



10th July, 2023

BSE Limited

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

Ref.: Scrip Code: 500206

Subject: 32nd Annual General Meeting, Annual Report 2022-23 along with Notice of Annual General Meeting.

The Ministry of Corporate Affairs (“MCA”) has, vide its circular no. 10/2022 dated 28th December, 2022 read together with circular nos. 20/2020, 21/2021 and 02/2022 dated 5th May, 2020, 14th December, 2021 and 5th May, 2022 respectively (collectively referred to as “MCA Circulars”), permitted convening the Annual General Meeting (“AGM”) due in the year 2023 through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue till 30th September, 2023. In compliance with the MCA Circulars, this 32nd AGM is being held through VC/OAVM only, on Thursday, 3rd August, 2023 at 12:30 p.m. (IST).

As intimated to the stock exchange on 3rd June, 2023, Thirty Second (32nd) Annual General Meeting (AGM) of Margo Finance Limited (“the Company”) will be held on Thursday, 3rd August, 2023 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 2022-23 along with the Notice of 32nd 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 2023-23: <http://www.margofinance.com/wp-content/uploads/2023/07/margo-ar-2023.pdf>

Notice of 32nd Annual General Meeting: <http://www.margofinance.com/wp-content/uploads/2023/07/notice-of-32nd-agm.pdf>

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 26th July, 2023 to Thursday, 3rd August, 2023 (both days inclusive) for the purpose of 32nd 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. Thursday, 27th July, 2023 may cast their votes electronically on the resolutions included in the 32nd Notice of Annual General Meeting. The remote e-voting shall commence from 9.00 a.m. (IST) Monday, 31st July, 2023 and shall end at 5.00 p.m. (IST) on Wednesday, 2nd August, 2023. 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

32nd ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Second (32nd) Annual General Meeting (“AGM”) of the members of Margo Finance Limited will be held on Thursday, 3rd August, 2023 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 31st March, 2023, including the Audited Balance Sheet as at 31st March, 2023 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. Sushil Kumar Agrawal (DIN: 00400892), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Re-Appointment of Ms. Smita Kulkarni (DIN: 08127803) as Non-Executive, Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to provisions of sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 (the ‘Act’), including the Rules made thereunder read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Smita Kulkarni (DIN: 08127803), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 8th May, 2018 to 7th May, 2023 and who meets the criteria for independence as specified in Section 149 (6) of the Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee and who being eligible for re-appointment as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, effective from 8th May, 2023 to 7th May, 2028 and that she shall not be liable to retire by rotation.

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

MARGO FINANCE LIMITED

4. Re-Appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as "Whole Time Director- Finance & CFO" of the Company for a further period of 1 year w.e.f 30th April, 2023.

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

"RESOLVED THAT in accordance with the provisions of sections 196, 197, 198 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as "Whole Time Director- Finance & CFO" of the Company who has attained the age of 70 years, for a period of 1 year commencing from 30th April, 2023, at the remuneration and other terms and conditions as set out below, with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 and Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereto.

(A) Salary & Perquisites:

Basic Salary: Rs. 40,000/- p.m. with an annual increment as may be approved by the Nomination & Remuneration Committee and the Board.

(B) Perquisites and Allowances

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

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

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

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

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things to give effect to the aforesaid resolution.”

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

Date: 29th May, 2023
Place: New Delhi

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

Notes:

1. The Ministry of Corporate Affairs (“MCA”) has, vide its circular no. 10/2022 dated 28th December, 2022 read together with circular nos. 20/2020, 21/2021 and 02/2022 dated 5th May, 2020, 14th December, 2021 and 5th May, 2022 respectively (collectively referred to as “MCA Circulars”), permitted convening the Annual General Meeting (“AGM”) due in the year 2023 through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue till 30th September, 2023. In compliance with the MCA Circulars, this 32nd 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 Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. 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.

MARGO FINANCE LIMITED

7. 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 28th July, 2023. The same will be replied by the Company suitably.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 26th July, 2023 to Thursday, 3rd August, 2023 (both days inclusive) in connection with the Annual General Meeting.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts in relation to the business under Items No. 3 and 4 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 Ms. Smita Kulkarni and Mr. Shri Dass Maheshwari, Directors proposed for re-appointment and Mr. Sushil Kumar Agarwal, Director retiring by rotation are provided in the Annexure I to this Notice.
10. In case of joint holders attending the Meeting, 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.
11. 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 / Registrar and Share Transfer Agent ("RTA").
12. 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.
13. 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.
14. 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.
15. In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023, Notice of the 32nd AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories as on Friday, 30th June, 2023. Members may note that the Notice and Annual Report 2022-23 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 at www.evoting.nsdl.com.

