



Margo Finance Limited

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

August 25, 2022

BSE Limited

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

Ref.: Scrip Code: 500206

Subject: 31st Annual General Meeting, Annual Report 2021-22 along with Notice of Annual General Meeting.

The Ministry of Corporate Affairs ("MCA") has, vide its Circular no 02/2022 dated May 5, 2022 read together with circular nos. 20/2020 and 21/2021 dated May 5, 2020 and December 14, 2021 respectively (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") due in the year 2022 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue till 31st December, 2022.

As intimated to the stock exchange on August 23, 2022, Thirty First (31st) Annual General Meeting (AGM) of Margo Finance Limited ("the Company") will be held on Friday, September 16, 2022 at 12:30 p.m. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in compliance with aforesaid MCA circulars and applicable SEBI circular.

Pursuant to Regulation 34(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report for the Financial Year 2021-22 along with the Notice of 31st Annual General Meeting of the Company. The said Annual Report and Notice of Annual General Meeting are also available on the website of the Company at www.margofinance.com. The web-links to the same are given below:

Annual Report 2021-22: <http://www.margofinance.com/wp-content/uploads/2022/08/mfl-annual-report-2021-22.pdf>

Notice of 31st Annual General Meeting: http://www.margofinance.com/wp-content/uploads/2022/08/mfl_agm_notice_2021_22.pdf

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 10, 2022 to Friday, September 16, 2022 (both days inclusive) for the purpose of 31st Annual General Meeting of the Company.

The Company is providing electronic voting at AGM and remote e-voting 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. Saturday, September 10, 2022 may cast their votes electronically on the resolutions included in the 31st Notice of Annual General Meeting. The remote e-voting shall commence from 9.00 a.m. (IST) Tuesday, September 13, 2022 and shall end at 5.00 p.m. (IST) on Thursday, September 15, 2022. The VC/OAVM facility will also be available through NSDL e-voting system.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **Margo Finance Limited**

Archisha Tyagi
Company Secretary & Compliance Officer
Membership No.: 49606



MARGO FINANCE LIMITED

CIN: L65910MH1991PLC080534

Regd. Office: Office No. 3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale,

Dist. Kolhapur - 416109, Maharashtra

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

Phone: 011 – 25753331, 41539444, 25767330

E-mail: info@margofinance.com **Website:** www.margofinance.com

NOTICE

31st ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty First (31st) Annual General Meeting (“AGM”) of the members of Margo Finance Limited will be held on Friday, September 16, at 12.30 p.m (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 year ended March 31, 2022, including the Audited Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shri Dass Maheshwari (DIN: 00181615), who retires by rotation and being eligible, offers himself for re-appointment.
3. Re-appointment of Statutory Auditors of the Company.

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

RESOLVED THAT in accordance with the provisions of sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), M/s. Pawan Shubham & Co., Chartered Accountants, (Firm Registration Number: 011573C) be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office for a second term of five consecutive years from the conclusion of 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors;

RESOLVED FURTHER THAT the Board of Directors of the Company or Audit Committee, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

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

Date : May 25,2022

Place : Delhi

**Archisha Tyagi
Company Secretary
Membership No: A49606**

MARGO FINANCE LIMITED

Notes:

1. The Ministry of Corporate Affairs ("MCA") has, vide its circular no 02/2022 dated May 5, 2022 read together with circular nos. 20/2020 and 21/2021 dated May 5, 2020 and December 14, 2021 respectively (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM") due in the year 2022 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue till 31st December, 2022. In compliance with the MCA Circulars, this 31st 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 aforesaid MCA circulars and SEBI 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 said aforesaid 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 thereat, 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 resolutions placed at the AGM are requested to send an email to the Company on info@margofinance.com by September 12, 2022. The same will be replied by the Company suitably.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 10, 2022 to Friday, September 16, 2022 (both days inclusive) in connection with the Annual General Meeting.
7. 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 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. Shri Dass Maheshwari, Director retiring by rotation are provided in the Annexure to this Notice.
8. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. 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.
10. NRI Members are requested to:
 - a) change their residential status on return to India permanently.
 - a) 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.
11. 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.
12. 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 dematerialized form are, therefore, requested to submit their PAN to their respective DP. Members holding shares in physical form are requested to submit their PAN details to the Company / RTA.

13. In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Notice of the 31st AGM along with the Annual Report 2021-22 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 2021-22 will also be available on the Company's website www.margofinance.com and website of the BSE Limited at 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 Dematerialised forms as on Benpos date i.e. Friday, August 19, 2022 will be sent Annual Report for the financial year 2021-22 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 to info@margofinance.com.
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. Those shareholders who have not yet claimed Original Share Certificates of Face value of 10/- are requested to contact Link Intime India Private Limited or the Company. The Company has sent 3 reminders in this respect.

17. 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:

1. 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 or to the Company at info@margofinance.com. The said request be accompanied with Form ISR-1 for KYC updation.
2. 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 or to the Company at info@margofinance.com.

Those physical shareholders 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 dematerialised mode are requested to ensure that aforesaid KYC details and nomination are updated with their depository participants.

18. KYC UPDATION

Vide SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 ("SEBI Circulars"), 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 and Form SH-13/SH-14 in respect of nomination to physical shareholders whose KYC were not updated. **Please note that as per said SEBI circulars, from January, 1, 2022, the RTA shall not process any service requests or complaints received from the shareholders till PAN, KYC and Nomination documents/details are received.**

Form ISR-1, ISR-2, SH-13/SH-14 are also available on the website of the Company at www.margofinance.com <http://www.margofinance.com/investor-relations/#kyc> and on the website of RTA i.e. <https://web.linkintime.co.in/KYC-downloads.html>

Those physical shareholders 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 dematerialised mode are requested to ensure that aforesaid KYC details and nomination are updated with their depository participants.

Non-updation of KYC details in Folios, wherein any one of the cited details/documents above (i.e. PAN, Bank Details, Nomination) are not available on or after April 01, 2023, shall be frozen by the RTA as per above SEBI Circulars.

Further, the securities in the frozen folios shall be:

- a) eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.
- b) eligible for any payment including dividend, interest or redemption payment only through electronic mode and an intimation from the RTA to the holder that the aforesaid such payment is due and shall be made electronically upon complying with the requirements.
- c) referred by the RTA / listed company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

The RTA shall revert the frozen folios to normal status upon:

- a) receipt of all the aforesaid documents / details mentioned above or
- b) dematerialization of all the securities in such folios

The folios in which PANs is / are not valid as on the notified cut-off date of March, 31, 2022 or any other date as may be specified by the CBDT, shall also be frozen, as detailed above.

19. Issue of securities in demat mode and Demat of shares

SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 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 <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 <https://web.linkintime.co.in/KYC-downloads.html>. 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 E-VOTING:

Pursuant to 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 pleased to provide '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 31st Annual General Meeting ("AGM") of the Company.

General Instructions:

- a) **The remote e-voting period begins on Tuesday, September 13, 2022 at 9:00 a.m. (IST) and ends on Thursday, September 15, 2022 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. Saturday, September 10, 2022 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 Thursday, September 15, 2022.**
- b) Ms. Ashu Gupta Proprietor of M/s. Ashu Gupta & Associates, Practicing Company Secretaries (Membership No.: FCS 4123; 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, August 19, 2022 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, August 19, 2022, 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 prior to the AGM may also attend/participate in 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. 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.
- g) The Scrutinizer shall submit his consolidated report to the Chairman within 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 and on the website of NSDL at <https://www.evoting.nsdl.com> and shall simultaneously be communicated to BSE Limited at 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. Friday, September 16, 2022.

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 e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated December 9, 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 shareholdersb	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. Once the home page of e-Voting system is launched, click on the icon “Login” 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 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. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience <div style="text-align: center;">  <p>The image shows a promotional banner for the NSDL Mobile App. It features the text "NSDL Mobile App is available on" in blue. Below this, there are two logos: the Apple App Store logo and the Google Play logo. Underneath each logo is a square QR code for scanning to download the app.</p> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/Home/Login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.

	<p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</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.

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 demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800-1020-990 and 1800-224-430
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542 / 43

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 log-in 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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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.
- b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on 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 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 121098**. 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 with a copy marked to 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 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 or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Abhishek Mishra, Senior Manager, NSDL at evoting@nsdl.co or abhishekm@nsdl.co.in

Process for those shareholders whose email 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), AADHAR (self-attested scanned copy of Aadhar Card) by email to 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), AADHAR (self-attested scanned copy of Aadhar Card) to 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 for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 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 able to attend the AGM through VC/OAVM provided by NSDL e-Voting system at <https://www.evoting.nsdl.com> by following the steps mentioned above for login to NSDL e-voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General 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. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
5. 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.
6. 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. 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO.3**

At the 26th Annual General Meeting of the Company held on August 21, 2017, M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No. 011573C) were appointed as Statutory Auditors of the Company for a first term of 5 (Five) consecutive years, to hold office from conclusion of 26th AGM of the Company till the conclusion of 31st AGM of the Company. After considering the experience, expertise, competency, independence and credentials of the Auditors and other relevant aspects and based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 25, 2022 approved, proposed and recommended to the members of the Company, re-appointment of M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No. 011573C), as Statutory Auditors of the Company for a second term of 5 (Five) consecutive years, to hold office from the conclusion of this 31st AGM till the conclusion of 36th AGM.

M/s. Pawan Shubham & Co. have given their consent to act as Statutory Auditors of the Company and confirmed that they are eligible for appointment under section 141 and other applicable provisions of the Act and Rules made thereunder. They also hold valid peer review certificate issued by the Institute of Chartered Accountants of India.

M/s. Pawan Shubham & Co., Chartered Accountants is an ICAI registered firm (Reg. No. 011573C). Established in the year 2003, Pawan Shubham & Co. is a full-service accounting, audit and business advisory firm offering all kinds of services such as Accounting, Auditing, (Internal audit, Statutory audit, Tax audit and Concurrent audit, etc), Financial Advisory Services, Management Consultancy and assistance in Corporate Tax Planning and Litigation Matters and Secretarial Services. The firm serves large clients like listed companies, Investment Banks, Large Unlisted Companies, Public Sector Undertakings etc. It is registered with CAG, RBI and registered peer reviewer.

The proposed fees for the said appointment will be Rs. 65,000/- (Rupees Sixty Five Thousand) (exclusive of taxes and reimbursement of out of pocket expenses at actuals) for statutory audit per year.

The Board, accordingly, recommends the resolution as set out in Item No. 3 of the Notice by way of an ordinary resolution for approval of members of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out in Item No. 3 of the Notice.

ANNEXURE TO AGM NOTICE:

Additional Information as required under Regulation 36(3) of Listing Regulations and Secretarial Standard – 2 on General Meetings

1. Re-appointment of Mr. Shri Dass Maheshwari, Director liable to retire by rotation and recommended for the re-appointment.

