover the other information and 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 the financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended.





This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- a) Identify and assess the risks of material misstatement of the 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, misrepresentations, or the override of internal control.
- b) 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d) Conclude on the appropriateness of the 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 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.
- e) Evaluate the overall presentation, structure and content of the 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 the Financial Statements of the current year 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, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With Respect to maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under section 143(3)(b) of the Act and paragraph i(vi) below on reporting under Rule 11(g) of the Rules.
  - (g) 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'.
  - (h) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There are no pending litigations affecting financial position hence no disclosure is required to be made.
    - ii. There are no long-term contracts including derivatives contracts hence no disclosure is required to be made.
    - iii. The clause is not applicable as there is no amount required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The management has also represented to us, to the best of its knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- (c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v. The Board of Directors of the Company have not proposed final dividend for the year.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility which has operated throughout the year for all relevant transactions recorded in the software except that the feature of recording audit trail was not enabled at the database level to log any direct changes in respect of accounting software till 7<sup>th</sup> August 2023. During the course of performing audit procedure, other than the aforesaid circumstances where the question of our commenting on the audit trail feature being tampered with does not arise, we did not notice any instance of audit trail feature being tampered with during the course of our audit.

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

**CA Krishna Kumar**  
**Partner**  
**Membership No.: 523411**  
**UDIN: 24523411BKAPFN9216**

Date: 29<sup>th</sup> May, 2024  
Place: Delhi



### Annexure A to the Independent Auditors' Report

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment (the "PPE"). The company has maintained proper records showing full particulars of Intangible Assets.
- (b) As explained to us, all the PPE have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification with respect records of books.
- (c) The title deed of immovable property is held in the name of the Company.
- (d) The company has not revalued its PPE and intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988 as amended in 2016) and rules made thereunder. Refer note 84 to the Financial Statements.
- ii the company is an investment company and does not have any physical inventory, therefore this clause of the order is not applicable to the Company.
- iii Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it.
  - (b) The Company, is a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.
  - (d) In respect of total amount overdue including principal and/or payment of interest by its customers for more than 90 days reasonable steps are taken by the Company for recovery thereof.
  - (e) Since the Company has not granted any fresh loans during the year, the provision of clause 3(iii)(e) of the Order is not applicable to it.
  - (f) Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- iv According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act wherever applicable.
- v In our opinion and according to the information and explanations given to us, the Company being a non-banking financial company registered with the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.



- vii (a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues relating to amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and any other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company did not have dues referred to in paragraph (a) above which have not been deposited as on 31<sup>st</sup> March, 2024.
- viii In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us, there were no loans obtained by way of term loans from bank during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) & (f) The company has not taken any funds from any entity or person on account of or to meet the obligations of its associate. The Company does not have any subsidiaries or joint ventures.
- x. (a) The Company has not raised any moneys by way of further public offer (including Debt Instruments) during the current financial year, hence the reporting requirements under the clause are not applicable.
- (b) The Company has not made preferential allotment of equity shares during the year hence the reporting requirements under the clause are not applicable.
- xi. (a) 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 material or immaterial, by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT -4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.
- xii The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- 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. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, during the course of our audit, the reports of the Internal Auditor for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has conducted the Non-Banking Financial activities with a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company ("CIC") as defined under the Regulations by the Reserve Bank of India.
- (d) As per information provided in course of our audit, the Group to which the Company belongs has 6 CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and two registered NBFCs including this company.
- xvii. The Company not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii There has not been any resignation from of the Statutory Auditors during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.
- (b) According to the information and explanations (b) given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act.
- xxi. This clause is not applicable, since the Company does not have any subsidiaries and is not required to prepare consolidated financial statements.

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

**CA Krishna Kumar**  
**Partner**  
**Membership No.: 523411**  
**UDIN: 24523411BKAPFN9216**

Date: 29<sup>th</sup> May, 2024  
Place: Delhi



## Annexure B to the Auditors' Report

### Independent Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of the company **Margo Finance Limited** as at 31<sup>st</sup> March 2024 in conjunction with our audit of Ind AS financial statements of the company for the year ended on that date.

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

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

#### Auditor's Responsibility

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

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

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

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

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

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

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



**Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at 31<sup>st</sup> March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

**CA Krishna Kumar**  
**Partner**  
**Membership No.: 523411**  
**UDIN: 24523411BKAPFN9216**

Date: 29<sup>th</sup> May, 2024  
Place: Delhi



**The Board of Directors,  
Margo Finance Limited**

We have audited the Balance Sheet of Margo Finance Limited as at March 31, 2024 and Statement of Profit & Loss for the year ended on that date.

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 issued by the Reserve Bank of India and we submit as under:

- I. The company is engaged in the business of non-banking financial institution and it has obtained a Certificate of Registration (COR) from the Reserve bank of India.
- II. The company is entitled to continue to hold such COR in terms of its asset / income pattern as on March 31, 2024.
- III. The Board of Directors has passed a resolution for non- acceptance of any public deposit.
- IV. The company has not accepted any public deposits during the year ended on 31-03-2024.
- V. The 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 (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- VI. The company is not a Systemically Important Non-deposit taking NBFCs as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 therefore the clause is not applicable to the company.

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

**CA Krishna Kumar**  
**Partner**  
**Membership No.: 523411**  
**UDIN: 24523411BKAPFN9216**

Date: 29<sup>th</sup> May, 2024  
Place: Delhi



## Balance Sheet as at 31 March, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

	Note	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	4.82	4.67
Bank balances other than above	4	17.21	17.20
Receivables			
Trade receivables	5	28.87	4.38
Other receivables	6	0.05	0.10
Loans	7	-	-
Investments	8	21,960.39	7,381.50
Other financial assets	9	27.00	29.00
		<b>22,038.34</b>	<b>7,436.85</b>
<b>Non-financial assets</b>			
Property, plant and equipment	10	6.36	7.24
Intangible Assets	11	0.21	0.29
Investment property	12	16.14	16.14
Other non-financial assets	13	4.21	2.55
		<b>26.92</b>	<b>26.22</b>
<b>Total Assets</b>		<b>22,065.26</b>	<b>7,463.07</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
<b>Payables</b>			
<b>Trade payables</b>	14		
(a) Total outstanding dues to micro enterprises and small enterprises		1.74	1.68
(b) Total outstanding dues to other than micro enterprises and small enterprises		0.05	0.21
		<b>1.79</b>	<b>1.89</b>
<b>Non-financial liabilities</b>			
Provisions	15	-	9.92
Deferred tax liabilities (net)	16	5,275.47	1,626.83
Other non-financial liabilities	17	1.49	2.05
		<b>5,276.96</b>	<b>1,638.80</b>
<b>Equity</b>			
Equity share capital	18	457.00	457.00
Other equity	19	16,329.51	5,365.38
		<b>16,786.51</b>	<b>5,822.38</b>
<b>Total Liabilities and Equity</b>		<b>22,065.26</b>	<b>7,463.07</b>
Summary of significant accounting policies	2		

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

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

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

**CA Krishna Kumar**  
Partner  
Membership No.: 523411

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

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

**CS Krishna Makwana**  
Company Secretary  
Membership No.: A72595  
Place: Mumbai  
Date: 29<sup>th</sup> May, 2024

Place: Delhi  
Date: 29<sup>th</sup> May, 2024

Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

	Note	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Income</b>			
<b>Revenue from operations</b>			
Interest income	20	5.00	4.72
Dividend income	21	37.33	35.13
Fees and commission income	22	25.70	19.42
Others [Net gain/(loss) on sale of investments]	23	13.12	-
Other income	24	0.47	0.50
<b>Total Income</b>		<b>81.62</b>	<b>59.77</b>
<b>Expenses</b>			
Employee benefits expenses	25	14.58	15.00
Depreciation and amortisation	26	1.42	1.45
Other expenses	27	22.06	78.64
<b>Total Expenses</b>		<b>38.06</b>	<b>95.09</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>43.56</b>	<b>(35.32)</b>
Exceptional items		-	-
<b>Profit / (loss) before tax</b>		<b>43.56</b>	<b>(35.32)</b>
<b>Tax expense</b>			
Current tax	36	19.30	21.32
Deferred tax charge	36	(0.02)	0.68
		<b>19.28</b>	<b>22.00</b>
<b>Profit / (loss) after tax</b>		<b>24.28</b>	<b>(57.32)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement of defined benefit plans	31	0.36	(0.09)
- Changes in fair value of financial instruments		14,588.15	(2,528.66)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
- Tax on remeasurement of defined benefit plans	36	(0.09)	-
- Tax on changes in fair value of financial instruments	36	(3,648.57)	739.14
<b>Other comprehensive income for the year</b>		<b>10,939.85</b>	<b>(1,789.61)</b>
<b>Total comprehensive income</b>		<b>10,964.13</b>	<b>(1,846.93)</b>
<b>Earnings per equity share (in ₹):</b>			
Nominal value of ₹ 10 each (Previous year ₹ 10 each)			
-Basic & Diluted earning per share	28	0.53	(1.25)

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

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

**CA Krishna Kumar**  
Partner  
Membership No.: 523411

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

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

**CS Krishna Makwana**  
Company Secretary  
Membership No.: A72595  
Place: Mumbai  
Date: 29<sup>th</sup> May, 2024

Place: Delhi  
Date: 29<sup>th</sup> May, 2024

Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

## A. Equity Share capital

Current Reporting Period - -as at March 31, 2024					
	Balance at the beginning of the current reporting period	Changes in Equity share capital due to prior period errors	Restated balance at the beginning of current reporting period.	Changes in Equity Share Capital during the current reporting period	Balance as at end of the current reporting period
	Amount	Amount	Amount	Amount	Amount
	457.00	-	457.00	-	457.00
Previous Reporting Period - as at March 31, 2023					
	Balance at the beginning of the previous reporting period	Changes in Equity share capital due to prior period errors	Restated balance at the beginning of previous reporting period.	Changes in Equity Share Capital during the previous reporting period	Balance as at end of the previous reporting period
	Amount	Amount	Amount	Amount	Amount
	457.00	-	457.00	-	457.00