Members of the Company holding shares either in physical form or in Dematerialized forms as on Friday, 30th June, 2023 will be sent Annual Report for the financial year 2022-23 and Notice of 32nd Annual General Meeting through electronic mode.

In case any Member is desirous of obtaining hard copy of the Annual Report for the Financial Year 2022-23 and Notice of the 32nd AGM of the Company, may send request to the Company's e-mail address at info@margofinance.com mentioning Folio No./DP ID and Client ID.
16. 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. Copies of any documents referred to in the Notice and Explanatory Statement are also available for inspection at the Registered Office of the Company on all days except Saturdays, Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. upto the date of the AGM.

17. 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.

18. 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 dematerialized mode are requested to ensure that aforesaid KYC details and nomination are updated with their depository participants.

19. KYC UPDATION

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

In case a holder of physical securities fails to furnish PAN and KYC details before 1st October, 2023 or link their PAN with Aadhaar on or before 30th June, 2023, in accordance with the SEBI circular dated 16th March, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

Form ISR-1, ISR-2, SH-13/ ISR-3/ SH-14 are also available on the website of the Company at www.margofinance.com 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.

20. Issue of securities in Demat mode and Demat of shares

SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, while making any service request, Members are requested to submit duly filled and signed Form ISR - 4, the format of which is available on the Company's website at www.margofinance.com and on the website of the Company's

Registrar and Transfer Agents, Link Intime India Private Limited at <https://web.linkintime.co.in/>. It may be noted that any service request can be processed only after the folio is KYC Compliant. Hence, the members are once again requested to update their KYC details as specified in point 19 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 of section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2015 as amended from time to time, and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is 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 32nd Annual General Meeting("AGM") of the Company.

General Instructions:

- a) **The remote e-voting period begins on Monday, 31st July, 2023 at 9.00 a.m. (IST) and ends on Wednesday, 2nd August, 2023 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. Thursday, 27th July, 2023 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 Wednesday, 2nd August, 2023.**
- 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 Thursday, 27th July, 2023 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. Thursday, 27th July, 2023, 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 i.e. Thursday, 27th July, 2023.
- g) The Scrutinizer shall submit her 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. Thursday, 3rd August, 2023.

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

How do I vote electronically using NSDL e-Voting system?




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 9th December, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="579 992 1471 1328">1. 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. <li data-bbox="579 1353 1471 1446">2. 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 <li data-bbox="579 1471 1471 1831">3. 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.

Type of shareholdersb	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33

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

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

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

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can 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 124402. 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 (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ashugupta.cs@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI 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.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Abhishek Mishra at evoting@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 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do

MARGO FINANCE LIMITED

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**

The Board of Directors of the Company vide Circular Resolution dated 3rd May, 2023, had approved and recommended to the members, the appointment of Ms. Smita Kulkarni as Non-Executive Independent Director for a second term of 5 (Five) consecutive years on the Board of the Company, effective from 8th May, 2023 to 7th May, 2028.

Ms. Smita Kulkarni, has completed B.A. and having experience of more than 40 years in field of Corporate Secretarial and Legal. She retired from a leading manufacturing Company after serving a long tenure of more than 35 years. Considering her vast experience and knowledge, the Board is of the opinion that presence of Ms. Smita Kulkarni on the Board will be of immense value to the Company.

The Members of the Company at the 27th Annual General Meeting of the Company held on 11th September, 2018 had appointed Ms. Smita Kulkarni as Independent Director of the Company with effect from 8th May, 2018 for a period of 5 (Five) consecutive years to hold office up to 7th May, 2023. She is due for retirement from the first term as an Independent Director on 7th May, 2023. The Nomination and Remuneration Committee, at vide Circular Resolution dated on 3rd May, 2023, keeping in view, her vast expertise and knowledge, has recommended to the Board of Directors her re-appointment for second term of 5 (Five) consecutive years on the Board of the Company w.e.f 8th May, 2023 to 7th May, 2028, subject to member's approval at the ensuing General Meeting of the Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an Independent Director may hold office for two terms up to five consecutive years each. Ms. Smita Kulkarni fulfils the requirements of an Independent Director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations. Further, Ms. Smita Kulkarni is not disqualified to act as Director of the Company.