Name of the Director	Mr. Shri Dass Maheshwari
Age	68 years
DIN	00181615
Category	Whole Time Director-Finance & Chief Financial Officer
Date of first appointment on the Board	30.04.2018
Qualification, Brief Resume and nature of expertise in specific functional areas	Mr. Shri Dass Maheshwari, B.Com (Hons.) has acquired more than 35 years of experience in field of Finance & Corporate functions. He was associated with the Company from past 12 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 & Chief Financial Officer of the Company.
Terms and conditions of reappointment	Mr. Shri Dass Maheshwari is Whole Time Director- Finance & CFO and liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn.	Mr. Shri Dass Maheshwari received a remuneration of Rs. 7.74 lakhs during the financial year 2021-22.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	No Inter-se relationship with any other Director, or Key Managerial Personnel of the Company.
Number of Board Meetings attended during the year	During the year 2021-22, four (4) Board meetings were held and Mr. Shri Dass Maheshwari attended all the meetings.
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on March 31, 2022	1. Indocount Securities Limited
Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on March 31, 2022	NIL
Number of shares held in the Company as on March 31, 2022	NIL



MARGO FINANCE LIMITED



31st Annual Report
2021-22





CORPORATE INFORMATION

Board of Directors	<p>Mr. Anil Kumar Jain Mr. Shri Dass Maheshwari</p> <p>Mr. Govind Prasad Agrawal Mr. Ambarish Ratilal Sodha Mr. Sushilkumar Krishna Agrawal Ms. Smita Kulkarni</p>	<p>Chairman Whole Time Director- Finance and Chief Financial Officer</p> <p>Independent Director Independent Director Director Independent Director</p>
Company Secretary	Mrs. Archisha Tyagi	
Auditors	<p>M/s. Pawan Shubham and Co. Chartered Accountants 601, Roots Tower 7, District Centre, Laxmi Nagar, Delhi 110092</p>	
Bankers	Karnataka Bank Limited Canara Bank	
Registered Office	Office No. 3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka: Hatkanangale, Dist. Kolhapur - 416 109. Maharashtra	
Corporate Office	2 nd Floor, 15/76, Old Rajinder Nagar, New Delhi-110060	
Registrar and Share Transfer Agent	Link Intime India Private Limited Noble Heights, 1st floor, Plot No NH-2, C- 1Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058	

	Contents	Page No.
Corporate Identification Number L65910MH1991PLC080534	Board's Report & Annexure to Board's Report	4-15
	Management Discussion & Analysis Report	16-17
Website www.margofinance.com	Corporate Governance Report	18-36
	Auditors' Report	37-45
	Balance Sheet	46
	Statement of Profit and Loss	47
	Cash Flow Statement	48-49
	Notes to Financial Statements	50-85



BOARD'S REPORT

Dear Members,

On behalf of Board of Directors ("The Board"), it gives me immense pleasure to present the Thirty First (31st) Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2022.

Financial Results

The Company's financial performance, for the year ended March 31, 2022 is summarized below:

(Rs. In Lakhs, except EPS)

Particulars	2021-2022	2020-2021
Total Income	60.07	57.45
Total Expenses	74.91	32.65
Profit/(Loss) before Tax	(14.84)	24.80
Less: Tax Expenses/ Credit	(35.60)	(8.11)
Profit/(Loss) after tax	(50.44)	16.69
EPS (Rs.)	(1.10)	0.37

During the financial year under review, the Company's total income was Rs. 60.07 lakhs. The Company suffered losses of Rs. 50.44 lakhs during the financial year 2021-22 due to losses on sale of investment of the Company.

Accounting Method

NBFCs 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 31st March, 2022 are prepared as per IND-AS.

Dividend

The Board of Directors of the Company has not recommended any dividend on the equity shares of the Company for the financial year 2021-2022 due to losses suffered by the Company.

Reserves

The Board of Directors has decided to retain the entire amount of profit for FY 2021-22 in the statement of profit & loss.

Share Capital

There was no change in capital structure of your Company during the year under review. As on 31st March, 2022, the paid-up equity share capital of the Company is Rs. 4,57,00,000/- comprising of 45,70,000 Equity shares of Face Value of Rs. 10/- each. During the financial year 2021-22, your Company has not issued any equity shares with differential rights as to dividends, voting or otherwise, or any convertible securities, warrants or Sweat Equity shares. Your Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme

Directors and Key Managerial Personnel

During the year under review, there has been no change in the composition of the Board of Directors of the Company.

Pursuant to the recommendation of Nomination and Remuneration Committee (NRC), Mr. Shri Dass Maheshwari (DIN: 00181615) was re-appointed as the Whole Time Director- Finance of the Company for a further period of 2 years w.e.f. 30th April, 2021.

Pursuant to the provision of Section 152 of the Companies Act, 2013, ("Act") and articles of association of the Company, Mr. Shri Dass Maheshwari (DIN: 00181615) Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offer himself for re-appointment. The Board recommended his re-appointment for



consideration at the ensuing AGM. As per Secretarial Standard – 2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), brief profile and other related information of Mr. Shri Dass Maheshwari, Director retiring by rotation is provided in the Notice of ensuing AGM.

As on 31st March, 2022, Mr. Shri Dass Maheshwari, Whole Time Director & Chief Financial Officer and Mrs. Archisha Tyagi, Company Secretary are the Key Managerial Personnel (KMP) of the Company in terms of Section 203 of the Companies Act, 2013. There has been no change in KMP during the year under review.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. The said declarations were taken on record by the Board after assessing due veracity of the same. In the opinion of the Board, all Independent Directors are independent of the management.

Pursuant to Rule 6 of Companies (Appointment and qualification of Directors) Rules, 2014 as amended w.e.f. 1st December, 2019, all Independent Directors of the Company viz. Mr. G.P. Agrawal, Ms. Smita Kulkarni and Mr. Ambarish R. Sodha have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA). Further, all the Independent Directors who were not exempted from proficiency test have cleared the proficiency test conducted by IICA. In the opinion of the Board of Directors of the Company, all Independent Directors possess high integrity, expertise and experience including the proficiency required to discharge the duties and responsibilities as Directors of the Company.

Number of Board Meetings

During the year under review, Four (4) Board Meetings were held on June 14, 2021; August 12, 2021; November 3, 2021 and January 21, 2022 through Video conferencing. More details on Board Meetings are provided in the Corporate Governance Report.

Company’s Policy on appointment and remuneration of Directors and Key Managerial Personnel

Pursuant to Section 178 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>

The salient features of the policy are as under:

I. Criteria for appointment:

1. NRC shall identify, ascertain and consider the integrity, qualification, expertise and experience of the person for the appointment as a Director of the Company and recommend to the Board his / her appointment. The Directors shall uphold ethical standards of integrity and probity and shall exercise their duties and responsibilities in the interest of the Company.
2. A person proposed to be appointed as Director should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. They shall possess appropriate core skills/ expertise/ competencies/ knowledge in one or more fields of finance, law, management, sales and marketing, administration, research and in the context of business and/or the sector in which the company operates. The NRC has the discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
3. The Company shall comply with the provisions of the Act and Listing Regulations and any other laws if applicable for appointment of Director of the Company. The Company shall ensure that provisions relating to limit of maximum directorships, age, term etc. are complied with.



II. Remuneration of the Whole Time /Executive Director(s) / Managing Director:

- a. The remuneration including commission payable to the Whole Time /Executive Director(s) / Managing Director shall be determined and recommended by the NRC to the Board for approval.
- b. While determining the remuneration of the Executive Directors, following factors shall be considered by the NRC/ Board:
 - Role played by the individual in managing the Company including responding to the challenges faced by the Company
 - Individual performance and company performance so that remuneration meets appropriate performance benchmarks
 - Reflective of size of the Company, complexity of the sector/ industry/company's operations and the Company's financial position

III. Remuneration to Non- Executive / Independent Directors:

Sitting Fees: Independent Directors are entitled for sitting fees for attending meetings of the Board or Committee of the Board or for any other purposes as may be decided by the Board, of such sum as may be approved by the Board of Directors of the Company within the overall limits prescribed under the Act and the rules made there under, Listing regulations or other applicable law.

Annual Evaluation of Board Performance and its Committee and Individual Directors

Criteria of performance evaluation of the Board, Committees and Directors are laid down by Nomination and Remuneration Committee (NRC) of the Company. Further, pursuant to the provisions of Section 178(2) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, NRC decided to continue the existing method of performance evaluation through circulation of performance evaluation sheets based on SEBI Guidance Note dated 5th January, 2017 and that only Board should carry out performance evaluation of the Board, its Committees and Individual Directors.

The performance evaluation sheets based on aforesaid SEBI Guidance Note, containing the parameters of performance evaluation and rating scale was circulated to all the Directors. The Directors rated the performance against each criteria. Thereafter, consolidated score was arrived. Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out performance evaluation of its own, the Board Committee and all Individual Directors in the said manner. The performance of the Board, committees and individual directors was found satisfactory.

A meeting of the Independent Directors of the Company was held on January 21, 2022 in which Independent Directors inter-alia reviewed performance of Non-Executive Independent Chairman and other Non-Independent Directors and the Board and committee as a whole through performance evaluation sheets.

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:

- in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- such accounting policies as mentioned in the notes to the Financial Statements for the year ended 31st March, 2022, 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 31st March, 2022 and of the loss of the Company for the year ended on that date;



- 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;
- the annual financial statements for the year ended 31st March, 2022, have been prepared on a going concern basis;
- 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;
- 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 March 31, 2022 the Audit Committee comprises of 4 members viz. Mr. Ambarish R. Sodha, Independent Director as Chairman, Mr. Govind Prasad Agrawal, Ms. Smita Kulkarni, Independent Directors and Mr. S. K Agrawal, Non-Executive Non-Independent Director. More details on the 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.

Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 at the Annual General Meeting (“AGM”) held on 21st August, 2017, M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No. 011573C) were appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 26th AGM till the conclusion of 31st AGM. Accordingly, the first term of existing statutory auditors is ending on the conclusion of ensuing 31st AGM of the Company. Further, it is proposed to re-appoint M/s. Pawan Shubham & Co., Chartered Accountants as the Statutory Auditors of the Company for second term of 5 (five) consecutive years at the ensuing Annual General Meeting.

Pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on 25th May, 2022 proposed and recommended to the members of the Company, re-appointment of M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration Number: 011573C) as the Statutory Auditors of the Company to hold office for a period of second term of 5 (five) consecutive years from the conclusion of 31st Annual General Meeting of the Company till the conclusion of 36th Annual General Meeting of the Company. The Company has also received written consent and eligibility certificate from M/s. Pawan Shubham & Co., Chartered Accountants under Section 141 of the Act. M/s. Pawan Shubham & Co. also holds peer review certificate issued by the Institute of Chartered Accountants of India. The resolution for the re-appointment of M/s. Pawan Shubham & Co, Chartered Accountants, as statutory auditors of the Company has been placed at the ensuing AGM for approval of members of the Company.

Auditors’ Report

The Auditors’ Report on the standalone financial statements of the Company for the year ended 31st March, 2022 forms part of this Annual Report. The Auditors’ Report does not contain any qualifications, reservations, adverse remarks or disclaimer. In terms of the provisions of Section 143(12) of the Act, no frauds have been reported by the Statutory Auditors in their report for the year under review. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act, read with rules thereunder, the Board at its meeting held on January 21, 2022 had appointed M/s. Ashu Gupta & Co, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the year ended 31st March, 2022. The Secretarial Audit Report issued by them 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.