## B. Other Equity

Particulars	Reserves & Surplus						Total
	Share Warrant Option Premium	Special Reserve	General Reserve	Retained Earnings	Changes in fair value of Equity instruments through Other Comprehensive Income	Remeasurement of defined benefit plans	
Balance at the beginning of the current reporting period	33.80	80.87	12.49	126.02	5,108.79	3.41	5,365.38
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total other comprehensive income for the current year	-	-	-	24.28	(1,789.88)	0.27	(1,765.33)
Amount transferred to retained earning - Net profit on sale of Investments	-	-	-	42.04	(42.04)	-	-
Amount transferred to special reserve	-	-	-	-	-	-	-
Balance as at end of the current reporting period	33.80	80.87	12.49	192.34	3,276.87	3.68	3,600.05
Balance at the beginning of the previous reporting period	33.80	80.87	12.49	141.30	6,940.35	3.50	7,212.31
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-	-
Total other comprehensive income for the previous year	-	-	-	(57.32)	(1,789.52)	(0.09)	(1,846.93)



Particulars	Reserves & Surplus						
	Share Warrant Option Premium	Special Reserve	General Reserve	Retained Earnings	Changes in fair value of Equity instruments through Other Comprehensive Income	Remeasurement of defined benefit plans	Total
Amount transferred to retained earning - Net profit on sale of Investments				42.04	(42.04)	-	-
Amount transferred to special reserve	-	-	-	-	-	-	-
<b>Balance as at end of the Previous reporting period</b>	<b>33.80</b>	<b>80.87</b>	<b>12.49</b>	<b>126.02</b>	<b>5,108.79</b>	<b>3.41</b>	<b>5,365.38</b>

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

**CA Krishna Kumar**  
Partner  
Membership No.: 523411

Place: Delhi  
Date: 29<sup>th</sup> May, 2024

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

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

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

**CS Krishna Makwana**  
Company Secretary  
Membership No.: A72595  
Place: Mumbai  
Date: 29<sup>th</sup> May, 2024

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

		For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	43.56	(35.32)
	Adjustments for:		
	Depreciation and amortization	1.42	1.45
	Provision written back	(0.40)	(0.30)
	Reversal of provision for employee benefits	-	0.05
	<b>Operating gain before working capital changes</b>	<b>44.58</b>	<b>(34.12)</b>
	<b>Adjustments for :</b>		
	Increase/ Decrease in trade receivables & Other Receivables	(24.44)	1.84
	Decrease in other bank balance	(0.01)	(1.43)
	Increase/decrease in Other Financial assets	2.00	-
	Decrease in loans	0.40	0.30
	Decrease/ (increase) in other non financial assets	(1.30)	(0.60)
	Decrease/ (increase) in investments	(0.10)	37.69
	(Decrease)/ increase in trade payable	9.26	0.99
	(Decrease)/increase in other non financial liabilities	(0.56)	1.82
	(Decrease)/ increase in provisions	(9.92)	9.92
	<b>Cash generated from operating activities before taxes</b>	<b>19.91</b>	<b>16.41</b>
	Less: Direct taxes paid (net of refunds)	(19.30)	(15.64)
	<b>Net cash generated from operating activities (A)</b>	<b>0.61</b>	<b>0.77</b>
<b>B</b>	<b>Cash flows from investing activities</b>		
	Purchase of property, plant and equipment	(0.46)	(0.08)
	<b>Net cash used in investing activities (B)</b>	<b>(0.46)</b>	<b>(0.08)</b>
<b>C</b>	<b>Cash flows from financing activities</b>		
	Interest paid	-	-
	<b>Net cash used in financing activities (C)</b>	<b>-</b>	<b>-</b>
	<b>INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>0.15</b>	<b>0.69</b>
	Cash and cash equivalents at the beginning of the year	4.67	3.98
	<b>Cash and cash equivalents at the end of the year</b>	<b>4.82</b>	<b>4.67</b>



		For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
	<b>Notes to statement of cash flows:</b>		
(i)	<b>Components of cash and bank balances (refer note 3 and 4)</b>		
	Cash and cash equivalents		
	- Cash on hand	0.15	0.13
	- Balances with banks in current account	4.67	4.54
	Other bank balances		
	- Term deposits with remaining maturity less than 12 months	17.21	0.10
	- Term deposits with remaining maturity more than 12 months	-	17.10
	<b>Cash and bank balances at end of the year</b>	<b>22.03</b>	<b>21.87</b>

- (iii) There are no material balances in the balance sheet for liabilities arising from financing activities requiring reconciliation.
- (iv) The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013, as applicable.
- (v) The above statement of cash flows should be read in conjunction with the accompanying notes 1 to 49.

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

**CA Krishna Kumar**  
Partner  
Membership No.: 523411

Place: Delhi  
Date: 29<sup>th</sup> May, 2024

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

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

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

**CS Krishna Makwana**  
Company Secretary  
Membership No.: A72595  
Place: Mumbai  
Date: 29<sup>th</sup> May, 2024



## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March, 2024.

### 1. Company overview

Margo Finance Limited ('the Company') is a public limited company and incorporated under the provisions of Companies Act. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company with the Reserve Bank of India ("RBI"). The Company is engaged primarily in Investment activities as the financing activities were discontinued during the previous year. The Company is domiciled in India and its registered office is situated at Office No. 3, Plot No. 206, Village Alte, Kumbhoj Road, Taluka, Hatkanangale, Dist. Kolhapur, 416109, Maharashtra

### 2. Basis of preparation

#### (i) Statement of compliance with Indian Accounting Standards (Ind AS)

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

The financial statements for the year ended 31<sup>st</sup> March, 2024 were authorized and approved for issue by the Board of Directors on 29<sup>th</sup> May, 2024

#### (ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

### 3. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

#### Property, plant and equipment

##### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

##### *Subsequent measurement (depreciation method, useful lives and residual value)*

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written-down method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

Asset class	Useful life
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years
Computers (Other than server)	3 Years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is de-recognised.

### *Transition to Ind AS*

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2018.

## a) Intangible assets

### *Recognition and initial measurement*

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

### *Subsequent measurement (amortisation method, useful lives and residual value)*

Intangible assets are amortised over a period of 5 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### *Transition to Ind AS.*

The Company elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2018.

## b) Revenue recognition

### *Interest and processing fee income on loans*

Interest and processing fee income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/penal charges, if any, are recognised only when it is reasonably certain that the ultimate collection will be made.

### *Commission income*

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

### *Dividend income*

Dividend income is recognised at the time when the right to receive is established by the reporting date.

### *Miscellaneous income*

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

### c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

### d) Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

### e) Employee benefits

#### Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

**Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:**

#### Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

### Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and last drawn salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

### Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

### f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

#### *Compensation for impairment*

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

### g) Impairment of financial assets

#### *Loan assets*

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

**Probability of Default (PD)** - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

**Loss Given Default (LGD)** – LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

**Exposure at Default (EAD)** – EAD is based on the amounts the Company expects to be owed at the time of default. Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

### *Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

### *Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### *Write-offs*

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

## h) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement.

## i) **Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

## j) **Financial instruments**

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

### Non-derivative financial assets

#### Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

#### De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de-recognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

### Non-derivative financial liabilities

#### Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

#### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### First loss default guarantee

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of an agreement. Such financial guarantees are given to banks and financial institutions, for whom the Company acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the respective bank/financial institution which is based on the amount of loans overdue for more than 75-90 days in respect to agreements with banks and financial institutions.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

### Compound financial instruments

Optionally convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instruments, the liability component is arrived by discounting the gross sum (including redemption premium, if any) at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### k) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### l) Segment reporting

The Company identifies segment basis of the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

### m) Foreign currency

#### *Functional and presentation currency*

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

### *Transition to Ind AS*

The Company has elected to exercise the option for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

### n) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

#### *Significant management judgements*

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Business model assessment** - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Expected credit loss ('ECL')** – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

**Provisions** – At each balance sheet date basis of the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

#### *Significant estimates*

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*

	As at March 31, 2024	As at March 31, 2023
<b>3 Cash and cash equivalents</b>		
Cash on hand	0.15	0.13
Balances with banks		
-on current accounts	4.67	4.54
	<b>4.82</b>	<b>4.67</b>
<b>4 Bank balances other than cash and cash equivalents</b>		
Term deposits with banks with remaining maturity more than 3 months and less than 12 months	17.21	0.10
Term deposits with banks with remaining maturity more than 12 months	-	17.10
	<b>17.21</b>	<b>17.20</b>
<b>5 Trade receivables</b>		
<b>Undisputed, Unsecured - Outstanding for less than 6 Months from the due date of payment.</b>		
<b>Considered good</b>		
Receivable for fees, commission and others	26.79	0.29
Interest accrued on		
-Fixed deposits	2.04	0.87
-Bonds and securities	0.04	1.74
Unbilled Dues	-	1.48
	<b>28.87</b>	<b>4.38</b>
<b>6 Other receivables</b>		
<b>Outstanding for more than 365 days past due</b>		
Unsecured, considered good	0.05	0.10
Unsecured, considered doubtful	68.02	68.02
Less: Allowance for impairment	(68.02)	(68.02)
	<b>0.05</b>	<b>0.10</b>
<b>7 Loans</b>		
<b>Unsecured</b>		
Loans to others	0.10	0.50
Less: Allowance for impairment	(0.10)	(0.50)
	-	-
<b>Out of the above</b>		
Loans in India		
-Public sector	-	-
Less: Impairment loss allowance	-	-
-Others	0.10	0.50
Less: Impairment loss allowance	(0.10)	(0.50)
<b>Total in India</b>	-	-
<b>Loans outside India</b>	-	-