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

The Board seeks the approval of members for the appointment of Ms. Smita Kulkarni as an independent director of the Company pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

Except Ms. Smita Kulkarni, being an appointee, none of the Directors and Key Managerial Personnel or their relatives, in any way may be deemed to be concerned or interested financially or otherwise in the Resolution set out at Item No. 3 of the Notice.

The Board recommends the Special Resolution set out at Item no. 3 of the Notice for approval by the Members.

ITEM NO.4

The Board of Directors of the Company at its meeting held on 29th May, 2023, had approved and recommended to the members, the appointment of Mr. Shri Dass Maheshwari as Whole Time Director designated as "Whole Time Director- Finance & CFO" for a further period of one year on the Board of the Company, effective from 30th April, 2023.

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

The Members of the Company at the 30th Annual General Meeting of the Company held on 28th September, 2021 had reappointed Mr. Shri Dass Maheshwari as Whole Time Director designated as "Whole Time Director- Finance & CFO" of the Company for a period of 2 (Two) years with effect from 30th April, 2021 under the provisions of the Companies Act, 2013 and

MARGO FINANCE LIMITED

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The existing term of Mr. Shri Dass Maheshwari as Whole Time Director was for a period of 2 years upto 29th April, 2023. Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 29th May, 2023 has recommended to the Board of Directors his appointment as Whole Time Director designated as "Whole Time Director- Finance & CFO" for a further period of one year with effect from 30th April, 2023 on the terms and conditions as recommended by the Nomination and Remuneration Committee of the Board and approved by Board. It is proposed to seek member's approval for the re-appointment and remuneration payable to Mr. Shri Dass Maheshwari as Whole Time Director designated as "Whole Time Director- Finance & CFO".

In accordance with the provisions of Section 196 and Schedule V of the Companies Act, 2013 (the 'Act'), (a) that no Company shall appoint a person who has attained the age of 70 years, as Managing Director, Whole-time Director or Manager unless his appointment is approved by a special resolution. As Mr. Shri Dass Maheshwari has attained the age of seventy years and also satisfies all the related conditions of the section, it is intended to seek approval of the Members by way of special resolution, for his reappointment as "Whole Time Director- Finance & CFO" in compliance with the relevant provisions of the Act;

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

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

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

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

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

Date: 29th May,2023
Place: New Delhi

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

ANNEXURE TO AGM NOTICE:

Annexure I

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

1. Re-appointment of Mr. Sushil Kumar Agrawal, Director liable to retire by rotation and recommended for the re-appointment

Name of the Director	Mr. Sushil Kumar Agrawal
Age	74 years
DIN	00400892
Category	Non- Executive-Non- Independent
Date of first appointment on the Board	11.08.2016
Qualification, Brief Resume and nature of expertise in specific functional areas	Mr. Sushil Kumar Agrawal is a qualified Chartered Accountant and had wide experience of more than 50 years in the area of auditing and taxation etc.
Terms and conditions of re-appointment	Mr. Sushil Kumar Agrawal is Non-Executive Non Independent Director and liable to retire by rotation. Further the said appointment is being made as per section 160 of the Companies Act, 2013 and there is no variation in the terms and conditions.
Details of remuneration sought to be paid and remuneration last drawn.	Remuneration/Sitting fees drawn for FY 22-23 is Rs. 17,000/- Remuneration sought to be paid for attending meetings of the Board or Committee thereof as approved by the Board from time to time within the prescribed limits.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	No Inter se relationship with any other Director key Managerial Personnel of the Company
Number of Board Meetings attended during the year	During the year 2022-23, five(5) Board meetings were held and Mr. Sushil Kumar Agrawal attended all the meetings.
Directorships held in other public Companies, including listed Companies [excluding foreign and Private Companies] as on 31st March,2023	1. Reliance Home Finance Limited 2. Reliance Mediaworks Limited 3. Reliance Broadcast Network Limited 4. Goldengadre Financial Services Limited 5. Reliance Wealth Management Limited 6. Reliance Health Insurance Limited 7. Globesecure Technologies Limited 8. Indian Commodity Exchange Limited
Memberships/Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on 31st March,2023	Reliance Mediaworks Limited Audit Committee- Chairman Stakeholders' Relationship Committee- Member Reliance Broadcast Network Limited Audit Committee- Member Reliance Home Finance Limited Audit Committee- Member
Number of shares held in the Company as on 31st March, 2023	NIL

MARGO FINANCE LIMITED**2. Recommend for Re-appointment of Ms. Smita Kulkarni (DIN 08127803) as Independent Director of the Company.**