Further, in terms of the provisions of Regulation 24A of the Listing Regulations, M/s. Vikas R. Chomal & Associates, Practicing Company Secretaries have issued the Annual Secretarial Compliance Report for the financial year ended 31st March, 2022,



thereby confirming compliance by the Company of the applicable SEBI Regulations and circulars / guidelines issued thereunder.

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 Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

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.

Public Deposits

Your Company being a Non-deposit taking Non-Systemically Important NBFC 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.

Subsidiaries

During the year under review, your Company does not have any subsidiaries or joint ventures or associate companies as defined under the Act. However, the Company has framed a policy for determining material subsidiaries, which can be: <http://www.margofinance.com/wp-content/uploads/2021/01/margo-policy-on-material-subsiidiaries.pdf>

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 34(3) read with Schedule V of the Listing Regulations, a Corporate Governance Report along with Statutory Auditors' Certificate confirming compliance of corporate governance for the year ended 31st March, 2022 is provided separately and forms integral part of this Annual Report.

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 31st March, 2022, is provided in a separate section forming integral part of this Annual Report.

Annual Return

Pursuant to the amendments in Section 92(3) of the Companies Act, 2013 read with Rules thereunder and provisions of Section 134(3)(a) of the Act, Annual Returns of the Company for FY 2020-21 and FY 2021-22 are hosted on the website of the Company www.margofinance.com and web-links thereto are given below:

Annual Return for FY 2020-21: <http://www.margofinance.com/wp-content/uploads/2021/08/annual-return-mgt-7-fy-2020-21.pdf>

Annual Return for FY 2021-22: http://www.margofinance.com/wp-content/uploads/2022/08/form_mgt_7-1.pdf

Vigil Mechanism/Whistle Blower Policy

Pursuant to the provision of Section 117(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, 2015, the Board of Directors of the Company has established Vigil Mechanism/Whistle Blower Policy. The details of the Vigil



Mechanism/Whistle Blower are provided in the Corporate Governance Report. The Vigil Mechanism and Whistle Blower policy can be accessed on the website of the Company www.margofinance.com and the web-link <http://www.margofinance.com/upload/Whistle%20Blower%20Policy%20Vigil%20Mechanism%20annexure-III.pdf>

Related Party Transactions

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

During the year under review, the Company has not entered into any material related party transactions as defined in Companies Act, 2013 and Listing Regulations. Hence, Form AOC -2 is not required to be attached in this Annual Report. Further, the related party transactions are also provided in the notes to the financial statements

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

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

The provisions of Section 186 of the Act 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. During the year under review, there were no Guarantee & security issued in connection with the loans to other body corporates or persons.

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

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

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, your Company has not received any complaint pertaining to sexual harassment and no complaint was pending as on 31st March, 2022.

**Particulars of Employees and related disclosures**

The information required pursuant to Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is provided as “Annexure 2-(I)” and “Annexure 2-(II)” to this report regarding remuneration of Directors, Key Managerial Personnel and other related disclosures.

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 2021-22 to which the financial statements relates and the date of the Board's report.

Secretarial Standards

During the year under review, your Company has complied with all the applicable secretarial standards issued by the Institute of Company Secretaries of India. The same has also been confirmed by Secretarial Auditors of the Company in the Secretarial audit Report.

General

1. There was no change in the general nature of business of the Company.
2. The provisions pertaining to Corporate Social Responsibility (CSR) were not applicable to the Company during the year under review.
3. As required in terms of Secretarial Standard (SS)-4, it is hereby confirmed that there is no corporate insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016.

Acknowledgements and Appreciation

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

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

ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106

Date : May 25, 2022
Place : UAE



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st March, 2022

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

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 my 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic. I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2022 ('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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (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, 2009; (Not Applicable to the Company during the Audit Period) and
 - (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 Listing Agreement(s) entered into by the Company with Bombay Stock Exchange (BSE) read with SEBI (Listing Obligations and Disclosure Requirements), 2015.

and based on the above examination, I hereby report that, during the review period:

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

However, during the year under review, the Company had received an Email from BSE dated 14 January, 2022 levying penalty for non-compliance of Regulation 23(9) of SEBI LODR Regulations, 2015. The Company replied/ informed the exchange that as on 31st March 2021, the paid up equity share capital of Margo Finance Limited is Rs. 4.57 Crore and net worth is Rs. 6.17 Crore along with the certificate from Statutory Auditors confirming the net worth calculation and paid up equity share capital of the Company as on 31st March, 2021. Further, the Company has filed confirmation of Non- Applicability of Corporate Governance Provisions including non-applicability of Regulation 23(9) of SEBI LODR Regulations, 2015 with BSE.

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 are not applicable to the company for the Financial Year 2021-22. Hence, there is no non-compliance of the provisions of Regulation 23(9) of SEBI LODR Regulations, 2015.

I further report that

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.;
- (v) Foreign technical collaborations.

Place: New Delhi
Date: 25/05/2022
UDIN: F004123D000386043

Ashu Gupta & Co.
Company Secretary in Practice
FCS No. 4123
CP No.: 6646

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. In view of situation emerging due to COVID-19 pandemic and travel restrictions, I could not verify physical records, document and papers etc., therefore I relied on the information provided by the company in electronic mode. A representation in this regard certifying the correctness of the contents of the secretarial records provided has been taken from company's management.
7. 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: 25/05/2022
UDIN: F004123D000386043

Ashu Gupta & Co.
Company Secretary in Practice
FCS No. 4123
CP No.: 6646



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 under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Name of Director & KMP and Designation	Remuneration of Director/Key Managerial Personnel for the year ended March 31, 2022 (Amount in Rs.)	% increase in remuneration in FY 2021-2022	Ratio of remuneration of Director to Median Remuneration of Employees
	Non Executive Director			
1.	Mr. Anil Kumar Jain Chairman, Non-Executive Non Independent Director	Nil	Refer Note a below	Nil
2.	Mr. Govind Prasad Agrawal Non-Executive Independent Director	15000/-		0.02
3.	Ms. Smita Kulkarni Non-Executive Independent Director	16,000/-		0.02
4.	Mr. Sushil kumar Krishna Agrawal* Non-Executive, Non Independent Director	15,000/-		0.02
5.	Mr. Ambarish Ratilal Sodha	13,000/-		0.01
	Executive Director			
6.	Mr. Shri Dass Maheshwari Whole time Director & CFO	7,74,924/-	8.39%	1.14
	Key Managerial Personnel			
7.	Mrs. Archisha Tyagi Company Secretary	5,78,387/-	0%	0.85

Notes:

- 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 2021-22 and hence calculation of % increase in remuneration is not applicable.
- 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.
- As on 31st March, 2022, the Company had 2 Permanent Employees on rolls.
- We affirm that the remuneration paid during the year 2021-22 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

i) Details of top ten employees of the Company in terms of remuneration drawn during 2021-22:

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

ii) List of employees of your Company employed throughout the Financial Year 2021-22 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 Rs. 1.02 Crore and above p.a.



- iii) Employees employed for the part of the year and were paid remuneration during the Financial Year 2021-22 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 Rs. 8.5 Lakhs per month and above being employed for the part of the year.

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

Date : May 25, 2022
Place : UAE

ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND BUSINESS OUTLOOK

NBFCs have played a vital role in the financial system over the last decade. They complement as well as compete with banks, bringing in efficiency and diversity in the financial intermediary segment.

The growth of NBFCs was slower in FY 2021-22, 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. Non Banking Finance Companies play major role in financing, inspite of 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.

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.

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.

HUMAN RESOURCES

As on March 31, 2022, Company has only two employees on its payroll.

DISCUSSION ON FINANCIAL PERFORMANCE

During the financial year under review, the Company's total income was Rs. 60.07 lakhs. The Company suffered losses of Rs. 50.44 lakhs during the financial year 2021-22 due to losses on sale of investment of the Company.

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.



CAUTIONERY 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.

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

Date : May 25, 2022
Place : UAE

ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106



CORPORATE GOVERNANCE REPORT

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 2021-22. However, as a part of good corporate governance , we are doing the compliance voluntarily.

1. Company's Philosophy on Corporate Governance

Your Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings and accountability to ensure efficient conduct of affairs of the Company. The core value of your Company's governance process includes independence, integrity, responsibility, transparency and fairness.

2. Board of Directors

a) Board Composition

As on 31st March, 2022, the Board comprises of 6 Directors out of which 3 are Non-Executive Non- Independent Directors and 3 are Non-Executive Independent Directors including one Woman Director. All Directors are competent and experienced personalities in their respective fields.

The Board is headed by Mr. Anil Kumar Jain, Non - Executive, Non-Independent Chairman of the Company.

The composition of the Board, details of other directorships and Committee positions as on 31st March, 2022 are given in the table below:

Name and Designation	DIN	Category	No. of Directorship held in Other Public Companies	Number of Directorships held in other listed companies along with nature of Directorship	No. of Chairmanship / Membership in Board Committees @	
					Member	Chairman
Mr. Anil Kumar Jain (Non-Executive, Chairman)	00086106	C & NENID	2	Indo Count Industries Limited – C & WTD Pranavaditya Spinning Mills Ltd– NENID	3	Nil
Mr. Shri Dass Maheshwari (Whole Time Director & CFO)	00181615	WTD	2	NIL	Nil	Nil
Mr. Govind Prasad Agrawal (Non-Executive, Independent Directors)	00008429	NEID	5	Rama Vision Ltd. – NEID Avonmore Capital & Management Services Ltd. - NENID	4	1
Mr. Sushil Kumar Krishna Agrawal (Non-Executive, Non-Independent Directors)	00400892	NENID	9	Pranavaditya Spinning Mills Ltd– C & NEID Reliance Home Finance Limited – NEID	6	4
Ms. Smita Kulkarni (Non-Executive, Independent Directors)	08127803	NEID	-	NIL	2	Nil
Mr. Ambarish Ratilal Sodha (Non-Executive, Independent Directors)	00489489	NEID	-	NIL	2	Nil

**Abbreviations:**

C = Chairman
WTD = Whole-time Director
NENID = Non-Executive Non-Independent Director
NEID = Non-Executive Independent Director

Notes:

#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. Further, none of the Directors hold Directorships in more than 20 Companies including 10 Public Companies pursuant to the provisions of Section 165 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.

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

(b) Independent Directors Meeting

During the year under review, a Meeting of Independent Directors of the Company was held on January 21, 2022 through Video Conferencing wherein all Independent Directors were present. 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.