**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*

		As at March 31, 2024	As at March 31, 2023
<b>8</b>	<b>Investments</b>		
<b>(A)</b>	<b>Investment in quoted equity instruments (At fair value through OCI)</b>		
	<b>Gujarat Heavy Chemicals Limited</b>	-	53.03
	Nil (previous year 10530) equity shares of ₹10 fully paid up		
	<b>Welspun Corp Ltd.</b>	9.80	-
	1900 (previous year Nil) equity shares of ₹5 fully paid up		
	<b>Cupid Ltd</b>	4.50	-
	185 (previous year Nil) equity shares of ₹10 fully paid up		
	<b>DLF Limited</b>	1.98	-
	220 (previous year NIL) equity shares of ₹2 fully paid up		
	<b>ICICI Bank</b>	-	4.39
	Nil (previous year 500) equity shares of ₹2 fully paid up		
	<b>Indo Count Industries Limited</b>	5,367.19	1,700.90
	1520020 (previous year 1520020) equity shares of ₹2 fully paid up		
	<b>Juniper Hotels Ltd</b>	116.31	-
	22640 (previous year nil) equity shares of ₹10 fully paid up		
	<b>Motilal Oswal Finance</b>	5.16	-
	310 (previous year Nil) equity shares of ₹1 fully paid up		
	<b>Jio Financial Services Limited</b>	7.13	-
	2015 (previous year NIL) equity shares of ₹10 fully paid up		
	<b>Larsen &amp; Tubro Limited</b>	-	14.61
	Nil (previous year 675) equity shares of ₹2 fully paid up		
	<b>Maharashtra Seamless Limited</b>	1,051.78	-
	124331 (previous year Nil) equity shares of ₹5 fully paid up		
	<b>Reliance Industries Limited</b>	42.87	21.03
	1440 (previous year 902) equity shares of ₹10 fully paid up		
	<b>Welspun Enterprises Limited</b>	73.19	-
	24000 (previous year nil) equity shares of ₹10 fully paid up		
	<b>Welspun Living Limited</b>	8.26	-
	6000 (previous year nil) equity shares of ₹1 fully paid up		
	<b>Capacite Infraprojects Ltd</b>	1.31	-
	500 (previous year nil equity shares of ₹10 fully paid up		
	<b>Jindal Stainless Ltd.</b>	46.88	-
	6750 (previous year NIL) equity shares of ₹2 fully paid up		
	<b>Total value of investment in quoted equity instruments</b>	<b>6,736.36</b>	<b>1,793.96</b>
<b>(B)</b>	<b>Investments in unquoted equity instruments (at fair value through OCI)</b>		
	<b>Indocount Securities Limited</b>	15,205.47	4,913.87
	427000 (previous year 427000) equity shares of ₹10 fully paid up		
	<b>Hindustan Breweries &amp; Bottling Limited</b>	2.51	2.51
	25000 (previous year 25000) equity shares of ₹10 fully paid up		
	<b>Shiva Services Limited</b>	1.00	1.00
	10000 (previous year 10000) equity shares of ₹10 fully paid upLess:		
	Provision for diminution in value of investment	(3.51)	(3.51)
	<b>Total value of investments in unquoted equity instruments</b>	<b>15,205.47</b>	<b>4,913.87</b>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*

		As at March 31, 2024	As at March 31, 2023
(C)	<b>Investments in debentures &amp; bonds (At fair value through OCI)</b>		
	<b>Housing and Urban Development Corporation Limited</b>	-	2.92
	Nil (previous year 200) bonds of ₹1,000 each		
	<b>Indian Railway Finance Corporation Limited</b>	-	10.61
	Nil (previous year 1,000) bonds of ₹1,000 each		
	<b>National Highway Authority of India</b>	11.06	11.72
	1,000 (previous year 1,000) bonds of ₹1,000 each		
	<b>Total value of Investments in debentures &amp; bonds</b>	<b>11.06</b>	<b>25.25</b>
(D)	<b>Investments in Mutual Funds (At fair value through OCI)</b>		
	ICICI Prudential Short Term Fund	7.50	648.42
	<b>Total value of investments in mutual funds</b>	<b>7.50</b>	<b>648.42</b>
	<b>Total Value of Investments (A)+(B)+(C)+(D)</b>	<b>21,960.39</b>	<b>7,381.50</b>
9	<b>Other financial assets</b>		
	Term deposits with NBFCs	27.00	29.00
		<b>27.00</b>	<b>29.00</b>

**10. Property, plant and equipment**

Current year	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2023	Additions during the year	Disposal/ Adjustment	As at March 31, 2024	As at April 1, 2023	For the year	Disposal/ Adjustment	As at March 31, 2024	As at March 31, 2024
Furniture and fixtures	0.20	-	-	0.20	0.11	0.02	-	0.13	0.07
Office equipment	2.27	0.46	-	2.73	1.67	0.42	-	2.09	0.64
Vehicles	7.57	-	-	7.57	1.02	0.90	-	1.92	5.65
<b>Total</b>	<b>10.04</b>	<b>0.46</b>	<b>-</b>	<b>10.50</b>	<b>2.80</b>	<b>1.34</b>	<b>-</b>	<b>4.14</b>	<b>6.36</b>

Previous year	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at April 1, 2022	For the year	Disposal/ Adjustment	As at March 31, 2023	As at March 31, 2023
Furniture and fixtures	0.20	-	-	0.20	0.09	0.02	-	0.11	0.09
Office equipment	2.19	0.08	-	2.27	1.22	0.45	-	1.67	0.60
Vehicles	7.57	-	-	7.57	0.12	0.90	-	1.02	6.55
<b>Total</b>	<b>9.96</b>	<b>0.08</b>	<b>-</b>	<b>10.04</b>	<b>1.43</b>	<b>1.37</b>	<b>-</b>	<b>2.80</b>	<b>7.24</b>

**Footnotes:**

- The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2024 and March 31, 2023.
- Please refer note 29 for capital commitments.
- There are no impairment losses recognised during the year.
- There are no exchange differences adjusted in Property, Plant & Equipment.


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**11. Intangible assets**

Current Year	Gross block (at cost)				Accumulated amortisation			Net block		
	Description	As at April 1, 2023	Additions during the year	Disposal/ Adjustment	As at March 31, 2024	As at April 1, 2023	For the year		Disposal/ Adjustment	As at March 31, 2024
Computer software	0.40	-	-	0.40	0.11	0.08			0.19	0.21
<b>Total</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>0.40</b>	<b>0.11</b>	<b>0.08</b>	<b>-</b>	<b>0.19</b>	<b>0.21</b>	

Previous year	Gross block (at cost)				Accumulated depreciation					
	Description	As at April 1, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at April 1, 2022	For the year	Disposal/ Adjustment	As at March 31, 2023	As at March 31, 2023
Computer software	0.40	-	-	0.40	0.03	0.08		-	0.11	0.29
<b>Total</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>0.40</b>	<b>0.03</b>	<b>0.08</b>	<b>-</b>	<b>0.11</b>	<b>0.29</b>	

**12 Investment property**

		As at March 31, 2024	As at March 31, 2023
<b>A.</b>	<b>Reconciliation of carrying amount</b>		
	<b>Cost or deemed cost</b>		
	Opening balance	16.14	16.14
	Additions during the year	-	-
	<b>Total carrying amount</b>	<b>16.14</b>	<b>16.14</b>
<b>B.</b>	<b>Measurement of fair value</b>		
	Investment property	16.14	16.14
		<b>16.14</b>	<b>16.14</b>

**A. Estimation of fair values**

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

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

**Valuation technique:**

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

**Fair value hierarchy:**

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


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

(All amounts are ₹ in Lacs unless otherwise stated)

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

Valuation technique	Observable inputs
Market method	Guideline rate (Per sq. m.) Similar piece of land rate (Per sq. m.)

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

		As at March 31, 2024	As at March 31, 2023
<b>13</b>	<b>Other non-financial assets</b>		
	Balance with government and other authorities	3.84	2.16
	Prepaid expenses	0.37	0.39
		<b>4.21</b>	<b>2.55</b>
<b>14</b>	<b>Trade payables</b>		
	Trade payables outstanding for less than 1 year from the due date of payment.		
	- to micro and small enterprises (refer note 30)	-	-
	- to others	-	-
	Unbilled dues - due to others for less than 1 year from date of payment.		
	- to micro and small enterprises (refer note 30)	1.74	1.68
	- to others	0.05	0.21
		<b>1.79</b>	<b>1.89</b>
<b>15</b>	<b>Provisions</b>		
	Provision for employee benefits (refer note 31)		
	Provision for gratuity	-	-
	Provision for income tax	-	9.92
		-	<b>9.92</b>
<b>16</b>	<b>Deferred tax liabilities (net)</b>		
	Deferred tax liabilities (refer note 36)	5,275.47	1,626.83
		<b>5,275.47</b>	<b>1,626.83</b>
<b>17</b>	<b>Other non-financial liabilities</b>		
	Statutory dues payable	1.49	2.05
		<b>1.49</b>	<b>2.05</b>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**18 Equity share capital**

	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
1,00,00,000 (March 31, 2022: 1,00,00,000) equity shares of ₹10 each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
45,70,000 (March 31, 2022: 45,70,000) equity shares of ₹ 10 each fully paid up	457.00	457.00
	<b>457.00</b>	<b>457.00</b>

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

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

**Dividends**

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended March 31, 2024, the company has recorded per share dividend of ₹ Nil (previous year Nil) to its equity holders.

**Liquidation**

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any.

Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

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

	Year ended March 31, 2024		Year ended March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
At the beginning of year	45,70,000	457.00	45,70,000	457.00
Add: Share issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>45,70,000</b>	<b>457.00</b>	<b>45,70,000</b>	<b>457.00</b>

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

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% Holding	No. of shares	% Holding
Anil Kumar Jain (HUF)	4,05,245	8.87%	4,05,245	8.87%
Mrs. Gayatri Devi Jain	3,24,870	7.11%	3,24,870	7.11%
Yarntex Export Limited	2,65,370	5.81%	2,65,370	5.81%
Rini Investment & Finance Private Limited	4,55,046	9.96%	4,55,046	9.96%
Skyrise Properties Private Limited	3,13,300	6.86%	3,13,300	6.86%
	<b>17,63,831</b>	<b>38.61%</b>	<b>17,63,831</b>	<b>38.61%</b>

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

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


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**f). Shareholding of Promoters**

Name of the Promoters	As at 31 <sup>st</sup> March 2024		
	Number of shares	% holding in the class	% of change during the year
<b>Details of equity shares held by promoters at the end of the year</b>			
<b>Equity shares of ₹10 each fully paid up held by</b>			
Anil Kumar Jain (HUF)	4,05,245	8.87%	-
Mrs. Gayatri Devi Jain	3,24,870	7.11%	-
Shikha Mohit Jain	1,00,000	2.19%	-
Mohit Anilkumar Jain	15,100	0.33%	-
Neha Singhvi	13,000	0.28%	-
Shivani Patodia	13,000	0.28%	-
Yarntex Export Limited	2,65,370	5.81%	-
Rini Investment & Finance Private Limited	4,55,046	9.96%	-
Skyrise Properties Private Limited	3,13,300	6.86%	-
R H Finvest Private Limited	2,04,000	4.46%	-
Slab Promoters Private Limited	1,62,700	3.56%	-
Commet Impex Private Limited	93,000	2.04%	-
Indocount Securities Limited	76,000	1.66%	-
<b>Total</b>	<b>24,40,631</b>	<b>53.41%</b>	<b>-</b>

Name of the Promoters	As at 31 <sup>st</sup> March 2023		
	Number of shares	% holding in the class	% of change during the year
<b>Details of equity shares held by promoters at the end of the year</b>			
<b>Equity shares of ₹10 each fully paid up held by</b>			
Anil Kumar Jain (HUF)	4,05,245	8.87%	-
Mrs. Gayatri Devi Jain	3,24,870	7.11%	-
Shikha Mohit Jain	1,00,000	2.19%	-
Mohit Anilkumar Jain	15,100	0.33%	-
Neha Singhvi	13,000	0.28%	-
Shivani Patodia	13,000	0.28%	-
Yarntex Export Limited	2,65,370	5.81%	-
Rini Investment & Finance Private Limited	4,55,046	9.96%	-
Skyrise Properties Private Limited	3,13,300	6.86%	-
R H Finvest Private Limited	2,04,000	4.46%	-
Slab Promoters Private Limited	1,62,700	3.56%	-
Commet Impex Private Limited	93,000	2.04%	-
Indocount Securities Limited	76,000	1.66%	-
<b>Total</b>	<b>24,40,631</b>	<b>53.41%</b>	<b>-</b>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*

		As at March 31, 2024	As at March 31, 2023
<b>19</b>	<b>Other Equity</b>		
	<b>a). General reserve</b>		
	Balance at beginning of the year	12.49	12.49
	Additions during the year	-	-
	<b>Balance at end of the year</b>	<b>12.49</b>	<b>12.49</b>
	<b>b). Special reserve</b>		
	Balance at beginning of the year	80.87	80.87
	Additions during the year	20.71	-
	<b>Balance at end of the year</b>	<b>101.58</b>	<b>80.87</b>
	<b>c). Share warrant option premium</b>		
	Balance at beginning of the year	33.80	33.80
	Additions during the year	-	-
	<b>Balance at end of the year</b>	<b>33.80</b>	<b>33.80</b>
	<b>d). Retained earnings</b>		
	Balance at beginning of the year	126.02	141.30
	Add: Profit for the year	24.28	(57.32)
	Add: Net profit on sale of investment	79.29	42.04
	Less: Transfer to special reserve	(20.71)	-
	<b>Balance at end of the year</b>	<b>208.88</b>	<b>126.02</b>
	<b>e). Accumulated Other comprehensive income</b>		
	Balance at beginning of the year	5,112.20	6,943.85
	Add: Other comprehensive income for the year	10,939.85	(1,789.61)
	Less: Net profit on sale of investment transfer to retained earnings (net of tax)	(79.29)	(42.04)
	<b>Balance at end of the year</b>	<b>15,972.76</b>	<b>5,112.20</b>
	<b>Total Other equity</b>	<b>16,329.51</b>	<b>5,365.38</b>

**Nature and purpose of other reserves:**
**(i) General reserve**

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

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

**(ii) Special reserve**

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

**(iii) Share warrant option premium**

The Company allotted 20,00,000 Option Warrants to the Promoter Group in pursuance of the approval given by the shareholders in the Extra Ordinary General Meeting held on 12<sup>th</sup> December, 1994. Each option warrant holder was entitled to apply for one Equity Share at the premium of ₹6.90 per share within a period of 18 months from the date of allotment of warrants. A warrant option premium @ ₹1.69 per warrant was payable on allotment to be adjusted against the issue price of the equity shares. The Company received ₹33.80 lacs on allotment of 20,00,000 Option warrants, being the warrant option premium which had reflected in Schedule 2 of Balance Sheet 1994-95 as Share Warrant Option Premium.

The Promoter Group did not exercise to opt the same and hence the Board forfeited the option warrant premium of ₹33.80 lacs in their Board Meeting held on 26<sup>th</sup> November, 1996.


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**(iv) Retained earnings**

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

**(v) Accumulated Other comprehensive income**

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

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

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

		Year ended March 31, 2024	Year ended March 31, 2023
<b>20</b>	<b>Interest income</b>		
	Interest income on		
	-deposits	3.33	2.87
	-investments	1.67	1.85
		<b>5.00</b>	<b>4.72</b>
<b>21</b>	<b>Dividend income</b>		
	Dividend income	37.33	35.13
		<b>37.33</b>	<b>35.13</b>
<b>22</b>	<b>Fees and commission income</b>		
	Commission income	25.70	19.42
		<b>25.70</b>	<b>19.42</b>
<b>23</b>	<b>Others [Net gain/(loss) on sale of investments]</b>		
	Gain on sale of investments	13.12	-
		<b>13.12</b>	-
<b>24</b>	<b>Other income</b>		
	Provisions written back	0.40	0.30
	Interest received on income tax refund	-	0.15
	Excess provision for retirement benefits reversed	0.07	0.05
		<b>0.47</b>	<b>0.50</b>
<b>25</b>	<b>Employee benefits expenses</b>		
	Salaries, wages and bonus	14.41	14.89
	Contribution to retirement benefits / (reversal) (refer note 31)	-	-
	Staff welfare expense	0.17	0.11
		<b>14.58</b>	<b>15.00</b>
<b>26</b>	<b>Depreciation and amortisation expenses</b>		
	Depreciation on property, plant and equipment (refer note 10)	1.34	1.37
	Amortisation of Intangible assets	0.08	0.08
		<b>1.42</b>	<b>1.45</b>
<b>27</b>	<b>Other expenses</b>		
	Advertisement and publicity	1.70	1.66
	Loss on sale of investments	-	59.40
	Rates and taxes	2.33	1.66
	Donation	-	0.01
	Director sitting fees	1.57	0.63
	Legal and professional expenses (refer footnote)	6.85	6.72
	Share transfer expenses	1.82	1.92




**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*

		Year ended March 31, 2024	Year ended March 31, 2023
	Listing fees	3.25	3.00
	Insurance	0.30	0.20
	Travelling and conveyance	0.27	0.13
	Printing and stationery	0.75	0.55
	Repair and maintenance on		
	-Vehicles	0.71	0.73
	-Others	0.88	0.49
	Telephone expenses	0.59	0.51
	Postage expenses	0.50	0.38
	Business Promotion	0.03	-
	Miscellaneous Expenses	0.51	0.65
		<b>22.06</b>	<b>78.64</b>
	<b>Payment of remuneration to auditors (excluding GST)</b>		
	Statutory audit	0.65	0.65
		<b>0.65</b>	<b>0.65</b>
<b>28</b>	<b>Earnings per share</b>		
	Basic and diluted earnings per share (refer footnote)	0.53	(1.25)
	Nominal value per share (in ₹ )	10.00	10.00
	<b>Footnotes:</b>		
	<b>(a) Profit attributable to equity holders</b>		
	Profit for the year	24.28	(57.32)
	<b>Profit attributable to equity holders of the company for Basic and Diluted EPS</b>	<b>24.28</b>	<b>(57.32)</b>
	<b>(b) Weighted average number of shares used as the denominator</b>		
	Opening balance of issued equity shares	45.70	45.70
	Effect of shares issued during the year, if any	-	-
	<b>Weighted average number of equity shares for Basic and Diluted EPS</b>	<b>45.70</b>	<b>45.70</b>
	<b>(c) At present, the Company does not have any dilutive potential equity share.</b>		
<b>29</b>	During the year the company had used accounting software for maintaining its books of account having the feature of recording audit trail (edit log) facility. The accounting software was operated throughout the year for all relevant transactions recorded in the software except that the feature of recording audit trail was not enabled at the database level to log any direct changes in respect of accounting software till 7 <sup>th</sup> August 2023.		


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*

		Year ended March 31, 2024	Year ended March 31, 2023
<b>30</b>	<b>Disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:</b>		
	The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:		
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
	The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
	The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-
	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-
	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

**31 Employee benefits**

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

**(i) Defined contribution plans:**

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

	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to provident fund	-	-

**(ii) Defined benefit plan:**
**Gratuity**

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


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at March 31, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Net defined benefit (asset)/liability</b>		
Gratuity (unfunded)	(2.77)	(2.16)
<b>Total employee benefit liabilities</b>	<b>(2.77)</b>	<b>(2.16)</b>
Non-current	-	-
Current	-	-

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

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

	Year ended March 31, 2024			Year ended March 31, 2023		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance at the beginning of the year	2.89	5.05	(2.16)	2.53	4.47	(1.94)
<b>Included in profit or loss</b>						
Current service cost	0.08	-	0.08	0.10	-	0.10
Interest cost (income)	0.21	0.36	(0.15)	0.17	0.32	(0.15)
Actual company contribution	-	0.18	(0.18)	-	0.26	(0.26)
Past service cost	-	-	-	-	-	-
	<b>0.29</b>	<b>0.54</b>	<b>(0.25)</b>	<b>(0.27)</b>	<b>0.58</b>	<b>(0.31)</b>
<b>Included in OCI</b>						
<b>Remeasurements loss (gain)</b>						
<b>– Actuarial loss (gain) arising from:</b>						
- financial assumptions	-	-	-	-	-	-
- demographic assumptions	-	-	-	-	-	-
- experience adjustments	(0.36)	-	(0.36)	0.09	-	0.09
Return on plan assets	-	-	-	-	-	-
	<b>(0.36)</b>	-	<b>(0.36)</b>	<b>0.09</b>	-	<b>0.09</b>
<b>Other</b>						
<b>Contributions paid by the employer</b>						
Acquisition adjustment	-	-	-	-	-	-
Fund management charges	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>2.82</b>	<b>5.59</b>	<b>(2.77)</b>	<b>2.89</b>	<b>5.05</b>	<b>(2.16)</b>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*