Name of the Director	Mr. Smita Kulkarni
Age	66 years
DIN	08127803
Category	Non- Executive, Independent Director
Date of first appointment on the Board	08.05.2018
Qualification, Brief Resume and nature of expertise in specific functional areas	Ms. Smita Kulkarni, has completed B.A. and having experience of more than 40 years in field of Corporate Secretarial and Legal. She retired from a leading manufacturing Company after serving a long tenure of more than 35 years. Ms. Smita Kulkarni was appointed as Independent Director w.e.f. 8 th May, 2018 for a period of 5 (Five) consecutive years.
Terms and conditions of reappointment	Ms. Smita Kulkarni is Independent Director and not liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn.	Remuneration/Sitting fees drawn for FY 22-23 is Rs. 14,000/- Remuneration sought to be paid for attending meetings of the Board or Committee thereof as approved by the Board from time to time within the prescribed limits.
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 2022-23, five (5) Board meetings were held and Ms. Smita Kulkarni attended four (4) Board Meetings.
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on 31st March, 2023	NIL
Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on 31st March, 2023	NIL
Number of shares held in the Company as on 31st March, 2023	NIL

3. Recommend for Re-appointment of Mr. Shri Dass Maheshwari (DIN 00181615) as Whole Time Director of the Company.

Name of the Director	Mr. Shri Dass Maheshwari
Age	70 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 40 years of experience in field of Finance & Corporate functions. Mr. S.D. Maheshwari was associated with the Company from past 15 years in various capacities and further designated as Chief Financial Officer of the Company w.e.f. 14.05.2014 and considering his position he has been evaluated as Whole time Director with the designation of Whole time Director-Finance & 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.	Remuneration drawn for FY 2022-23 is Rs.8.25 lakhs Remuneration sought to be paid is provided in resolution mentioned in Item No. 4 of the Notice.
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 2022-23, five (5) 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 31st March, 2023	1. Indocount Securities Limited
Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on 31st March, 2023	NIL
Number of shares held in the Company as on 31st March, 2023	NIL

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

I. General Information:

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

(in Lakhs)

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2023
Revenue from operations	60.07	59.77
Operating Profit (before interest, depreciation and tax)	(14.84)	(35.32)
Profit before Tax	(14.84)	(35.32)
Profit after Tax	(50.44)	(57.32)

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

II. Information about Mr. Shri Dass Maheshwari:

Particulars	Mr. Shri Dass Maheshwari
Background details	Mr. Shri Dass Maheshwari, holds a B.Com (Hons.) degree and has more than 40 years of experience in the field of Finance & Corporate functions.
Past remuneration	FY 2022-23: Rs.8.25 lakhs
Recognition or awards	NIL
Job profile and his suitability	Mr. Shri Dass Maheshwari is responsible for the entire finance function. He has necessary expertise, knowledge and business acumen to drive the business of the Company.
Remuneration proposed	As stated in the Item No.4 of this Notice.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration of Mr. Shri Dass Maheshwari, Whole Time Director & CFO is in line with the nature of Industry, size of the Company, responsibilities entrusted and peer remuneration. After considering all aforesaid factors, NRC has recommended the remuneration specified in Item No. 4 of the notice.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Mr. Shri Dass Maheshwari has no pecuniary relationship directly or indirectly either with the Company or with the managerial personnel.

III. Other Information:

1) Reason of Loss or Inadequate profits:

During the financial year under review, the Company's total income is Rs. 59.77 lakhs. However, financials depict loss of Rs. 57.32 lakhs as on 31st March, 2023 due to losses on sale of investment of the Company. Further, the Company is passing a Special Resolution pursuant to the provisions of Section 197 (1) of the Companies Act, 2013 and Schedule V thereto and as a matter of abundant precaution, as the profitability of the Company may be

adversely impacted in future due to business environment during the period for which remuneration is payable to Mr. Shri Dass Maheshwari.

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

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

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

The Company is conscious about improvement in productivity and undertakes constant measures to improve the same. However, it is extremely difficult in present scenario to predict profits in measurable terms. For the year ended 31st March, 2023, net loss after tax stood at Rs. 57.32 lakhs.

4) Disclosures:

The information on remuneration package of Mr. Shri Dass Maheshwari, Whole Time Director & CFO is provided in Corporate Governance Report forming part of the Annual Report for FY 22-23.