(c) 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. The Director is 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. On the request of the individual director, site visits to plant locations are also organized by the company for the directors to enable them to understand the operations of the Company. 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 2021-22 are uploaded on the website of the Company www.margofinance.com and can be accessed through web-link



<http://www.margofinance.com/wp-content/uploads/2022/05/familiarization-programme-imparted-to-independent-directors-during-2021-22.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

Industry Knowledge/Experience	Technical Skills/Expertise/Competencies	
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 31st March, 2022, are as follows:

Name	Qualification	Years of Experience	Expertise
Mr. Anil Kumar Jain (Chairman)	B.Com (Hons.)	40+	Business & Corporate Strategy, Industry Experience, Textile field expertise
Mr. S. K. Agarwal	Chartered Accountant & Fellow Member of Institute of Chartered Accountants of India	40+	Finance, Taxation, Accounts & Audit
Mr. G. P. Agrawal	Company Secretary & Fellow Member of Institute of Company secretary of India	35+	Corporate Laws, Finance and Legal
Ms. Smita Kulkarni	B.com	30+	Corporate Secretarial & Legal
Mr Ambarish Ratilal Sodha	Chartered Accountant & Fellow Member of Institute of Chartered Accountants of India	40+	Finance, Taxation, Accounts & Audit
Shri Dass Maheshwari	B.com(H)	40+	Finance, Taxation, Accounts & Audit

(e) Board Meetings

During the year under review, due to second wave of novel coronavirus (COVID-19) pandemic, Ministry of Corporate Affairs (MCA) vide its notification dated 15th June, 2021 read with MCA Notifications dated 3rd May, 2021 (collectively referred to as "MCA Notifications") amended Companies (Meetings of Board and its Powers) rules, 2014 ("rules") and allowed the meetings on all matters referred under rule 4(1) of said rules to be held through video conferencing or other audio visual means. Further, exemption was granted from observing the maximum stipulated time gap of 120 days between two consecutive Board & Audit committee Meetings vide MCA Circular no. 08/2021 dated 3rd May, 2021.

During the Financial Year 2021-22, Four (4) Board Meetings were held on June 14, 2021, August 12, 2021, November 3, 2021 and January 21, 2022 through Video conferencing in accordance with aforesaid MCA Notifications and SEBI circulars. The maximum time gap between any two consecutive Board Meetings of the Company did not exceed 120



days. The time gap between Board meetings held on February 9, 2021 and June 14, 2021 was within the relaxation / extension of maximum time gap provided vide MCA and SEBI circulars issued from time to time.

Annual General Meeting

Due to second wave of novel coronavirus (COVID-19) pandemic and measures to contain the spread of COVID-19, MCA vide General Circular No.21/2021 dated 13th January, 2021 allowed Companies to conduct their Annual General meetings (AGMs) through Video Conferencing (VC) or other audio visual means (OAVM) during the calendar year 2021 subject to certain conditions specified in said circular. Accordingly, 30th AGM of the Company was held through VC on September 28, 2021.

Attendance of Directors at Board Meetings and AGM

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

Name of the Director	Attendance at the Board Meeting		Attendance at last AGM
	Held	Attended	28 th September, 2021
Mr. Anil Kumar Jain	4	4	Yes
Mr. Shri Dass Maheshwari	4	4	Yes
Mr. Govind Prasad Agrawal	4	4	Yes
Mr. Sushil kumar Krishna Agrawal	4	4	Yes
Ms. Smita Kulkarni	4	4	Yes
Mr. Ambarish Ratilal Sodha	4	3	Yes

(f) 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 rules 3 and 4 of the (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 Listing Regulations.

3. Audit Committee

(a) Terms of reference

The terms of reference of the Audit Committee covers matters specified under 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.
- Recommendation of appointment, remuneration and terms of appointment of auditors of the Company.

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.

(b) Composition and Meetings

During the year under review, there has been no change in the composition of Audit Committee. As on 31st March, 2022, the Audit Committee comprises of 4 Directors / Members out of which 3 are Independent Directors. Mr. Ambarish R. 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 2021-22, four (4) Audit Committee Meetings were held on June 14, 2021, August 12, 2021, November 3, 2021 and January 21, 2022 through Video conferencing in accordance with aforesaid MCA



Notifications and SEBI circulars and the maximum time gap between any two consecutive Audit Committee Meetings of the Company did not exceed 120 days. The time gap between Audit Committee meetings held on February 9, 2021 and June 14, 2021 was within the relaxation / extension of maximum time gap vide MCA and SEBI circulars issued from time to time.

The Composition 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	Position	Attendance at the Audit Committee Meetings	
			Held	Attended
Ambarish R. Sodha (Chairman of the Committee)	Non-Executive, Independent Director	Chairman	4	3
Ms. Smita Kulkarni	Non-Executive, Independent Director	Member	4	4
Mr. Govind Prasad Agrawal	Non-Executive, Independent Director	Member	4	4
Mr. Sushil kumar Krishna Agrawal	Non-Executive, Non- Independent Director	Member	4	4

Mr. Ambarish R. Sodha, Chairman of Audit Committee was present for last AGM held through VC/OAVM on 28th September, 2021.

The partner of the Statutory Auditors, Internal Auditors and Chief Financial Officer are invitees to the Audit Committee Meetings. Mrs. Archisha Tyagi, Company Secretary was Secretary to the Audit Committee and he attended the meetings.

4. Stakeholders' Relationship Committee

(a) Composition and Meetings

During the year under review, there has been no change in the composition of Stakeholders' Relationship Committee. As on 31st March, 2022, the Stakeholders' Relationship Committee (SRC) consists of 4 Directors / Members viz. Ms. Smita Kulkarni, Non- Executive Independent Director as Chairman, Mr. Anil Kumar Jain, Non-Executive Non-Independent Director, Mr. Ambarish R Sodha as Non-Executive, Independent Director and Mr. Sushil Kumar Agrawal, Non-Executive Non-Independent Directors as members of the SRC.

Pursuant to the provisions of Regulation 20(3A) of Listing Regulations, it is mandatory to hold one SRC meeting in a financial year. During the year under review, 1 (one) Meeting of the Stakeholders' Relationship Committee was held on January 21, 2022 and the said meeting was attended by all Members of the Committee.

(b) 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.

(c) 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 FY 2021-22, no complaint was received from shareholders of the Company and no complaint was pending as on 31st March, 2022. There were no complaints of shareholders received from BSE Limited on BSE portal and SEBI on SCORES platform.

(d) Compliance Officer

Mrs. Archisha Tyagi, Company Secretary is the Compliance Officer of the Company.

5. Nomination and Remuneration Committee

(a) 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

(b) Composition, Meetings and Attendance

During the year under review, there has been no change in the composition of Nomination and Remuneration Committee. As on 31st March, 2022, NRC comprises of 3 Independent Directors headed by Mr. Govind Prasad Agrawal, Non-Executive Independent Director as Chairman.

Pursuant to the provisions of Regulation 19(3A) of Listing Regulations, it is mandatory to hold one NRC meeting in a financial year. During the year under review, two meetings of NRC was held through VC on June 14, 2021 and August 12, 2021..

Composition and Attendance of Directors at the NRC Meetings held through VC during the year under review is as under:



Name of the Director	Category	Position	Attendance at the Nomination and Remuneration Committee Meetings	
			Held	Attended
Mr. Govind Prasad Agrawal (Chairman of the Committee)	Non-Executive, Independent Director	Chairman	2	2
Mr. Ambarish Ratilal Sodha	Non -Executive Independent Director	Member	2	2
Mr. Sushil kumar Krishna Agrawal	Non Executive, Non -Independent Director	Member	2	2
Ms. Smita Kulkarni	Non-Executive, independent Director	Member	2	2

(b) 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/mfl-nomination-and-remuneration-policy.pdf>

(d) 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.

6. Remuneration of Directors

- (i) The details of remuneration paid to Mr. Shri Dass Maheshwari, Whole Time Director-Finance & CFO for the Financial Year 2021-22 are as under:

	Remuneration		Amount (in Rs.)
1.	Basic Salary	:	4,35,528
2.	Perquisites and other Allowances	:	3,39,396
	Total Remuneration		7,74,924

(ii) Remuneration of Non-Executive Directors

At present, all Non-Executive Directors of the Company are entitled to receive sitting fees of Rs. 2,000/- each for attending Board Meetings and Rs. 1,000/- each for Audit Committee Meetings, Nomination and Remuneration Committee Meetings, Stakeholders' Relationship Committee Meetings and Independent Directors Meeting. Details of sitting fees paid to all Directors of the Company for the financial year ended 31st March, 2022 are as under:



Details of sitting fees paid to Non-Executive Directors of the Company for the financial year ended 31st March, 2022 are as under:

Name of the Director	Remuneration for the Financial Year ended 31 st March, 2022 (Amount in Rs.)	No. of equity shares of the Company held by Non-Executive Directors
	Sitting Fees	
Mr. Anil Kumar Jain*	NIL	NIL
Mr. Govind Prasad Agrawal	15,000	972
Mr. Sushil kumar Krishna Agrawal	15,000	NIL
MS. Smita Kulkarni	16,000	NIL
Mr. Ambarish R. Sodha	13,000	NIL

*Mr. Anil Kumar Jain had voluntarily decided not to take the sitting fees for attending Board and other Committee Meetings of the Company w.e.f 1st April, 2018.

Notes:

1. There is no separate provision for payment of severance fees.
2. There are no variable components and performance linked incentives.
3. There are no pecuniary relationships or transactions between Non-Executive Directors and the Company during the year 2021-22.
4. The Company does not have any Employee Stock Option Scheme

7. General body Meetings

a) Annual General Meetings:

During the preceding three years, the Annual General Meetings of the Company were held on the following dates, time and venue.

AGM	Date	Venue of the Last Three AGMs	Special Resolution(s)passed
28 th	Tuesday, 13 th August, 2019 at 10.00 a.m. (IST)	Hotel Vrishali Executive, 39 A/2, Circuit House Road, Tarabai Park, Kolhapur – 41 6003, Maharashtra	One Special Resolution was passed for the re-appointment of Mr. G. P. Agrawal as Non-Executive Independent Director of the Company for a second term of five consecutive years w.e.f. 23 rd August, 2019.
29 th	Tuesday, 29 th September, 2020 at 12.30 p.m (IST)	Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) VC Platform – provided by NSDL	NIL
30 th	Tuesday, 28 th September, 2021 at 12.00 noon (IST)	Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) VC Platform – provided by NSDL	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 2 years w.e.f April 30, 2021.

Due to second wave of novel coronavirus (COVID-19) pandemic and measures to contain the spread of COVID-19, MCA vide General Circular No.21/2021 dated 13th January, 2021 allowed Companies to conduct their Annual General meetings (AGMs) through Video Conferencing (VC) or other audio visual means (OAVM) during the calendar year 2021 subject to certain conditions specified in said circular. Accordingly, 30th AGM of the Company was held through VC on September 28, 2021.



- b) Extraordinary General Meeting: No Extraordinary General Meeting was held during the year under review.
- c) Postal Ballot: No Postal Ballot was conducted during the year under review. At present, there is no proposal to pass any resolution through postal ballot.

8. Means of Communication

Website: The Company's www.margofinance.com contains the updated information pertaining to quarterly, half-yearly and annual financial results, shareholding pattern, important announcements made to the stock exchanges, intimation of board meeting dates, newspaper, advertisements etc. 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 after approval of the Board of Directors of the Company within prescribed time. The financial results of the Company are published in one vernacular newspaper viz. "Business Standard", "Nav Shakti" and one English news paper viz. "Free Press Journal" within 48 hours of approval thereof. Also they are uploaded on the Company's website www.margofinance.com. The results are published in accordance with the guidelines of the Stock Exchanges.

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 and is also available on the website of the Company www.margofinance.com.