Expenses recognised in the Statement of profit and loss	Year ended March 31, 2024	Year ended March 31, 2023
Service cost	0.08	0.10
Net interest cost	(0.15)	(0.15)
	<b>(0.07)</b>	<b>(0.05)</b>

**C. Plan assets**

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

	As at March 31, 2024	As at March 31, 2023
Funds Managed by Insurer (investment with insurer)	5.05	5.05

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

**D. Actuarial assumptions**
**a) Economic assumptions**

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

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.09%	7.30%
Expected rate of future salary increase	7.50%	7.50%
Expected rate of return on assets	7.09%	7.30%

**b) Demographic assumptions**

	As at March 31, 2024	As at March 31, 2023
i) Retirement age (years)	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Withdrawal rate	11%	11%


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

(All amounts are ₹ in Lacs unless otherwise stated)

**E. Sensitivity analysis**

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

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

	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis point)	0.09	0.09	0.02	0.02
Expected rate of future salary increase (100 basis point)	0.10	0.09	0.02	0.02
Withdrawal rate (100 basis point)	0.01	0.01	0.01	0.01

**Description of risk exposures:**

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

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Duration of defined benefit obligation</b>		
Less than 1 year	0.27	0.36
Between 1-2 years	1.73	0.33
Between 2-5 years	0.23	1.31
Over 5 years	0.87	1.83
<b>Total</b>	<b>3.10</b>	<b>3.83</b>

Expected contributions to post-employment benefit plans for the year ending March 31, 2024 is Nil

The estimated term of benefit obligations works out to 16.65 years.


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

(All amounts are ₹ in Lacs unless otherwise stated)

**32. Related party disclosures**

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

**(a) List of related parties**

Relationship	Name of related party
Enterprises in which key management personnel and their relatives are able to exercise control or significant influence	Indo Count Industries Limited
	Indocount Securities Limited
Key Management Personnel	Shri Dass Maheshwari (Whole-time Director and Chief Financial Officer)

**(b) Details of related party transactions are as below:**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Employee benefits expense</b>		
Remuneration to Whole-time Director	8.38	8.26
<b>Expenses recovered on behalf of</b>		
-Indocount Securities Limited	0.60	0.59
<b>Loans</b>		
Loan paid to Whole Time Director	1.20	-
Repayment	0.60	-
Closing balance	0.60	-
<b>Closing Balance of Investments</b>		
-Indocount Securities Limited	42.70	42.70
-Indo Count Industries Limited	52.57	52.57

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

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

**33. Segment Reporting**

The Company is engaged primarily in the business of Investment and Investment related financial services, accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment.


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**34. Fair value measurement and financial instruments**
**a). Financial instruments – by category and fair values hierarchy**

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

**i). As at March 31, 2023**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Other financial assets	-	-	29.00	29.00	-	-	-
Investments	-	7,381.50	-	7,381.50	2,467.63	4,913.87	-
Trade & Other receivables	4.48	-	-	4.48	-	4.48	-
Cash and cash equivalents	-	-	4.67	4.67	-	-	-
Balances other than cash and cash equivalents	-	-	17.20	17.20	-	-	-
<b>Total</b>	<b>4.48</b>	<b>7,381.50</b>	<b>50.87</b>	<b>7,436.85</b>			
<b>Financial liabilities</b>							
Trade payables	-	-	1.89	1.89	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.89</b>	<b>1.89</b>			

**ii). As at March 31, 2024**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Other financial assets	-	-	27.00	27.00	-	-	-
Investments	-	21,960.39	-	21,960.39	1,387.73	20,572.66	-
Trade & Other receivables	28.92	-	-	28.92	-	28.92	-
Cash and cash equivalents	-	-	4.82	4.82	-	-	-
Balances other than cash and cash equivalents	-	-	17.21	17.21	-	-	-
<b>Total</b>	<b>28.92</b>	<b>21,960.39</b>	<b>49.03</b>	<b>22,038.34</b>			
<b>Financial liabilities</b>							
Trade payables	-	-	1.79	1.79	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.79</b>	<b>1.79</b>			

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

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

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

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

### Valuation processes

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

### b). Financial risk management

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

- Credit risk
- Liquidity risk
- Interest rate risk

### Risk management framework

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

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

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

### (i) Credit risk

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

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	28.92	4.48
Cash and cash equivalents	4.82	4.67
Bank balances other than cash and cash equivalents	17.21	17.20
Investments	21,960.39	7,381.50
Loans	-	-
Other financial assets	27.00	29.00

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

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





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

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

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

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

Gross carrying amount Particulars	Gross carrying amount	
	As at March 31, 2024	As at March 31, 2023
0-90 days past due	28.92	4.38
91 to 180 days past due	-	-
More than 180 days past due #	-	0.10
<b>Total</b>	<b>28.92</b>	<b>4.48</b>

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

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

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

### (ii) Liquidity risk

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

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of ₹22.03 lacs as at March 31, 2024 (March 31, 2023: ₹21.87 lacs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(All amounts are ₹ in Lacs unless otherwise stated)

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

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

### Exposure to liquidity risk

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

As at March 31, 2024	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Trade payables	1.79	1.79	-	1.79
<b>Total</b>	<b>1.79</b>	<b>1.79</b>	<b>-</b>	<b>1.79</b>

As at March 31, 2023	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Trade payables	1.89	1.89	-	1.89
<b>Total</b>	<b>1.89</b>	<b>1.89</b>	<b>-</b>	<b>1.89</b>

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

### iii). Market risk

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

#### Interest rate risk

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

#### Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. During the year ended March 31, 2023 & March 31, 2024 the Company does not have any variable rate borrowings hence no exposure of interest rate risk.

### 35 Capital Management

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

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


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	-	-
Less: Cash and cash equivalents	(4.82)	(4.67)
<b>Adjusted net debt (A)</b>	<b>(4.82)</b>	<b>(4.67)</b>
<b>Total equity (B)</b>	<b>16,786.51</b>	<b>5,822.38</b>
Adjusted net debt to adjusted equity ratio (A/B)	-0.03%	-0.08%

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

	Year ended March 31, 2024	Year ended March 31, 2023
Current Tax	19.30	21.32
	<b>19.30</b>	<b>21.32</b>
<b>Deferred tax expense</b>		
Change in recognised temporary differences	(0.02)	0.68
	<b>(0.02)</b>	<b>0.68</b>
<b>Total Tax Expense</b>	<b>19.28</b>	<b>22.00</b>

**B. Amounts recognised in Other Comprehensive Income**

	March 31, 2024			March 31, 2023		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	0.36	(0.09)	0.27	(0.09)	-	(0.09)
Changes in fair value of financial instruments	14,588.15	(3,648.57)	10,939.58	(2,528.66)	739.14	(1,789.52)
	<b>14,588.51</b>	<b>(3,648.66)</b>	<b>10,939.85</b>	<b>(2,528.75)</b>	<b>739.14</b>	<b>(1,789.61)</b>

**C. Reconciliation of effective tax rate**

	March 31, 2024		March 31, 2023	
	Rate	Amount	Rate	Amount
Profit before tax	25.17%	43.56	25.17%	(35.32)
Tax using the Company's domestic tax rate (A)		19.30		15.14
Prior Years adjustment (B)		-		6.18
<b>Total Tax (A+B)</b>		<b>19.30</b>		<b>21.32</b>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
*(All amounts are ₹ in Lacs unless otherwise stated)*
**D. Movement in deferred tax balances**

	As at March 31, 2023	Recognised in P&L	Recognised in OCI	As at March 31, 2024
<b>Deferred Tax Assets</b>				
Property, plant and equipment	0.06	0.12	-	0.18
Other provisions	17.25	(0.10)	-	17.15
<b>Sub- Total (a)</b>	17.31	0.02	-	17.33
<b>Deferred Tax Liabilities</b>				
Investments	(1,644.14)	-	(3,648.66)	(5,292.80)
<b>Sub- Total (b)</b>	<b>(1,644.14)</b>	-	<b>(3,648.66)</b>	<b>(5,292.80)</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>(1,626.83)</b>	<b>0.02</b>	<b>(3,648.66)</b>	<b>(5,275.47)</b>

	As at March 31, 2022	Recognised in P&L	Recognised in OCI	As at March 31, 2023
<b>Deferred Tax Assets</b>				
Property, plant and equipment and intangibles	0.09	(0.03)	-	0.06
Other provisions	17.90	(0.65)	-	17.25
<b>Sub- Total (a)</b>	<b>17.99</b>	<b>(0.68)</b>	-	<b>17.31</b>
<b>Deferred Tax Liabilities</b>				
Investments	(2,383.28)	-	739.14	(1,644.14)
<b>Sub- Total (b)</b>	<b>(2,383.28)</b>	-	<b>739.14</b>	<b>(1,644.14)</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>(2,365.29)</b>	<b>(0.68)</b>	<b>739.14</b>	<b>(1,626.83)</b>

- 37 There are no borrowing costs that have been capitalised during the year ended March 31, 2024 and March 31, 2023.
- 38 There have been no events after the reporting date that require adjustment/disclosure in these financial statements.
- 39 These financial statements were authorised for issue by Board of Directors on 29<sup>th</sup> May, 2024.
- 40 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.
- 41 The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the year ended March 31, 2024 and March 31, 2023.
- 42 All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2024 and March 31, 2023. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.
- 43 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.
- 44 There are no transactions not recorded in the books of accounts.