MARGO FINANCE LIMITED



32nd ANNUAL REPORT 2022-23





CORPORATE INFORMATION

Board of Directors	Mr. Anil Kumar Jain	Chairman
	Mr. Shri Dass Maheshwari	Whole Time Director- Finance and Chief Financial Officer
	Mr. Govind Prasad Agrawal	Independent Director
	Mr. Ambarish Ratilal Sodha	Independent Director
	Mr. Sushilkumar Krishna Agrawal	Director
	Ms. Smita Kulkarni	Independent Director
Company Secretary	Mrs. Archisha Tyagi	
Auditors	M/s. Pawan Shubham and Co. Chartered Accountants 603, Laxmi Deep Building 9, Laxmi Nagar District Centre, Laxmi Nagar, Delhi- 110092	
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, 1 st floor, Plot No NH-2, C- 1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058	

	Contents	Page No.
Corporate Identification Number L65910MH1991PLC080534	Board's Report & Annexure to Board's Report	4
	Management Discussion & Analysis Report	14
	Corporate Governance Report	16
	Auditors' Report	34
	Balance Sheet	44
Website www.margofinance.com	Statement of Profit and Loss	45
	Cash Flow Statement	46
	Notes to Financial Statements	50



BOARD'S REPORT

Dear Members,

On behalf of Board of Directors ("The Board"), it gives me immense pleasure to present the Thirty Second (32nd) Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2023.

Financial Results

The Company's financial performance, for the year ended 31st March, 2023 is summarized below:

(₹ in Lakhs, except EPS)

Particulars	2022-2023	2021-2022
Total Income	59.77	60.07
Total Expenses	95.09	74.91
Profit/(Loss) before Tax	(35.32)	(14.84)
Less: Tax Expenses/ Credit	(22.00)	(35.60)
Profit/(Loss) after tax	(57.32)	(50.44)
EPS (₹)	(1.25)	(1.10)

During the financial year under review, the Company's total income is ₹ 59.77 lakhs. However, financials depict loss of ₹ 57.32 lakhs as on 31st March, 2023 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, 2023 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 2022-2023 due to losses suffered by the Company.

State of Company's affairs

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

Reserves

In view of current year loss, your Directors regret their inability to carry any amount as reserves for the financial year under review.

Share Capital

There was no change in capital structure of your Company during the year under review. As on 31st March, 2023, the paid-up equity share capital of the Company is ₹ 4,57,00,000/- comprising of 45,70,000 Equity shares of Face Value of ₹ 10/- each. During the financial year 2022-23, 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

(a) Appointment / Reappointment

The Board of Directors has re-appointed Ms. Smita Kulkarni (DIN: 08127803) as Non-Executive, Independent Director of the Company for a second term of 5 consecutive years w.e.f. 8th May, 2023 to 7th May, 2028, subject to the approval of the members at the ensuing General Meeting. Ms. Smita Kulkarni fulfil the criteria and conditions specified in the Companies Act, 2013 for such appointment.

Further, the Board of Directors at its meeting held on 29th May, 2023, re-appointed Mr. Shri Dass Maheshwari (DIN: 00181615) as a Whole Time Director designated as "Whole Time Director - Finance & CFO" of the Company who has attained the age of 70 years for a period of 1 year commencing from 30th April, 2023.

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

(b) Retiring by rotation

Mr. Sushil Kumar Agarwal (DIN: 00400892), Executive Director of the Company, retires by rotation and being eligible offers himself for re-appointment. The Board recommends his re-appointment and the same forms part of the notice of Annual General Meeting. The disclosures required regarding appointment / re-appointment of Mr. Sushil Kumar Agarwal pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting issued by The Institute of Company Secretaries of India are given in the Notice of AGM, forming part of the Annual Report.

Key Managerial Personnel

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

Mr. Shri Dass Maheshwari, Whole Time Director & Chief Financial Officer and Mrs. Archisha Tyagi, Company Secretary of the Company.

Number of Board Meetings

During the year under review, five (5) Board Meetings were held on April 21, 2022; May 25, 2022; August 8, 2022; November 8, 2022 and February 9, 2023 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>

Board Evaluation

Pursuant to provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of the performance of the Board, its Committees and of individual Directors. Performance evaluation has been carried out as per the Nomination & Remuneration Policy of the Company.

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, 2023, 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, 2023, 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, 2023 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, 2023, 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 31st March, 2023, the Audit Committee comprises of 4 Directors/ 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 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 Act, at the Annual General Meeting ("AGM") held on 16th September, 2022, M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No. 011573C) were appointed as the Statutory Auditors of the Company for a second term of 5 consecutive years to hold office from the conclusion of the 31st AGM till the conclusion of 36th AGM of the Company. The Company has received a letter from M/s. Pawan Shubham & Co., Chartered Accountants confirming that they are eligible for continuing as Statutory Auditors of the Company.