Designated Exclusive Email ID: The Company has designated Email Id info@margofinance.com exclusive 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 and disclosures are filed electronically on BSE Listing Centre.

Presentations: No presentations were made to analysts, Institutional Investors during the year under review.

9. Disclosures

a) Related Party Transactions

All transactions entered with Related Parties as defined under the Companies Act, 2013 and Listing Regulations during the financial year 2021-22 were in the ordinary course of business and on arm's length basis. During the year under review, there were no materially significant transactions with related parties that may have potential conflict with the interest of the Company at large. Necessary disclosures regarding Related Party Transactions are provided in the Board's Report.

The Company has formulated a policy for Related Party Transactions and the said policy has been hosted on the website of the Company under the web link: <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 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 years. The Company has also obtained Secretarial Audit report for the year ended 31st March 2022 as per Regulation 24A of Listing Regulations from M/s Ashu Gupta & Associates, Practicing Company Secretaries and Annual Compliance Certificate for the year ended 31st March 2022 from M/s Vikas Chomal & 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-31.03.2019-.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 during the year under review.

d) Subsidiary Companies

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-subsiidiaries.pdf>

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

All members of the Board, the executive officers and seniors employees have affirmed compliance to the code of conduct as on 31st March, 2022. 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.

e) 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 2021-22.

f) 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.

g) CEO & CFO Certification

Pursuant to the provisions of 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 for the year ended 31st March, 2022, in the prescribed format. The said certificate has been reviewed by the Audit Committee and taken on record by the Board.

h) Reconciliation of Share Capital Audit

In terms of the provisions of Clause 76A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a C.B. Mishra & Associates Practicing Company Secretary the said report is also submitted to BSE Limited.

**i) 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 http://www.margofinance.com/wp-content/uploads/2022/04/code_of_conduct_to_regulate_monitor_and_report_trading_by_designated_persons_and_their_immediate_relatives.pdf

Certificate on Non-disqualification of Directors

M/s Ashu Gupta & Associates, Practising Company Secretaries have certified that during FY 2021-22, 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.

j) Recommendation of the committees

During FY 2021-22, the Board has accepted all recommendations made by Audit Committee and Nomination and Remuneration Committee.

k) Total fees paid to Statutory Auditors

During FY 2021-22, Rs 65,000/- was paid to M/s Pawan Shubham & Co., Statutory Auditors.

l) 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, 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 31st March, 2022.

m) 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. Hence, the same are not sent to the Shareholders of the Company by email or physically.



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 31st March, 2022, nor in past 2 years.

Separate posts of Chairperson and Chief Executive Officer: Mr. Anil Kumar Jain, Non-Executive Director is the Chairperson 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.

n) 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.

o) Compliance with the requirements of Corporate Governance

All the requirements of Corporate Governance specified in Regulation 17 to 27 of Listing Regulations and of sub-regulation (2) of Regulation 46 of Listing Regulations have been complied with.

10. Certificate on Compliance with the conditions of Corporate Governance

The certificate regarding compliance of the conditions of corporate governance for the year ended 31st March, 2022 given by M/s. Ashu Gupta & Co. Practicing Company Secretary is attached to this Report. as Annexure 1 to this Report.

11. General Shareholder's Information

Margo Finance Limited was incorporated at Delhi on 08-10-1991. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910MH1991PLC080534.

The address of our registered office is office No.3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, District Kolhapur, Maharashtra-416109.

Listing on the Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Stock Exchange Stock / Scrip Code-500206
Listing Fee	The Company has paid Listing Fees for FY 2020-21 and FY 2021-22 to BSE Limited within prescribed time
Annual Custody Fees	The Company has paid the Annual custody fees to Central Depository Services (India) Ltd. and National Securities Depository Limited for the year 2020-21.
ISIN	INE680B01019

Investor Information

Annual General Meeting	
Date of AGM	31 st AGM of the Company will be held on Wednesday, August 24, 2022 at 12:30 p.m (IST) through Video Conferencing/ Other Audio Visual Means.
Financial Year	1 st April to 31 st March



Tentative Financial Calendar (for financial year 2022-23)	Board Meeting for approval of	
	Financial Results for the Quarter ended 30 th June, 2022 (Unaudited)	On or before 14-08-2022
	Financial Results for the Quarter ended 30 th September, 2022 (Unaudited)	On or before 14-11-2022
	Financial Results for the Quarter ended 31 st December, 2022 (Unaudited)	On or before 14-02-2023
	Financial Results for the Quarter ended 31 st March, 2022 (Audited)	On or before 30-05-2023

Dates of book closure:

The Register of Members and the Share Transfer books will remain closed from Saturday, September 10, 2022 till Friday, September 16, 2022 (both days inclusive) for the purpose of Annual General Meeting.

Dividend: No dividend has been declared for the year ended 31st March, 2022.

Market Price Data & Performance Comparison

The monthly high and low quotations of the closing price and volume of shares traded at BSE Ltd. from April, 2021 to March, 2022 are as under and comparison against BSE sensex is as under:

Month	Margo Finance Limited		(BSE Limited)	BSE Sensex	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)
April -2021	10.57	7.79	114	50,375.77	47,204.50
May- 2021	11	8.77	232	52,013.22	48,028.07
June -2021	12	9.3	1194	53,126.73	51,450.58
July- 2021	26.73	9.17	566	53,290.81	51,802.73
August -2021	39.3	20.45	610	57,625.26	52,804.08
September -2021	29	21.35	320	60,412.32	57,263.90
October -2021	30	21.1	337	62,245.43	58,551.14
November -2021	26.85	20.8	289	61,036.56	56,382.93
December- 2021	33.35	20.7	622	59,203.37	55,132.68
January -2022	35.05	27.65	776	61,475.15	56,409.63
February -2022	33.35	25.4	356	59,618.51	54,383.20
March -2022	31.8	25.2	522	58,890.92	52,260.82

Source: BSE website: www.bseindia.com

Registrar and Share Transfer Agents

Share transfer and other communication regarding shares certificate, change in address etc., may be addressed to:

Link Intime India Pvt. Ltd.

Noble Heights, 1st 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



Share Transfer System

During the Financial Year 2021-22, transfer of shares was allowed only in dematerialised mode and the same is done through the depositories. Further, pursuant to SEBI Circular dated 25th 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.

Share Transfer Committee

As on 31st March, 2022, the Share Transfer Committee comprises of Mr. Anil Kumar Jain, as Chairman, Mr. Sushilkumar Krishna Agrawal, Ms. Smita Kulkarni and Mr. Ambarish Ratilal Sodha as Members. The Share Committee meets whenever required for approval of share transfer, transmission, Issued of duplicate share certificates, split and consolidation requests as well as other matters that relate to the transfer and registration of shares.

Distribution of Shareholding as on 31st March, 2022:

No. of equity Shares	No. of share holders	% of share holders	No. of shares held	% of share holding
1- 500	8620	95.17	1293849	28.31
501- 1000	274	3.02	224849	4.92
1001- 2000	71	0.78	107094	2.34
2001- 3000	25	0.27	63233	1.38
3001-4000	17	0.18	62654	1.37
4001 -5000	9	0.09	43171	0.94
5001-10000	16	0.17	119749	2.62
Above 10001	25	0.27	2655356	58.10
Total	9057	100.00	4570000	100.00

Shareholding pattern as on 31st March, 2022

Category	No. of equity shares held	As a percentage of total paid up Share Capital
A. Shareholding of Promoter and Promoter Group		
1. Indian Individual/Hindu Undivided Family	871215	19.06
Bodies Corporate	1569416	34.34
Sub Total (A) (1)	2440631	53.40
2. Foreign		
Individual (Non-Resident Individual/Foreign Individual)	0	0
Sub Total (A) (2)	0	0
Total Shareholding Promoter and Promoter Group (A)(1) +(A)(2)	2440631	53.40
B. Public Shareholding		
1. Institutions		
Financial Institutions/Banks/Insurance Companies including Central/ State Government Institutions	100	0.000
Sub Total (B) (1)	100	0.00
2. Non- Institutions		
(i) Individuals	1974072	43.19
(ii) Bodies Corporate	45752	01.00
(iii) Clearing Members	2005	0.04
(iv) Hindu Undivided Family	105890	2.31
(iv) NRI's	1550	0.02
(v) Trusts	0	0



Category	No. of equity shares held	As a percentage of total paid up Share Capital
Sub Total (B) (2)	2129269	46.59
Total Public Shareholding (B)(1) +(B)(2)	2129369	46.59
Total (A+B)	4570000	100.00
C. Shares held by Custodian and against which depository receipts have been issued	0	0
Grand Total (A+B+C)	4570000	100.00

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 per directive of SEBI the Equity Shares of the Company are compulsorily traded in dematerialized form with effect from 26.03.2001. ISIN of the Company for dematerialization is INE680B01019.

As on 31st March 2022, 35,69,090 Equity Shares of the Company constituting over 78.10% of the issued, subscribed and paid-up share capital of the Company are held in dematerialized form and 1000910 Equity Shares of the Company constituting over 21.90% are held in physical form. The company's shares were traded on BSE Limited.

Shares held in demat and physical mode as on 31st March, 2022

Category	Numbers of		% of total equity
	Shareholders	Shares	
Demat Mode			
NSDL	1814	1226208	26.83
CDSL	1294	2342882	51.27
Total	3108	3569090	78.10
Physical Mode	5922	1000910	21.90
Grand Total	9057	4570000	100.00

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

As on 31st March, 2022, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instrument.

Service of documents through electronic mode:

As a part of Green initiative, the Members who wish to receive documents like the Notice convening the General Meetings, Financial Statements, Director's Report, Auditors Report etc., through e-mail, may kindly intimate their E-mail address to Company/Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).

Address for correspondence

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

Company Secretary
Margo Finance Limited
2nd, 15/76,
Old Rajendra Nagar,
New Delhi – 110060
Phone: +011-41539444



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

Registrar & Transfer Agent

Noble Heights, 1st 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

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

ANIL KUMAR JAIN

CHAIRMAN

DIN: 00086106

Date: May 25, 2022

Place: UAE

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

(Pursuant to Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 entered into by the Company with the stock exchange.)

This is to confirm that the Company has adopted the Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website at www.margofinance.com.

I confirm that the Company has in respect of the year ended 31st March,2022, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For **Margo Finance Limited**

(Shri Dass Maheshwari)

(DIN:00181615)

Whole Time Director-Finance &
Chief Financial Officer

Date : May 25, 2022

Place : Delhi



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) 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 31st March, 2022 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 in Company
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 R. 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.

For Ashu Gupta & Co.
Company Secretaries

Place: New Delhi
Date: 25.05.2022
UDIN: F004123D000385966

Ashu Gupta
(Prop.)
FCS No.: 4123
CP No.: 6646



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.

We would like to inform that as on 31st March 2021, the paid-up equity share capital of Margo Finance Limited is Rs. 4.57 Crore and net worth is Rs. 6.17 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 2021-22.