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

(All amounts are ₹ in Lacs unless otherwise stated)

- 45 The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2024 and March 31, 2023.
- 46 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2024 and March 31, 2023.
- 47 The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.
- 48 In the financial years ended March 31, 2024 and March 31, 2023, the Company did not have any transaction with the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

**49 Analytical Ratios**

	Year ended March 31, 2024	Year ended March 31, 2023
Capital to Risk weighted assets ratio (CRAR)	Na	Na
Tier I CRAR	Na	Na
Tier II CRAR	Na	Na
Liquidity Coverage Ratio	Na	Na

\* not being in Finance Business

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

Partner  
Membership No.: 523411

Place: Mumbai  
Date: 29<sup>th</sup> May, 2024

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

**Anil Kumar Jain**  
Chairman  
DIN: 00086106

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

**CS Krishna Makwana**  
Company Secretary  
Membership No.: A72595  
Place: Mumbai  
Date: 29<sup>th</sup> May, 2024



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

(All amounts are ₹ in Lacs unless otherwise stated)

**Schedule to the Balance Sheet of a non-deposit taking non-banking financial company**

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

	Particulars	Amount Outstanding	Amount Overdue
	<b>Liabilities side</b>		
(1)	<b>Loans and advances availed by non-banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a)	Debentures: Secured Unsecured (other than falling within the meaning of public deposits)*	-	-
(b)	Deferred Credits	-	-
(c)	Term Loans	-	-
(d)	Inter Corporate Loans and Borrowings	-	-
(e)	Commercial Paper	-	-
(f)	Other Loans Loan payable on demand from bank (Bank overdraft limit from Karnatak Bank Limited secured by fixed deposits with the same bank)	-	-

	Assets Side	Amount Outstanding
(2)	<b>Break-up of Loans and Advances including bills receivables (other than those included in (4) below:</b>	
(a)	Secured	-
(b)	Unsecured	-
(3)	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
(i)	Lease assets including lease rentals under sundry debtors: (a) Financial Lease (b) Operating Lease	-
(ii)	Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets	-
(iii)	Other loans counting towards AFC activities: (a) Loans where assets have been repossessed (b) Loans other than (a) above	-
(4)	Break up of Investments: Current Investments: (1) Quoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Fund (iv) Government Securities (v) Others (please specify)	- - - - -
	(2) Unquoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Fund (iv) Government Securities (v) Others (please specify)	- - - - -



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

(All amounts are ₹ in Lacs unless otherwise stated)

	Long Term Investments	
	(1) Quoted:	
	(i) Shares: (a) Equity	6,736.36
	(b) Preference	-
	(ii) Debentures and Bonds	11.06
	(iii) Units of Mutual Fund	7.50
	(iv) Government Securities	-
	(v) Others (please specify)	-
	(2) Unquoted:	
	(i) Shares: (a) Equity	15,205.47
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Fund	-
	(iv) Government Securities	-
	(3) (v) Others (please specify)	-
	Investment in immovable property	16.14
	<b>Total</b>	<b>21,976.53</b>

**(5) Borrower group-wise classification of assets financed as in (2) and (3) above:**

	Category	Amount net of provisions		
		Secured	Unsecured	Total
(1)	Related Parties**			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
(2)	Other than related parties	-	-	-
	<b>Total</b>	-	-	-

**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

	Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
(1)	Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	20,572.66	95.27
	(c) Other related parties	-	-
(2)	Other than related parties	1,403.87	686.10
	<b>Total</b>	<b>21,976.53</b>	<b>781.37</b>

**(7) Other Information:**

	Particulars	Amount
(I)	Gross Non-Performing Assets	
	(a) Related Parties	-
	(b) Other than related parties	0.10
(II)	Net Non-Performing Assets	
	(a) Related Parties	-
	(b) Other than related parties	-
(III)	Assts acquired in satisfaction of debt	



**Margo Finance Limited**

**CIN:** L65910MH1991PLC080534

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

**Tel No:** 011 – 25753331, 41539444, 25767330

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

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**NOTICE**

**33<sup>RD</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty-Third (33<sup>rd</sup>) Annual General Meeting (“AGM”) of the Members of Margo Finance Limited (“the Company”) will be held on Wednesday, 21<sup>st</sup> August, 2024 at 12:00 Noon (IST), through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024, together with the Reports of the Board of Directors and the Auditors thereon; and
2. To appoint a Director in place of Mr. Anil Kumar Jain (DIN: 00086106), who retires by rotation and being eligible, offers himself for the re-appointment.

**SPECIAL BUSINESS:**

3. **Appointment of Mr. Govind Prasad Agrawal (DIN: 00008429), as a Non-Executive Non Independent Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Section 152 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and Board of the Company, consent of the members of the Company be and is hereby accorded for appointment of Mr. Govind Prasad Agrawal (DIN: 00008429) as a Non-Executive Non Independent Director of the Company w.e.f. 23<sup>rd</sup> August, 2024, who shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** Mr. Govind Prasad Agrawal shall be paid sitting fees for attending any meetings of the Board/ Committee(s)/ General Meeting(s) etc.;



**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

4. **Re-appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as “Whole Time Director- Finance & CFO” of the Company for a further period of one (1) year from 30<sup>th</sup> April, 2024 to 29<sup>th</sup> April, 2025**

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

**“RESOLVED THAT** in accordance with the provisions of sections 196, 197, 198, of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of shareholders of the Company, consent of the Board of Directors of the Company be and is hereby accorded for the re-appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as “Whole Time Director- Finance & CFO” of the Company for a further period of one (1) year w.e.f. 30<sup>th</sup> April, 2024, on the remuneration and other terms and conditions as set out below, with liberty to the Board of Directors (hereinafter referred to as “the Board”) to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 and Schedule V of the Companies Act, 2013:

**(A) Salary & Perquisites:**

Basic Salary: Rs. 40,000/- p.m.

**(B) Perquisites and Allowances**

1. House Rent Allowance – Rs. 16,500/- p.m.
2. Other Allowance upto Rs. 10,000/- p.m.
3. Telephone, Mobile & laptop at the Residence for official purpose and expenses incurred thereof.
4. Travelling Expenses- as per the Travel Policy of the Company for Directors of the Company.
5. Any other allowances, benefits and perquisites as per the rules and/ or policy of the Company as are applicable to the Whole time Directors of the Company and/ or which may become applicable in future, subject to recommendation of the Nomination & Remuneration Committee.

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

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

**RESOLVED FURTHER THAT** Mr. Shri Dass Maheshwari, Whole time Director- Finance & CFO shall not be paid any sitting fees for attending any meetings of the Board/ Committee(s)/ General Meeting(s) etc.;

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

5. **Re-appointment of Mr. Ambarish Sodha (DIN: 00489489) as an Independent Director of the Company**

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

“**RESOLVED THAT** pursuant to provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the ‘Act’), including the Rules made thereunder read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and Board of Director, consent of the members be and is hereby accorded for re-appointment of Mr. Ambarish Sodha (DIN: 00489489), as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, effective from 11<sup>th</sup> September, 2024 to 10<sup>th</sup> September, 2029 and that he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) or Authorised Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**Krishna Makwana  
Company Secretary  
Membership No: A72595**

Date: 29<sup>th</sup> May, 2024  
Place: Mumbai

**Notes:**

1. The Ministry of Corporate Affairs ("MCA") has, vide its circular no. 09/2023 dated 25<sup>th</sup> September, 2023 read together with circular nos. 20/2020, 21/2021, 02/2022 and 10/2022 dated 5<sup>th</sup> May, 2020, 14<sup>th</sup> December, 2021, 5<sup>th</sup> May, 2022 and 28<sup>th</sup> December, 2022 respectively (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM") due in the year 2024 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue till 30<sup>th</sup> September, 2024. In compliance with the MCA Circulars, this 33<sup>rd</sup> AGM is being held through VC/OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the aforementioned MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In terms of the provisions of Section 112 and 113 of the Act read with the aforementioned MCA Circulars, Institutional /Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are entitled to appoint their authorized representatives to attend the AGM through VC/OAVM on their behalf and participate there at, including cast votes by electronic means (details of which are provided separately in this notice). Such Corporate Members are requested to refer 'General Guidelines for Shareholders' provided in this notice, for more information.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The members, seeking any information with regard to the accounts or any matter to be placed at the AGM or having any questions in connection with the matter placed at AGM, are requested to send email to the Company on or before Wednesday, 14<sup>th</sup> August, 2024, on [info@margofinance.com](mailto:info@margofinance.com). The same will be replied suitably.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts in relation to the business under Item No. 3, 4 and 5 of the Notice, is annexed hereto.  
  
Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings, relevant details of Mr. Govind Prasad Agrawal, Mr. Shri Dass Maheshwari and Mr. Ambarish Sodha, Directors proposed for appointment/ re-appointment and Mr. Anil Kumar Jain, Director retiring by rotation and proposed for re-appointment are provided in the Annexure I to this Notice.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. Members, whether holding shares in electronic/physical mode, are requested to quote their DP ID & Client ID or Folio No. for all correspondence with the Company / RTA.
  9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (“PAN”) by every participant in securities market. Members holding shares in physical form are requested to submit their PAN details to the Company / RTA. Members holding shares in dematerialized form are requested to submit their PAN to their respective DP.
  10. Book Closure:  
The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 14<sup>th</sup> August, 2024 to Wednesday, 21<sup>st</sup> August, 2024 (both days inclusive) in connection with the Annual General Meeting.
  11. NRI Members are requested to:
    - (a) change their residential status on return to India permanently.
    - (b) furnish particulars of bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code No., if not furnished earlier.
  12. Members holding shares under different Folio Nos. in the same names are requested to apply for consolidation of folios and send relevant original share certificates to the Company’s RTA for doing the needful.
  13. In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated 5<sup>th</sup> January, 2023, Notice of the 33<sup>rd</sup> AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company’s website [www.margofinance.com](http://www.margofinance.com) and website of the BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.
- Members of the Company holding shares either in physical form or in Dematerialized form as on Friday, 26<sup>th</sup> July, 2024 will be sent Annual Report for the financial year 2023-24 and Notice of 33<sup>rd</sup> Annual General Meeting through electronic mode.
14. Members who wish to inspect statutory registers required to be made available/kept open for inspection at AGM and relevant documents referred to in this Notice of AGM can send an email [info@margofinance.com](mailto:info@margofinance.com). Copies of any documents referred to in the Notice and Explanatory Statement are also available for inspection at the Registered Office of the Company on all days except Saturdays, Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. upto the date of the AGM.
  15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The deemed venue for the AGM will be the Registered Office of the Company.