The Auditors' Report on the standalone financial statements of the Company for the year ended 31st March, 2023 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

Pursuant to the provisions of Section 204 of the Act, read with rules thereunder, the Board at its meeting held on 9th February, 2023 had appointed M/s. Ashu Gupta & Co, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the year ended 31st March, 2023. 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.

Internal control systems and their adequacy

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



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

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-subsiadiaries.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 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 apply to your Company for the Financial Year 2022-23. However, as a part of good corporate governance, we are doing compliance voluntarily.

Management and Discussion Analysis Report

Pursuant to Regulation 34 of the Listing Regulations, Management Discussion and Analysis Report containing information inter-alia on industry trends, your Company's performance, future outlook, opportunities and threats for the year ended 31st March, 2023, 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 2021-22 and FY 2022-23 are hosted on the website of the Company www.margofinance.com and web-links thereto are given below:

AnnualReturnforFY2021-22: <http://www.margofinance.com/wp-content/uploads/2023/07/annual-report-form-mgt-7-fy-21-22.pdf>

AnnualReturnforFY2022-23: <http://www.margofinance.com/wp-content/uploads/2023/07/draft-annual-report-mgt-7-fy-22-23.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 at <http://www.margofinance.com/wp-content/uploads/2021/01/whistle-blower-policy-vigil-mechanism-investor-complaint-report.pdf>



Related Party Transactions

All Related Party Transactions (RPT) entered into during FY 2022-23 were on arm's length basis and in the ordinary course of the business and in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations. During the year under review, your Company did not enter into any material RPT under the provisions of Section 188 of the Act and Listing Regulations, accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company and hence does not form part of this report.

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

Particulars of Loans, Investments, Guarantees and Securities under Section 186 of the Companies Act, 2013

The provisions of Section 186 of the 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. Details of guarantees and/or security in connection with loans to other bodies corporates or persons as covered under the provisions of Section 186 of the Act, are given in the Notes to the Financial Statements.

Risk Management

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

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, no complaints pertaining to sexual harassment were received and no complaint was pending as on 31st March, 2023.

Particulars of Employees and related disclosures

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

**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 2022-23 and the date of this Report.

Secretarial Standards

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

General**Your Directors state that:**

1. During the year under review, there was no change in the general nature of business of the Company.
2. The provisions pertaining to Corporate Social Responsibility (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 wish to place on record their appreciation for dedicated service and contribution made by the employees of the Company at all levels.

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

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

Date : May 29, 2023
Place : Mumbai

ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106

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

For the financial year ended 31st March, 2023

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (e) 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, 2021; (Not applicable to the Company during the audit period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)



(vi) Other applicable Law:

- a) All the Rules, Regulations, Guidelines, Master Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934;
- b) Indian Stamp Act, 1899;

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

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

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

As per provisions of Regulation 15 (2) (a) of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the compliance with the corporate governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the company for the Financial Year 2022-23 and the Company had filed confirmation of Non- Applicability of Corporate Governance Provisions including non-applicability of Regulation 23(9) of SEBI LODR Regulations, 2015 with BSE on 30.06.2022.

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.; Foreign technical collaborations.

Place: New Delhi

Date: May 27, 2023

UDIN: F004123E000396482

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

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



To,
The Members,
Margo Finance Limited
2nd Floor, 15/76
Old Rajinder Nagar
New Delhi-110060

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

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

Place: New Delhi
Date: May 27, 2023

UDIN: F004123E000396482

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



Annexure-2

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

i. Disclosure 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, 2023 (Amount in ₹)	% increase in remuneration in FY 2022-2023	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	14,000/-		0.01
3.	Ms. Smita Kulkarni, Non-Executive Independent Director	14,000/-		0.01
4.	Mr. Sushil Kumar Agrawal* Non-Executive, Non Independent Director	17,000/-		0.02
5.	Mr. Ambarish R. Sodha, Non-Executive, Independent Director	18,000/-		0.02
	Executive Director			
6.	Mr. Shri Dass Maheshwari, Whole time Director & CFO	8,25,924/-	6.58%	1.11
	Key Managerial Personnel			
7.	Mrs. Archisha Tyagi, Company Secretary	6,60,000/-	10%	0.88

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 2022-23 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, 2023, the Company had 2 Permanent Employees on rolls.
- We affirm that the remuneration paid during the year 2022-23 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 2022-23:

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

ii) List of employees of your Company employed throughout the Financial Year 2022-23 and were paid remuneration not less than one crore and two lakh rupees:

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

iii) Employees employed for the part of the year and were paid remuneration during the Financial Year 2022-23 at a rate which in aggregate was not less than eight lakh and fifty thousand rupees per month:

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



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 2022-23, 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 31st March, 2023, Company has only 2 (two) employees on its payroll.