For Margo Finance Limited

Shri Dass Maheshwari
(DIN:00181615)
Whole Time Director-Finance &
Chief Financial Officer

Date : May 25, 2022
Place : Delhi



INDEPENDENT AUDITOR'S REPORT

To the Members of
Margo Finance Limited

Opinion

We have audited the Ind AS financial statements of Margo Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in equity Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant 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 March 31, 2022, and its loss 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 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 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 Standalone Financial Statements of the year under report. These matters were addressed in the context of our audit of the Standalone 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.

Management's Responsibility for the Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements, including the disclosures and whether the Standalone 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



- (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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'.
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 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;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. 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 22.4(a) and 22.4(b) contain any material misstatement.
- (d) The Board of Directors of the Company have not proposed final dividend for the year.

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

Krishna Kumar
(Partner)

M. No. - 523411

UDIN : 22544869AJOTKA6873

Place : Delhi

Dated : 25/05/2022



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").
- (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) In our opinion and according to the information and explanations given to us, 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 March 2022 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 Standalone 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 2022 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 which have not been deposited as on March 31, 2022.
- 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any moneys by way of further public offer during the current financial year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made preferential allotment of equity shares during the year.
- 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 material fraud 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 standalone 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 required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities without obtaining 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 has incurred cash losses during the financial year covered by our audit however in the immediately preceding financial year there were no cash losses.
- 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.



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- (b) According to the information and explanations 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 pursuant to any ongoing CSR project.
- 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

Krishna Kumar
(Partner)
M. No. - 523411
UDIN : 22544869AJOTKA6873
Place : Delhi
Dated : 25/05/2022



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 March 2022 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 March 2022, 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

Krishna Kumar
(Partner)
M. No. - 523411

UDIN : 22544869AJOTKA6873
Place : Delhi
Dated : 25/05/2022

**BALANCE SHEET AS AT 31 MARCH, 2022**

(All amounts are ₹ in Lacs unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Financial assets			
Cash and cash equivalents	3	3.98	10.96
Bank balances other than above	4	15.77	13.92
Receivables			
Trade receivables	5	6.22	4.34
Other receivables	6	0.10	0.10
Loans	7	-	-
Investments	8	9,947.85	8,201.98
Other financial assets	9	29.00	29.00
		10,002.92	8,260.30
Non-financial assets			
Income tax assets (net)	10	5.68	5.56
Property, plant and equipment	11	8.53	1.80
Intangible Assets	12	0.37	-
Intangible assets under development	13	-	0.57
Investment property	14	16.14	16.14
Other non-financial assets	15	2.09	1.39
		32.81	25.46
Total Assets		10,035.73	8,285.76
Liabilities and Equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables	16		
(a) Total outstanding dues to micro enterprises and small enterprises		-	-
(b) Total outstanding dues to other than micro enterprises and small enterprises		0.90	2.10
		0.90	2.10
Non-financial liabilities			
Provisions	17	-	0.83
Deferred tax liabilities (net)	18	2,365.29	1,967.23
Other non-financial liabilities	19	0.23	0.22
		2,365.52	1,968.28
Equity			
Equity share capital	20	457.00	457.00
Other equity	21	7,212.31	5,858.38
		7,669.31	6,315.38
Total Liabilities and Equity		10,035.73	8,285.76
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

Krishna Kumar
Partner
Membership No.: 523411
UDIN : 22544869AJOTKA6873

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

Anil Kumar Jain
Chairman
DIN: 00086106
Archisha Tyagi
Company Secretary
Membership No. : 49606

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

Place : Delhi
Date : 25.05.2022


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations			
Interest income	22	5.92	10.57
Dividend income	23	26.09	10.10
Fees and commission income	24	26.98	13.04
Others [Net gain/(loss) on sale of investments]	25	-	23.57
Other income	26	1.08	0.17
Total Income		60.07	57.45
Expenses			
Finance costs	27	-	0.01
Employee benefits expenses	28	14.40	13.15
Depreciation and amortisation	29	0.75	0.71
Other expenses	30	59.76	18.78
Total Expenses		74.91	32.65
Profit / (loss) before exceptional items and tax		(14.84)	24.80
Exceptional items		-	-
Profit / (loss) before tax		(14.84)	24.80
Tax expense			
Current tax	39	36.26	9.14
Adjustment for prior years	39	(0.05)	-
Deferred tax charge	39	(0.61)	(1.03)
Profit / (loss) after tax		(50.44)	16.69
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	34	3.11	0.19
- Changes in fair value of financial instruments		1,799.93	6,301.32
Income tax relating to items that will not be reclassified to profit or loss			
- Tax on remeasurement of defined benefit plans	39	(0.81)	(0.05)
- Tax on changes in fair value of financial instruments	39	(397.86)	(1,627.99)
Other comprehensive income for the year		1,404.37	4,673.47
Total comprehensive income		1,353.93	4,690.16
Earnings per equity share (in ₹):			
Nominal value of ₹ 10 each (Previous year ₹ 10 each)			
-Basic & Diluted earning per share	31	-1.10	0.37

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

Krishna Kumar
Partner
Membership No.: 523411
UDIN : 22544869AJOTKA6873

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

Anil Kumar Jain
Chairman
DIN: 00086106

Archisha Tyagi
Company Secretary
Membership No. : 49606

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

Place : Delhi
Date : 25.05.2022


CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	(14.84)	24.80
Adjustments for:		
Depreciation and amortization	0.75	0.71
(Excess) Contingent provisions on Standard Assets	(0.18)	-0.01
Provision for NPA	-	0.97
Loss / (Profit) on write off/ sale of PPE	(0.90)	0.33
Interest paid	-	0.01
Operating gain before working capital changes	(15.17)	26.81
Adjustments for :		
Decrease in trade receivables	(1.88)	0.40
Decrease in other bank balance	(1.85)	208.63
Decrease in loans	0.18	0.55
Increase in Other Financial Assets	-	(29.00)
Decrease/ (increase) in other non financial assets	(0.70)	3.32
Decrease/ (increase) in investments	54.06	(205.68)
(Decrease)/ increase in trade payable	(1.20)	(0.27)
(Decrease)/increase in other financial liabilities	0.01	0.13
(Decrease)/ increase in provisions	2.29	(0.10)
Cash generated from operating activities before taxes	35.74	4.79
Less: Direct taxes paid (net of refunds)	(36.33)	(11.81)
Net cash generated from operating activities (A)	(0.59)	(7.02)
B Cash flows from investing activities		
Purchase of property, plant and equipment	(6.39)	(2.24)
Net cash used in investing activities (B)	(6.39)	(2.24)
C Cash flows from financing activities		
Interest paid	-	(0.01)
Net cash used in financing activities (C)	-	(0.01)
INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(6.98)	(9.27)
Cash and cash equivalents at the beginning of the year	10.96	20.23
Cash and cash equivalents at the end of the year	3.98	10.96


CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Notes to statement of cash flows:		
(i) Components of cash and bank balances (refer note 3 and 4)		
Cash and cash equivalents		
- Cash on hand	0.09	0.09
- Balances with banks in current account	3.89	10.87
Other bank balances		
- Term deposits with remaining maturity less than 12 months	15.17	13.32
- Term deposits with remaining maturity more than 12 months	0.60	0.60
Cash and bank balances at end of the year	19.75	24.88

(ii) There are no material balances in the balance sheet for liabilities arising from financing activities requiring reconciliation.

(iii) 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.

(iv) The above statement of cash flows should be read in conjunction with the accompanying notes 1 to 43.

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

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For and on behalf of the Board of Directors of
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Shri Dass Maheshwari
Whole-time Director and
Chief Financial Officer
DIN: 00181615

Place : Delhi
Date : 25.05.2022


STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)
A. Equity Share capital

Current Reporting Period - as at March 31, 2022					
	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, 2021					
	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	48.06	12.49	65.78	5,697.05	1.20	5,858.38
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	-	-	-	(50.44)	1,402.07	2.30	1,353.93
Amount transferred to retained earning - Net profit on sale of Investments	-	-	-	158.77	(158.77)	-	-
Amount transferred to special reserve	-	32.81	-	(32.81)	-	-	-
Balance as at end of the current reporting period	33.80	80.87	12.49	141.30	6,940.35	3.50	7,212.31
Balance at the beginning of the previous reporting period	33.80	36.76	12.49	30.94	1,053.17	1.06	1,168.22
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-



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	
Restated balance at the beginning of the previous reporting period							-
Total other comprehensive income for the previous year	-	-	-	16.69	4,673.33	0.14	4,690.16
Amount transferred to retained earning - Net profit on sale of Investments				29.45	(29.45)		-
Amount transferred to special reserve		11.30	-	(11.30)		-	-
Balance as at end of the previpous reporting period	33.80	48.06	12.49	65.78	5,697.05	1.20	5,858.38

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

Krishna Kumar
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DIN: 00181615

Archisha Tyagi
Company Secretary
Membership No. : 49606

Place : Delhi
Date : 25.05.2022

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts are ₹ in Lacs unless otherwise stated)

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 March 31, 2022 were authorized and approved for issue by the Board of Directors on 24 May, 2022.

(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 MARCH 31, 2022

(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 recognised 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts are ₹ in Lacs unless otherwise stated)

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.

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.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts are ₹ in Lacs unless otherwise stated)

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.

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 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

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.

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

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.

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

- 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:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

- 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

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.

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

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 MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
3 Cash and cash equivalents		
Cash on hand	0.09	0.09
Balances with banks		
-on current accounts	3.89	10.87
	3.98	10.96
4 Bank balances other than cash and cash equivalents		
Term deposits with banks with remaining maturity more than 3 months and less than 12 months	15.17	13.32
Term deposits with banks with remaining maturity more than 12 months	0.60	0.60
	15.77	13.92
5 Trade receivables		
Undisputed, unsecured - Outstanding for less than 6 Months from the due date of payment.		
Unsecured, Undisputed -considered good		
Receivable for fees, commission and others	1.54	1.16
Interest accrued on		
-Fixed deposits	1.74	1.60
-Bonds and securities	0.73	1.58
Unbilled Dues	2.21	-
	6.22	4.34
6 Other receivables		
Outstanding for more than 365 days past due		
Unsecured, considered good	0.10	0.10
Unsecured, considered doubtful	68.02	68.02
Less: Allowance for impairment	(68.02)	(68.02)
	0.10	0.10
7 Loans		
Unsecured		
Loans to others	0.80	0.97
Less: Allowance for impairment	(0.80)	-0.97
	-	-
Out of the above		
Loans in India		
-Public sector	-	-
Less: Impairment loss allowance	-	-
-Others	0.80	0.97
Less: Impairment loss allowance	(0.80)	-0.97
Total in India	-	-
Loans outside India	-	-