## 16. Registration of E-mail ID

Shareholders who have still not registered their E-mail ID are requested to get their E-mail ID registered as follows:

- Shareholders holding Shares in Physical Mode: Such Shareholders are requested to register their E-mail ID with the Registrar and Share Transfer Agent (“RTA”) of the Company viz. Link Intime India Private Limited by sending request to Company’s RTA on [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) or to the Company at [info@margofinance.com](mailto:info@margofinance.com). The said request be accompanied with Form ISR-1 for KYC updation.
- Shareholders holding Shares in Dematerialized Mode: Such Shareholders are requested to register their e-mail ID with the relevant Depository Participant(s). In case of any queries / difficulties in registering the e-mail address, Shareholders may write to RTA at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) or to the Company at [info@margofinance.com](mailto:info@margofinance.com).

**Those shareholders having physical share certificate who have not yet submitted Form ISR-1, ISR-2, SH-13/SH-14 are requested to submit the same to RTA/Company at earliest. Those shareholders who are holding shares in dematerialized mode are requested to ensure that aforesaid KYC details and nomination are updated with their depository participants.**

## 17. KYC UPDATION

SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by 30<sup>th</sup> September, 2023, and linking PAN with Aadhaar by 30<sup>th</sup> June, 2023 vide SEBI Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March, 2023 (“SEBI Circular”), it is mandatory for the physical shareholders to update PAN, Address, Email ID, Mobile No., Bank account details (KYC details) and Nomination details with Link Intime India Private Limited, Registrar and Transfer Agent (RTA) / Company. The RTA/ Company had sent Form ISR-1 for KYC updation, ISR-2 for bank details, Form SH-13/ ISR-3 in respect of nomination to physical shareholders whose KYC were not updated and Form SH-14 to cancel the earlier nomination and record a fresh nomination.

Those shareholders who are holding shares in dematerialised mode are requested to ensure that aforesaid KYC details and nomination are updated with their depository participants

## 18. Issue of securities in Demat mode and Demat of shares

SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. **Accordingly, while making any service request, Members are requested to submit duly filled and signed Form ISR-4, the format of which is available on the Company’s website at [www.margofinance.com/investor-relations/#kyc](http://www.margofinance.com/investor-relations/#kyc) and on the website of the Company’s Registrar and Transfer Agents, Link Intime India Private Limited at [web.linkintime.co.in/](http://web.linkintime.co.in/). It may be noted that any service request can be processed only after the folio is KYC Compliant. Hence, the members are once again requested to update their KYC details as specified in point 17 above.**

As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, transfer of equity shares can be made only in dematerialised mode. Hence, members holding shares in physical form are requested to consider converting their holdings to dematerialized form at earliest. Members can contact the Company or Company's Registrars and Transfer Agent i.e. Link Intime India Private Limited in case of any queries in this regard.

#### **INSTRUCTIONS FOR REMOTE E-VOTING**

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2015 as amended from time to time, and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing 'remote e-voting' facility through National Securities Depository Limited (NSDL) to all Members of the Company to enable them to cast their votes electronically, on all resolutions mentioned in the notice of the 33<sup>rd</sup> Annual General Meeting ("AGM") of the Company.

#### **GENERAL INSTRUCTIONS:**

- a) **The remote e-voting period begins on Sunday, 18<sup>th</sup> August, 2024 at 9.00 a.m. (IST) and ends on Tuesday, 20<sup>th</sup> August, 2024 at 5.00 p.m. (IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 16<sup>th</sup> August, 2024 may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m. (IST) on Tuesday, 20<sup>th</sup> August, 2024. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The voting rights of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-Off Date.**
- b) Ms. Ashu Gupta, Proprietor of M/s. Ashu Gupta & Associates, Practicing Company Secretaries (Membership No.: F4123; CP No: 6646), has been appointed as a Scrutinizer to scrutinize the remote e-voting process and e-voting at AGM in a fair and transparent manner.
- c) In accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed **Friday, 16<sup>th</sup> August, 2024** as the "cut-off date" to determine the eligibility to vote by remote e-voting or e-voting at the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. **Friday, 16<sup>th</sup> August, 2024**, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. Only those members, who will be present at the AGM through VC/ OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
- d) The members who have cast their vote by remote e-voting may also attend the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

- e) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under **“Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”**
- f) The voting rights of Members shall be in proportion to their shares in the paid-up equity shares capital of the Company as on the cut-off date i.e. **Friday, 16<sup>th</sup> August, 2024.**
- g) The Scrutinizer shall submit his consolidated report to the Chairman within two (2) working days from the conclusion of the AGM.
- h) The result declared along with the Scrutinizer’s Report shall be placed on the website of the Company at [www.margofinance.com](http://www.margofinance.com) and on the website of NSDL at <https://www.evoting.nsdl.com> and shall simultaneously be communicated to the BSE Limited at [www.bseindia.com](http://www.bseindia.com). Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 21<sup>st</sup> August, 2024.

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





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

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

A. Login method for Individual shareholders holding securities in demat mode is given below:

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>‘IDeAS’</b> section, this will prompt you to enter your

	<p>existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <ol style="list-style-type: none"> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>   </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; Myeasi New (Token) Tab and then user your existing my easi username &amp; password.</li> <li>After successful login of Easi/Easiest the user will be able to see the e-Voting Option for eligible companies where the e-voting is in progress as per the</li> </ol>



	<p>information provided by the Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; Myeasi New (Token) Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in <b>Demat Mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at telephone nos.: 022 - 4886 7000
Individual Shareholders holding securities in <b>Demat Mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at Toll Free no. 1800 22 55 33

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

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

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

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?

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

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. EVEN of the Company is **129452**. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

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

#### **GENERAL GUIDELINES FOR SHAREHOLDERS:**

1. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF’s, NRI’s, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to [ashugupta.cs@gmail.com](mailto:ashugupta.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF’s, NRI’s etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022-4886 7000 and 022 – 2499 7000 or send a request to Mr. Abhishek Mishra, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to [info@margofinance.com](mailto:info@margofinance.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, Client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to [info@margofinance.com](mailto:info@margofinance.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated 9<sup>th</sup> December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [info@margofinance.com](mailto:info@margofinance.com). The same will be replied by the company suitably. The Company will also provide chat box facility to ask the questions concurrently during the Meeting.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of commencement of the Meeting by following the procedure mentioned in the Notice and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis.

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

### **ITEM 3**

Mr. Govind Prasad Agrawal (DIN: 00008429), was appointed as Non-Executive, Independent Director of the Company for a second term of 5 (Five) years w.e.f. 23<sup>rd</sup> August, 2019 to 22<sup>nd</sup> August, 2024. The Board of Directors of the Company at its meeting held on 29<sup>th</sup> May, 2024 had approved and recommended to the members, the appointment of Mr. Govind Prasad Agrawal (DIN: 00008429), as a Non-Executive Non Independent Director of the Company subject to the approval of the members of the Company on the terms and conditions including remuneration as set out in Item No. 3 of the Notice.

The brief profile of Mr. Govind Prasad Agrawal and other details required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 is provided in “**Annexure I**” to the Notice. Considering rich knowledge and varied experience of Mr. Govind Prasad Agrawal, the Board was of the opinion that his association as a Non-Executive Non Independent Director will continue to benefit the Company. Mr. Govind Prasad Agrawal satisfies the conditions specified in Part I of Schedule V of the Companies Act, 2013. Further, He has confirmed that he is not disqualified to act as a Director of the Company and have given his consent for the appointment. He is not debarred from holding office of director by virtue of any SEBI order or any other authority.

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

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

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

### **ITEM NO. 4**

The Board of Directors of the Company at its meeting held on 8<sup>th</sup> February, 2024 had approved and recommended to the members, the appointment of Mr. Shri Dass Maheshwari as a Whole Time Director designated as “Whole Time Director- Finance & CFO” of the Company for a further period of one (1) year from 30<sup>th</sup> April, 2024 to 29<sup>th</sup> April, 2025.

Mr. Shri Dass Maheshwari aged 70 Years, is Whole Time Director of the Company and is involved with the Company since ages. He holds a Bachelor’s Degree in Commerce. He has more than 40 years of experience in field of Finance & Corporate functions. Taking into consideration the rich experience, expertise and invaluable contributions of Mr. Shri Dass Maheshwari, the Board is of opinion that he is best suited for the said position. Accordingly, it will be in the best interest of the Company to retain him in his present role as Whole Time Director designated as “Whole Time Director- Finance & CFO” of the Company for another term of one (1) year.

The Members of the Company at the 32<sup>nd</sup> Annual General Meeting of the Company held on 3<sup>rd</sup> August, 2023 had re-appointed Mr. Shri Dass Maheshwari as Whole Time Director designated as “Whole Time Director- Finance & CFO” of the Company for a period of one (1) year with effect from 30<sup>th</sup> April, 2023 under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The existing term of Mr. Shri Dass Maheshwari as Whole Time Director was for a period of one (1) year upto 29<sup>th</sup> April, 2024.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 8<sup>th</sup> February, 2024 has recommended to the Board of Directors his appointment as Whole Time Director designated as “Whole Time Director- Finance & CFO” for a further period of one (1) year with effect from 30<sup>th</sup> April, 2024 on the terms and conditions as recommended by the Nomination and Remuneration Committee of the Board and approved by Board. It is proposed to seek member’s approval for the re-appointment and remuneration payable to Mr. Shri Dass Maheshwari as Whole Time Director designated as “Whole Time Director- Finance & CFO”.

In accordance with the provisions of Section 196 and Schedule V of the Companies Act, 2013 (the ‘Act’), that no Company shall appoint a person who has attained the age of 71 years, as Managing Director, Whole-time Director or Manager unless his appointment is approved by a special resolution. As Mr. Shri Dass Maheshwari has attained the age of 71 years and also satisfies all the related conditions of the section, it is intended to seek approval of the Members by way of special resolution, for his re-appointment as “Whole Time Director- Finance & CFO” in compliance with the relevant provisions of the Act;

Mr. Shri Dass Maheshwari has also furnished the consents/declarations for his re-appointment as required under the Act, Rules and SEBI Listing Regulations. He satisfies all the conditions as set out in Part I of Schedule V and is not disqualified in terms of Section 164 of the Act. Further, the necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Mr. Shri Dass Maheshwari whose appointment is proposed at Item No. 4 is provided in the “**Annexure-I**” to the Notice.