DISCUSSION ON FINANCIAL PERFORMANCE

During the financial year under review, the Company's total income is ₹ 59.77 lakhs. However, financials depict loss of ₹ 57.32 lakhs as on 31st March, 2023 due to losses on sale of investment of the Company. Your Company is looking for an opportunity for future growth prospects.

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 29, 2023
Place : Mumbai

ANIL KUMAR JAIN
CHAIRMAN
DIN: 00086106



CORPORATE GOVERNANCE REPORT

As per Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 apply to your Company for the Financial Year 2022-23. However, as a part of good corporate governance, we are doing 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, 2023, 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, 2023 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	1	Indo Count Industries Limited – C & WTD	2	Nil
Mr. Shri Dass Maheshwari (Whole Time Director & CFO)	00181615	WTD	1	Nil	Nil	Nil
Mr. Govind Prasad Agrawal (Non-Executive, Independent Director)	00008429	NEID	3	Rama Vision Ltd. – NEID Avonmore Capital & Management Services Ltd. - NENID	3	1
Mr. Sushil Kumar Agrawal (Non-Executive, Non-Independent Director)	00400892	NENID	9	Reliance Home Finance Limited – NEID Globesecure Technologies Limited– NEID	10	3
Ms. Smita Kulkarni (Non-Executive, Independent Director)	08127803	NEID	-	Nil	2	Nil



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. Ambarish Ratilal Sodha (Non-Executive, Independent Director)	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 9th February, 2023 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 2022-23 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/2023/05/familiarization-programme-imparted-to-independent-directors-during-2022-2023.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, 2023, are as follows:

Name	Qualification	Years of Experience	Expertise
Mr. Anil Kumar Jain (Chairman)	B.Com (Hons.)	45+	Business & Corporate Strategy, Industry Experience, Textile field expertise
Mr. S. K. Agarwal	Chartered Accountant & Fellow Member of Institute of Chartered Accountants of India	45+	Finance, Taxation, Accounts & Audit
Mr. G. P. Agrawal	Company Secretary & Fellow Member of Institute of Company secretary of India	40+	Corporate Laws, Finance and Legal
Ms. Smita Kulkarni	B.com	35+	Corporate Secretarial & Legal
Mr. Ambarish Ratilal Sodha	Chartered Accountant & Fellow Member of Institute of Chartered Accountants of India	45+	Finance, Taxation, Accounts & Audit
Shri Dass Maheshwari	B.com(H)	45+	Finance, Taxation, Accounts & Audit

(e) Board Meetings

During the Financial Year 2022-23, Five (5) Board Meetings were held April 21, 2022; May 25, 2022; August 8, 2022; November 8, 2022 and February 9, 2023 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.



Annual General Meeting

The Ministry of Corporate Affairs ("MCA") had, vide its circular no. 02/2022 dated May 5, 2022 read together with circular nos. 20/2020 and 21/2020 dated May 5, 2020 and December 14, 2021 respectively, permitted convening the Annual General Meeting ("AGM") during the calendar year 2022 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue till December 31, 2022. Accordingly, 31st AGM of the Company was held on September 16, 2022 through VC.

Attendance of Directors at Board Meetings and AGM

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

Name of the Director	Attendance at the Board Meeting		Attendance at last AGM
	Held	Attended	September 16, 2022
Mr. Anil Kumar Jain	5	5	Yes
Mr. Shri Dass Maheshwari	5	5	Yes
Mr. Govind Prasad Agrawal	5	4	Yes
Mr. Sushil kumar Agrawal	5	5	Yes
Ms. Smita Kulkarni	5	4	Yes
Mr. Ambarish R. Sodha	5	5	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 Section 173(2) of the Act read with Rule 3 of the Companies (Meetings of the Board and its Powers) Rules, 2014 were complied with while conducting all Board Meetings/Committee Meetings through VC.

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

3. Audit Committee

(a) Terms of reference

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

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and disclosure of its financial information.
- Reviewing with the Management the quarterly unaudited financial results and Auditors Review Report thereon and make necessary recommendation to the Board.