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
8 Investments		
(A) Investment in quoted equity instruments (At fair value through OCI)		
Bank of Baroda	-	0.03
Nil (previous year 40) equity shares of ₹ 2 fully paid up		
Avonmore Capital & Management Services Ltd.	-	-
Nil (previous year 10) equity shares of ₹ 10 fully paid up		
Canara Bank	-	0.02
Nil (previous year 15) equity shares of ₹ 10 fully paid up		
Housing Development Finance Corporation Limited	13.38	13.99
560 (previous year 560) equity shares of ₹ 2 fully paid up		
HDFC Bank Limited	57.31	35.83
3899 (previous year 2399) equity shares of ₹ 1 fully paid up		
HDFC Standard Life Insurance	0.54	0.70
100 (previous year 100) equity shares of ₹ 10 fully paid up		
ICICI Bank	3.65	2.91
500 (previous year 500) equity shares of ₹ 2 fully paid up		
Indo Count Industries Limited	2,419.87	2,007.95
1520020 (previous year 1520020) equity shares of ₹ 2 fully paid up		
Jindal Steel & Power Limited	1.60	1.03
300 (previous year 300) equity shares of ₹ 1 fully paid up		
Laxmi Organic Industries Limited	-	0.87
Nil (previous year 500) equity shares of ₹ 2 fully paid up		
Larsen & Tubro Limited	11.93	9.57
675 (previous year 675) equity shares of ₹ 2 fully paid up		
Maharashtra Seamless Limited	181.53	90.76
32915 (previous year 32915) equity shares of ₹ 5 fully paid up		
Maruti Suzuki India Limited	-	0.48
Nil (previous year 7) equity shares of ₹ 5 fully paid up		
Reliance Industries Limited (Partly paid equity shares)	-	0.68
Nil (previous year 62) equity shares of ₹ 10 partly paid up		
Reliance Industries Limited	23.76	16.83
902 (previous year 840) equity shares of ₹ 10 fully paid up		
State Bank of India	0.74	0.55
150 (previous year 150) equity shares of ₹ 1 fully paid up		
Welspun India Limited	136.59	334.49
150345 (previous year 412445) equity shares of ₹ 1 fully paid up		
ISMT LTD	1.00	-
2000 (previous year NIL) equity shares of ₹ 10 fully paid up		
Total value of investment in quoted equity instruments	2,851.90	2,516.69


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
(B) Investments in unquoted equity instruments (at fair value through OCI)		
Indocount Securities Limited	6,821.20	5,629.91
427000 (previous year 427000) equity shares of ₹ 10 fully paid up		
Hindustan Breweries & Bottling Limited	2.51	2.51
25000 (previous year 25000) equity shares of ₹ 10 fully paid up		
Shiva Services Limited	1.00	1.00
10000 (previous year 10000) equity shares of ₹ 10 fully paid up		
Less: Provision for diminution in value of investment	(3.51)	(3.51)
Total value of investments in unquoted equity instruments	6,821.20	5,629.91
(C) Investments in debentures & bonds (At fair value through OCI)		
Housing and Urban Development Corporation Limited	2.30	2.26
200 (previous year 200) bonds of ₹ 1,000 each		
Indian Railway Finance Corporation Limited	11.50	10.87
1,000 (previous year 1,000) bonds of ₹ 1,000 each		
National Highway Authority of India	-	5.37
Nil (previous year 500) bonds of ₹ 1,000 each		
National Highway Authority of India	12.18	12.48
1,000 (previous year 1,000) bonds of ₹ 1,000 each		
Total value of Investments in debentures & bonds	25.98	30.98
(D) Investments in Mutual Funds (At fair value through OCI)		
HDFC Mutual Fund	-	21.38
ICICI Prudential Credit & Risk Fund Mutual Fund	-	3.02
ICICI Prudential Short Term Fund	248.77	-
Total value of investments in mutual funds	248.77	24.40
Total Value of Investments (A)+(B)+(C)+(D)	9,947.85	8,201.98
9 Other financial assets		
Term deposits with NBFCs with remaining maturity more than 12 months	29.00	29.00
	29.00	29.00
10 Income tax assets (net)		
Income tax assets	5.68	5.56
	5.68	5.56


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)
11 Property, plant and equipment

Current year	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2021	Additions during the year	Disposal/Adjustment	As at March 31, 2022	As at April 1, 2021	For the year	Disposal/Adjustment	As at March 31, 2022	As at March 31, 2022
Furniture and fixtures	0.20	-	-	0.20	0.07	0.02	-	0.09	0.11
Office equipments	2.19	-	-	2.19	0.64	0.58	-	1.22	0.97
Vehicles	4.69	7.57	4.69	7.57	4.59	0.12	4.59	0.12	7.45
Total	7.08	7.57	4.69	9.96	5.30	0.72	4.59	1.43	8.53

Previous year	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2020	Additions during the year	Disposal/Adjustment	As at March 31, 2021	As at April 1, 2020	For the year	Disposal/Adjustment	As at March 31, 2021	As at March 31, 2021
Furniture and fixtures	0.22	-	0.02	0.20	0.04	0.02	-	0.06	0.14
Office equipments	0.82	1.67	0.31	2.18	0.35	0.27	-	0.62	1.56
Vehicles	1.64	-	-	1.64	1.12	0.42	-	1.54	0.10
Total	2.68	1.67	0.33	4.02	1.51	0.71	-	2.22	1.80

Footnotes:

- (i). The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2022 and March 31, 2021.
- (ii). Please refer note 32 for capital commitments.
- (iii). There are no impairment losses recognised during the year.
- (iv). There are no exchange differences adjusted in Property, Plant & Equipment.

12 Intangible assets

Current Year	Gross block (at cost)				Accumulated amortisation				Net block
Description	As at April 1, 2021	Additions during the year	Disposal/Adjustment	As at March 31, 2022	As at April 1, 2021	For the year	Disposal/Adjustment	As at March 31, 2022	As at March 31, 2022
Computer software	-	0.40	-	0.40	-	0.03	-	0.03	0.37
Total	-	0.40	-	0.40	-	0.03	-	0.03	0.37

Previous year	Gross block (at cost)				Accumulated depreciation				
Description	As at April 1, 2020	Additions during the year	Disposal/Adjustment	As at March 31, 2021	As at April 1, 2020	For the year	Disposal/Adjustment	As at March 31, 2021	As at March 31, 2021
Computer software	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)
13 Intangible assets under development
Amount in CWIP for less than one year

Current Year	Gross block (at cost)				Accumulated amortisation				Net block
Description	As at April 1, 2021	Additions during the year	Disposal/Adjustment	As at March 31, 2022	As at April 1, 2021	For the year	Disposal/Adjustment	As at March 31, 2022	As at March 31, 2022
Computer software	0.57	-	0.57	-	-	-	-	-	-
Total	0.57	-	0.57	-	-	-	-	-	-

Previous year	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2020	Additions during the year	Disposal/Adjustment	As at March 31, 2021	As at April 1, 2020	For the year	Disposal/Adjustment	As at March 31, 2021	"As at March 31, 2021
Computer software	-	0.57	-	0.57	-	-	-	-	0.57
Total	-	0.57	-	0.57	-	-	-	-	0.57

14 Investment property

A. Reconciliation of carrying amount	As at March 31, 2022	As at March 31, 2021
Cost or deemed cost		
Opening balance	16.14	16.14
Additions during the year	-	-
Total carrying amount	16.14	16.14

B. Measurement of fair value		
Investment property	16.14	12.50
	16.14	12.50

C. 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).


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)
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.

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, 2022	As at March 31, 2021
15 Other non-financial assets		
Balance with government authorities	1.94	1.20
Prepaid expenses	0.15	0.19
	2.09	1.39
16 Trade payables		
Trade payables outstanding for less than 1 year from the due date of payment.		
- to micro and small enterprises (refer note 33)	-	-
- to others	-	0.07
Unbilled dues - due to others for less than 1 year from date of payment.	0.90	2.03
	0.90	2.10
17 Provisions		
Provision for employee benefits (refer note 34)		
Provision for gratuity	-	0.83
Other provisions	-	-
Contingent provision on standard assets	-	0.83
18 Deferred tax liabilities (net)		
Deferred tax liabilities (refer note 39)	2,365.29	1,967.23
	2,365.29	1,967.23
19 Other non-financial liabilities		
Statutory dues payable	0.23	0.22
	0.23	0.22

20 Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised		
1,00,00,000 (March 31, 2021: 1,00,00,000) equity shares of ₹ 10 each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and fully paid-up		
45,70,000 (March 31, 2021: 45,70,000) equity shares of ₹ 10 each fully paid up	457.00	457.00
	457.00	457.00



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

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, 2022, 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, 2022		Year ended March 31, 2021	
	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	-	-	-	-
Outstanding at the end of the year	45,70,000	457.00	45,70,000	457.00

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

	As at March 31, 2022		As at March 31, 2021	
	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%
	17,63,831	38.61%	17,63,831	38.61%

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 MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)
20 f) Shareholding of Promoters

Name of the Promoters	As at 31 March 2022		
	Number of shares	% holding in the class	% of change during the year
Details of equity shares held by promoters at the end of the year			
Equity shares of Rs.10 each fully paid up held by			
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%	-
Total	24,40,631	53.40%	-

Name of the Promoters	As at 31 March 2021		
	Number of shares	% holding in the class	% of change during the year
Details of equity shares held by promoters at the end of the year			
Equity shares of Rs.10 each fully paid up held by			
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%	-
Total	24,40,631	53.40%	-


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
21 Other Equity		
a). General reserve		
Balance at beginning of the year	12.49	12.49
Additions during the year	-	-
Balance at end of the year	12.49	12.49
b). Special reserve		
Balance at beginning of the year	48.06	36.76
Additions during the year	32.81	11.30
Balance at end of the year	80.87	48.06
c). Share warrant option premium		
Balance at beginning of the year	33.80	33.80
Additions during the year	-	-
Balance at end of the year	33.80	33.80
d). Retained earnings		
Balance at beginning of the year	65.78	30.94
Add: Profit for the year	(50.44)	16.69
Add: Net profit on sale of investment	158.77	29.45
Less: Transfer to special reserve	(32.81)	(11.30)
Balance at end of the year	141.30	65.78
e). Accumulated Other comprehensive income		
Balance at beginning of the year	5,698.25	1,054.23
Add: Other comprehensive income for the year	1,404.37	4,673.47
Less: Net profit on sale of investment transfer to retained earnings (net of tax)	(158.77)	(29.45)
Balance at end of the year	6,943.85	5,698.25
Total Other equity	7,212.31	5,858.38

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

(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 12th 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 26th November, 1996.”