The statement as required under Section II, Part II of the Schedule V of the Act, with reference to payment of minimum remuneration at Item No. 4 is annexed hereto as “**Annexure II**”.

Except Mr. Shri Dass Maheshwari, being the appointee, none of the Directors and Key Managerial Personnel or their relatives, in any way may be deemed to be concerned or interested financially or otherwise in the Resolution set out at Item No. 4 of the Notice.

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

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

The Board of Directors of the Company at its meeting held on 29<sup>th</sup> May, 2024 had approved and recommended to the members, the appointment of Mr. Ambarish Sodha (DIN: 00489489) as Non-Executive Independent Director for a second term of 5 (Five) consecutive years on the Board of the Company, effective from 11<sup>th</sup> September, 2024 to 10<sup>th</sup> September, 2029.

Mr. Ambarish Sodha is a founder and partner of A. R. Sodha & Co. He leads the practice of the firm since last 4 decades. During his leadership, he has steered the firm to grow geographically as well as expanding the scope of its services. He has maintained high ethical standards of the firm and penchant for excellence. His multi-faceted and meritorious academics and experience gives him opportunity to serve clients in the areas ranging from accounting to tax, audit, valuations to strategies and governance to law.

He has over 40 years of experience in the field of Direct taxes and regulatory matters. He has argued over 750 matters and assisted senior counsels for over 400 matters. He has extensive experience in litigation in direct taxes including appearances before various Direct Tax Tribunal, Commissioners of Income tax (Appeals) and various other income tax authorities.

His work is focused on advising Indian and foreign businesses for inbound/outbound investments. His areas of expertise include international structures, tax withholding requirements of outbound remittances from India, mergers and restructuring, tax issues for expats in addition to transfer pricing and domestic taxation. He has played wide variety of roles including audit, corporate finance, profit enhancement planning and corporate governance.

Mr. Ambarish Sodha was appointed as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the members at the 29<sup>th</sup> AGM held on 29<sup>th</sup> September, 2020, to hold office up to 10<sup>th</sup> September, 2024. The Nomination and Remuneration Committee, at its meeting held on 29<sup>th</sup> May, 2024, after taking into account the performance evaluation of Mr. Ambarish Sodha during his first term of five (5) years and considering his knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended to the Board his re-appointment for a second term of five (5) consecutive years. In view of the above, the Nomination and Remuneration Committee and the Board are of the view that Mr. Ambarish Sodha possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to re-appoint him as an Independent Director.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an Independent Director may hold office for two terms up to five (5) consecutive years each. Mr. Ambarish Sodha fulfills the requirements of an Independent Director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations.

The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Mr. Ambarish Sodha has been provided in in the “**Annexure I**” to the Notice. In terms of the provisions of the Companies Act, 2013, Mr. Ambarish Sodha has filed requisite consent(s)/ disclosures before the Board.

In the opinion of the Board and based on its evaluation, Mr. Ambarish Sodha fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and LODR Regulations for his re-appointment as an Independent Director of the Company and he is independent of the Management of the Company. Copy of the draft letter for



appointment Mr. Ambarish Sodha as Non-Executive Independent Director setting out the terms and conditions is available for inspection by the members during normal business hours.

The resolution seeks the approval of members for the re-appointment of Mr. Ambarish Sodha as an Independent Director of the Company effective 11<sup>th</sup> September, 2024 to 10<sup>th</sup> September, 2029, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

Except Mr. Ambarish Sodha, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends passing of Special Resolution set out at Item No. 5 of the Notice for approval by the members.

**Additional Information of Directors seeking appointment/reappointment as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standard-2**

<b>Name of the Director</b>	Mr. Anil Kumar Jain	Mr. Shri Dass Maheshwari	Mr. Govind Prasad Agrawal	Mr. Ambarish Sodha
<b>Age</b>	71 years	71 years	69 years	71 years
<b>DIN</b>	00086106	00181615	00008429	00489489
<b>Category</b>	Chairman (Non-Executive)	Whole Time Director Finance & CFO	Non-Executive Non-Independent Director	Non-Executive Independent Director
<b>Date of first appointment on the Board</b>	18/10/1991	30/04/2018	18/10/1991	11/09/2019
<b>Brief Resume and nature of expertise in specific functional areas</b>	Mr. Anil Kumar Jain, a B.Com (Hons.) from St. Xavier's College, Kolkata has acquired more than 40 years of experience in the industry. He started his career from 1975 and had held various key positions in the family business. He was instrumental in turning around BIFR / Sick Units by introducing innovative technology and export culture.	Mr. Shri Dass Maheshwari, B.Com (Hons.) has acquired more than 40 years of experience in field of Finance & Corporate functions.  Mr. S.D. Maheshwari was associated with the Company from past 15 years in various capacities and further designated as Chief Financial Officer of the Company w.e.f. 14/05/2014 and considering his position he has been evaluated as Whole time Director with the designation of Whole time Director-Finance & CFO of the Company.	Mr. G. P. Agrawal is a Company Secretary (FCS) by profession and has more than 30 years' experience in Company Secretary, Legal Accounting and Taxation. He serves advisory and consultations services in Legal, Finance, Accounts, Taxation etc. Mr. G P Agrawal is on the Board of various unlisted private and public Companies.	Mr. Ambarish Sodha is a Chartered Accountant (FCA) by profession and has more than 40 years' experience in Legal Accounting and Taxation. He serves advisory and consultations services in Legal, Finance, Accounts, Taxation etc.

<b>Terms &amp; conditions of re-appointment</b>	Mr. Anil Kumar Jain is Chairman (Non-Executive) and liable to retire by rotation.	Mr. Shri Dass Maheshwari is Whole Time Director-Finance & CFO and liable to retire by rotation.		-
<b>Details of remuneration sought to be paid and remuneration last drawn.</b>	Not Applicable	Remuneration drawn for FY 2023-24 is Rs. 8.37 lakhs Remuneration sought to be paid is provided in resolution mentioned in Item No. 4 of the Notice.		Mr. Ambarish Sodha shall be entitled for sitting fees as may be approved by the Board from Time to time.
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b>	None	None	None	None
<b>Number of Board Meetings attended during the year 2023-24</b>	Four (4)	Four (4)	Four (4)	Four (4)
<b>Directorships held in other public Companies, including listed Companies [excluding foreign, deemed public companies and private Companies, Section 8 companies] as on 31<sup>st</sup> March, 2024</b>	Indo Count Industries Limited	Indocount Securities Limited	Two (2) Rama Vision Limited  Avonmore Capital & Management Services Limited	NIL
<b>Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other</b>	Indo Count Industries Limited: Member in Stakeholder Relationship Committee.	NIL	<b>Rama Vision Limited</b> Member- Audit Committee  Member Stakeholders -	NIL

<b>Public Companies as on 31<sup>st</sup> March, 2024</b>			Relationship Committee <b>Avonmore Capital &amp; Management Service Limited</b> Member- Audit Committee Chairman- Stakeholders Relationship Committee	
<b>Number of shares held in the Company as on 31<sup>st</sup> March, 2024</b>	NIL	NIL	927 Equity Shares	NIL

## Annexure II

### STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013:

#### I. General Information:

- 1) Nature of Industry: Investment (NBFC)
- 2) Date of commencement of commercial production: Operations started in the year 1991
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- 4) Standalone Financial performance based on given indicators:

(in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Revenue from operations	81.62	59.77
Operating Profit (before interest, depreciation and tax)	43.56	(35.32)
Profit before Tax	43.56	(35.32)
Profit after Tax	24.28	(57.32)

- 5) Foreign investments or collaborations, if any: NIL

#### II. Information about Mr. Shri Dass Maheshwari:

Particulars	Mr. Shri Dass Maheshwari
<b>Background details</b>	Mr. Shri Dass Maheshwari, holds a B.Com (Hons.) degree and has more than 40 years of experience in the field of Finance & Corporate functions.
<b>Past remuneration</b>	FY 2023-24: Rs. 8.26 lakhs

<b>Recognition or awards</b>	NIL
<b>Job profile and his suitability</b>	Mr. Shri Dass Maheshwari is responsible for the entire finance function. He has necessary expertise, knowledge and business acumen to drive the business of the Company.
<b>Remuneration proposed</b>	As stated in the Item No.4 of this Notice.
<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person</b>	The proposed remuneration of Mr. Shri Dass Maheshwari, Whole Time Director & CFO is in line with the nature of Industry, size of the Company, responsibilities entrusted and peer remuneration. After considering all aforesaid factors, NRC has recommended the remuneration specified in Item No. 4 of the notice.
<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any</b>	Mr. Shri Dass Maheshwari has no pecuniary relationship directly or indirectly either with the Company or with the managerial personnel.

### III. Other Information:

#### 1) Reason of Loss or inadequate profits:

During the financial year under review, the Company's total income is Rs. 81.62 lakhs and Net Profit is Rs. 24.28 Lakhs. Further, the Company is passing a Special Resolution pursuant to the provisions of Section 197 (1) of the Companies Act, 2013 and Schedule V thereto and as a matter of abundant precaution, as the profitability of the Company may be adversely impacted in future due to business environment during the period for which remuneration is payable to Mr. Shri Dass Maheshwari.

#### 2) Steps taken or proposed to be taken for improvement:

The Company constantly endeavors to take all such measures which shall improve the performance of the Company

#### 3) Expected increase in productivity and profits in measurable terms:

The Company is conscious about improvement in productivity and undertakes constant measures to improve the same. However, it is extremely difficult in present scenario to predict profits in measurable terms. For the year ended 31<sup>st</sup> March, 2024, net profit after tax stood at Rs. 24.28 lakhs.

#### 4) Disclosures:

The information on remuneration package of Mr. Shri Dass Maheshwari, Whole Time Director & CFO is provided in Corporate Governance Report forming part of the Annual Report for FY 2023-24.



**MARGO FINANCE LIMITED**

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