(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, 2022	Year ended March 31, 2021
22 Interest income		
Interest income on		
-loans	-	-
-deposits	2.92	8.32
-investments	3.00	2.25
	5.92	10.57
23 Dividend income		
Dividend income	26.09	10.10
	26.09	10.10
24 Fees and commission income		
Commission income	26.98	13.04
	26.98	13.04
25 Others [Net gain/(loss) on sale of investments]		
Gain on sale of investments	-	23.57
	-	23.57


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
26 Other income		
Provisions written back	0.18	0.01
Liabilities no longer payable written back	-	0.06
Interest received on income tax refund	-	0.10
Profit on sale of fixed assets	0.90	-
	1.08	0.17
27 Finance costs		
Interest expense	-	0.01
	-	0.01
28 Employee benefits expenses		
Salaries, wages and bonus	13.73	12.42
Contribution to retirement benefits (refer note 34)	0.59	0.50
Staff welfare expense	0.08	0.23
	14.40	13.15
29 Depreciation and amortisation expenses		
Depreciation on property, plant and equipment (refer note 11)	0.72	0.71
Amortisation of Intangible assets	0.03	-
	0.75	0.71
30 Other expenses		
Advertisement and publicity	1.65	1.86
Impairment of Loans	-	0.97
Loss on sale / write off of fixed assets	-	0.33
Loss on sale of investments	43.65	-
Rates and taxes	1.96	1.95
Director sitting fees	0.61	0.58
Legal and professional expenses (refer footnote)	5.61	6.89
Share transfer expenses	0.51	0.77
Listing fees	3.00	3.00
Insurance	0.20	0.20
Travelling and conveyance	0.65	0.42
Printing and stationery	0.17	0.25
Repair and maintenance on		
-Vehicles	0.58	0.36
-Others	0.21	0.49
Telephone expenses	0.42	0.30
Postage expenses	0.03	0.04
Miscellaneous Expenses	0.51	0.37
	59.76	18.78
Payment of remuneration to auditors (excluding GST)		
Statutory audit	0.65	0.65
	0.65	0.65


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Earnings per share		
Basic and diluted earnings per share (refer footnote)	(1.10)	0.37
Nominal value per share (in ₹)	10.00	10.00
Footnotes:		
(a) Profit attributable to equity holders		
Profit for the year	(50.44)	16.69
Profit attributable to equity holders of the company for Basic and Diluted EPS	(50.44)	16.69
(b) Weighted average number of shares used as the denominator		
Opening balance of issued equity shares	45.70	45.70
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares for Basic and Diluted EPS	45.70	45.70
(c) At present, the Company does not have any dilutive potential equity share.		

32 Contingent liabilities and commitments

There are no contingent liabilities and commitments as at March 31, 2022 (March 31, 2021 ₹ Nil).

33 Disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

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.	-	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

34 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, 2022	Year ended March 31, 2021
Contribution to provident fund	-	0.03

(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."

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. 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, 2022	Year ended March 31, 2021
Net defined benefit (asset)/liability		
Gratuity (unfunded)	(1.94)	0.83
Total employee benefit liabilities	(1.94)	0.83
Non-current	1.12	1.12
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:


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	Year ended March 31, 2022			Year ended March 31, 2021		
	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	5.43	4.60	0.83	4.81	3.69	1.12
Included in profit or loss						
Current service cost	0.59	-	0.59	0.51	-	0.51
Interest cost (income)	0.28	0.28	-	0.23	0.24	(0.01)
Actual company contribution	(0.98)	0.25	(1.23)	-	0.60	(0.60)
Past service cost	-	-	-	-	-	-
	(0.11)	0.53	(0.64)	0.74	0.84	(0.10)
Included in OCI						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- financial assumptions	-	-	-	(0.00)	-	(0.00)
- demographic assumptions	-	-	-	-	-	-
- experience adjustments	(2.79)	-	(2.79)	(0.12)	-	(0.12)
Return on plan assets	-	0.32	(0.32)	-	0.07	(0.07)
	(2.79)	0.32	(3.11)	(0.12)	0.07	(0.19)
Other						
Contributions paid by the employer						
Acquisition adjustment	-	-	-	-	-	-
Fund management charges	-	-	-	-	-	-
Benefits paid	-	(0.98)	0.98	-	-	-
	-	(0.98)	0.98	-	-	-
Balance at the end of the year	2.53	4.47	(1.94)	5.43	4.60	0.83

Expenses recognised in the Statement of profit and loss	Year ended March 31, 2022	Year ended March 31, 2021
Service cost	0.59	0.51
Net interest cost	-	-0.01
	0.59	0.50

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Funds Managed by Insurer (investment with insurer)	4.47	4.60

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, 2022	As at March 31, 2021
Discount rate	7.12%	6.71%
Expected rate of future salary increase	7.50%	7.50%
Expected rate of return on assets	7.12%	6.71%

b) Demographic assumptions

	As at March 31, 2022	As at March 31, 2021
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%

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, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(0.00)	0.00	(0.00)	0.00
Expected rate of future salary increase (0.5% movement)	0.00	(0.00)	0.00	(0.00)
Withdrawal rate (0.5% movement)	(0.00)	0.00	(0.00)	0.00


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)
Description of risk exposures:
F. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at March 31, 2022	As at March 31, 2021
Duration of defined benefit obligation		
Less than 1 year	0.34	3.41
Between 1-2 years	0.31	0.28
Between 2-5 years	1.16	1.05
Over 5 years	1.68	0.70
Total	3.49	5.44

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 is Nil

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9.07 years (March 31, 2021: 9.1 years).

35 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, 2022	Year ended March 31, 2021
Employee benefits expense		
Remuneration to Whole-time Director	7.75	7.15
Expenses recovered on behalf of		
-Indocount Securities Limited	0.59	18.56
Closing Balance of Investments		
-Indocount Securities Limited	42.70	42.70
-Indocount Industries Limited	52.57	52.57



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

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.

37 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, 2021

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Other financial assets	-	-	29.00	29.00	-	-	-
Investments	-	8,201.98	-	8,201.98	2,572.07	5,629.91	-
Trade & Other receivables	4.44	-	-	4.44	-	4.44	-
Cash and cash equivalents	-	-	10.96	10.96	-	-	-
Balances other than cash and cash equivalents	-	-	13.92	13.92	-	-	-
Total	4.44	8,201.98	53.88	8,260.30			
Financial liabilities							
Trade payables	-	-	2.10	2.10	-	-	-
Total	-	-	2.10	2.10			

ii). As at March 31, 2022

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Other financial assets	-	-	29.00	29.00	-	-	-
Investments	-	9,947.85	-	9,947.85	3,126.65	6,821.20	-
Trade & Other receivables	6.32	-	-	6.32	-	6.32	-
Cash and cash equivalents	-	-	3.98	3.98	-	-	-
Balances other than cash and cash equivalents	-	-	15.77	15.77	-	-	-
Total	6.32	9,947.85	48.75	10,002.92			
Financial liabilities							
Trade payables	-	-	0.90	0.90	-	-	-
Total	-	-	0.90	0.90			



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

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.

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.

b). Financial risk management (continued)

(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, 2022	As at March 31, 2021
Trade receivables	6.32	4.44
Cash and cash equivalents	3.98	10.96
Bank balances other than cash and cash equivalents	15.77	13.92


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Investments	9,947.85	8,201.98
Loans	-	-
Other financial assets	29.00	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.

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:

Particulars	Gross carrying amount	
	As at March 31, 2022	As at March 31, 2021
0-90 days past due	6.22	4.34
91 to 180 days past due	-	-
More than 180 days past due #	0.10	0.10
Total	6.32	4.44

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

b). Financial risk management (continued)

(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 ₹ 19.75 lacs as at March 31, 2021 (March 31, 2020: ₹ 24.88 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.

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, 2022	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Trade payables	0.90	0.90	-	0.90
Total	0.90	0.90	-	0.90

As at March 31, 2021	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Trade payables	2.10	2.10	-	2.10
Total	2.10	2.10	-	2.10

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are ₹ in Lacs unless otherwise stated)

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, 2021 & March 31, 2022 the Company does not have any variable rate borrowings hence no exposure of interest rate risk.

38 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.

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, 2022	As at March 31, 2021
Borrowings	-	-
Less: Cash and cash equivalents	(3.98)	(10.96)
Adjusted net debt (A)	(3.98)	(10.96)
Total equity (B)	7,669.31	6,315.38
Adjusted net debt to adjusted equity ratio (A/B)	-0.05%	-0.17%

39 Income taxes

A. Amounts recognised in profit or loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current year	36.26	9.14
Adjustment for prior years	(0.05)	-
	36.21	9.14
Deferred tax expense		
Change in recognised temporary differences	(0.61)	(1.03)
	(0.61)	(1.03)
Total Tax Expense	35.60	8.11


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)
B. Amounts recognised in Other Comprehensive Income

	March 31, 2022			March 31, 2021		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	3.11	(0.81)	2.30	0.19	(0.05)	0.14
Changes in fair value of financial instruments	1,799.93	(397.86)	1,402.07	6,301.32	(1,627.99)	4,673.33
	1,803.04	(398.67)	1,404.37	6,301.51	(1,628.04)	4,673.47

C. Reconciliation of effective tax rate

	March 31, 2022		March 31, 2021	
	Rate	Amount	Rate	Amount
Profit before tax	26.00%	(14.84)	26.00%	24.80
Tax using the Company's domestic tax rate (A)		36.26		9.14
Tax effect of:				
Prior year errors/adjustment		(0.05)		-
(A)+(B)		36.21		9.14

D. Movement in deferred tax balances

	As at March 31, 2021	Recognised in P&L	Recognised in OCI	As at March 31, 2022
Deferred Tax Assets				
Employee benefits	0.22	0.59	(0.81)	-
Property, plant and equipment	0.56	(0.47)	-	0.09
Other provisions	17.94	(0.04)	-	17.90
Sub- Total (a)	18.72	0.08	(0.81)	17.99
Deferred Tax Liabilities				
Investments	(1,985.95)	0.53	(397.86)	(2,383.28)
Sub- Total (b)	(1,985.95)	0.53	(397.86)	(2,383.28)
Net Deferred Tax Liability (b)-(a)	(1,967.23)	0.61	(398.67)	(2,365.29)


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2020	Recognised in P&L	Recognised in OCI	As at March 31, 2021
Deferred Tax Assets				
Employee benefits	0.29	(0.02)	(0.05)	0.22
Property, plant and equipment and intangibles	0.43	0.13	-	0.56
Other provisions	17.69	0.25	-	17.94
Sub- Total (a)	18.41	0.36	(0.05)	18.72
Deferred Tax Liabilities				
Investments	(358.63)	0.67	(1,627.99)	(1,985.95)
Sub- Total (b)	(358.63)	0.67	(1,627.99)	(1,985.95)
Net Deferred Tax Liability (b)-(a)	(340.22)	1.03	(1,628.04)	(1,967.23)

- 40 There are no borrowing costs that have been capitalised during the year ended March 31, 2022 and March 31, 2021.
- 41 There have been no events after the reporting date that require adjustment/disclosure in these financial statements.
- 42 These financial statements were authorised for issue by Board of Directors on May 25, 2022.
- 43 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.
- 44 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, 2022 and March 31, 2021.
- 45 All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.
- 46 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, 2022 and March 31, 2021
- 47 There are no transactions not recorded in the books of accounts.
- 48 The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.
- 49 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, 2022 and March 31, 2021.


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are ₹ in Lacs unless otherwise stated)

- 50** 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, 2022 and March 31, 2021.
- 51** In the financial years ended March 31, 2022 and March 31, 2021, 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.
- 52** Analytical Ratios

	Year ended March 31, 2022	Year ended March 31, 2021
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 Fiance Business

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

Krishna Kumar
Partner
Membership No.: 523411
UDIN : 22544869AJOTKA6873

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

Anil Kumar Jain
Chairman
DIN: 00086106

Archisha Tyagi
Company Secretary
Membership No. : 49606

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

Place : Delhi
Date : 25.05.2022



MARGO FINANCE LIMITED

CIN: L65910MH1991PLC080534
Corporate Office: 2nd Floor, Old Rajinder Nagar, New Delhi-110060
Tel No.: +91 (011) 25767330/41539444
Email Id: info@margofinance.com
Website: www.margofinance.com