- Reviewing with the Management audited annual financial statements and Auditors' Report thereon and make necessary recommendation to the Board This would, inter alia, include reviewing changes in the accounting policies, if any, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements arising out of audit findings, disclosure of related party transactions, compliance with legal and other regulatory requirements with respect to the financial statements.
- Reviewing the Management Discussion & Analysis of financial and operational performance and Board's Report.
- Scrutiny of inter-corporate loans and investments.
- 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 the Audit Committee. As on 31st March, 2023, 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 2022-23, five (5) Audit Committee Meetings were held on April 21, 2022; May 25, 2022; August 8, 2022; November 8, 2022 and February 9, 2023 through Video conferencing. The maximum time gap between any two consecutive Audit Committee Meetings of the Company did not exceed 120 days.



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
Mr. Ambarish R. Sodha	Non-Executive, Independent Director	Chairman	5	5
Ms. Smita Kulkarni	Non-Executive, Independent Director	Member	5	4
Mr. Govind Prasad Agrawal	Non-Executive, Independent Director	Member	5	4
Mr. Sushil Kumar Agrawal	Non-Executive, Non -Independent Director	Member	5	5

All members of Audit Committee were also present at the last AGM held through VC/OAVM on September 16, 2022

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

4. Stakeholders' Relationship Committee

(a) Composition and Meetings

There was no change in the composition of Stakeholders' Relationship Committee during the year under review. As on 31st March, 2023, 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.

Name of the Director	Category	Position	Attendance at the Audit Committee Meetings	
			Held	Attended
Ms. Smita Kulkarni	Non-Executive, Independent Director	Chairman	1	1
Mr. Anil Kumar Jain	Non-Executive, Non -Independent Director	Member	1	1
Mr. Ambarish R. Sodha	Non-Executive, Independent Director	Member	1	1
Mr. Sushil Kumar Agrawal	Non-Executive, Non -Independent Director	Member	1	1

Pursuant to the provisions of Regulation 20(3A) of Listing Regulations, with effect from April 1, 2019, it is mandatory to hold atleast one SRC meeting in a financial year. During the year under review, 1 (one) Meeting of the Stakeholders' Relationship Committee was held on February 9, 2023 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 2022-23, no complaint was received from the shareholders of the Company and no complaint was pending as on 31st March, 2023. 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 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, 2023, 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, with effect from April 1, 2019, it is mandatory to hold one NRC meeting in a financial year. During the year under review, 1 (One) meetings of NRC was held through VC on May 25, 2022.



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	Non-Executive, Independent Director	Chairman	1	1
Mr. Ambarish R. Sodha	Non-Executive Independent Director	Member	1	1
Mr. Sushil kumar Agrawal	Non-Executive, Non -Independent Director	Member	1	1
Ms. Smita Kulkarni	Non-Executive, Independent Director	Member	1	0

(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 Remuneration of Mr. Shri Dass Maheshwari, Whole Time Director-Finance & CFO for the Financial Year 2022-23 are as under:

	Remuneration		Amount (in ₹)
1.	Basic Salary	:	4,71,544
2.	Perquisites and other Allowances	:	3,54,380
	Total Remuneration		8,25,924

(ii) Remuneration of Non-Executive Directors

At present, all Non-Executive Directors of the Company are entitled to receive sitting fees of ₹ 2,000/- each for attending Board Meetings and ₹ 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, 2023 are as under:



Details of sitting fees paid to Non-Executive Directors of the Company for the financial year ended 31st March, 2023 are as under:

Name of the Director	Remuneration for the Financial Year ended 31 st March, 2023 (Amount in ₹)	No. of equity shares of the Company held by Non-Executive Directors
	Sitting Fees	
Mr. Anil Kumar Jain*	NIL	NIL
Mr. Govind Prasad Agrawal	14,000	972
Mr. Sushil kumar Agrawal	17,000	NIL
Ms. Smita Kulkarni	14,000	NIL
Mr. Ambarish R. Sodha	18,000	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 2022-23.
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.

Financial Year	Date	Venue of the Last Three AGMs	Special Resolution(s) passed
2019-20	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
2020-21	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.
2021-22	Friday, 16 th September, 2023 at 12:30 p.m. (IST)	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") VC Platform – provided by NSDL	NIL

The Ministry of Corporate Affairs ("MCA") had, vide its circular no. 02/2022 dated May 5, 2022 read together with circular nos. 20/2020 and 21/2020 dated May 5, 2020 and December 14, 2021 respectively, permitted convening the Annual General Meeting ("AGM") during the calendar year 2022 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue till December 31, 2022. Accordingly, 31st AGM of the Company was held on September 16, 2022 through VC.



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

c) **Postal Ballot:** During the year under review, No Postal Ballot was passed by the Company.

8. Means of Communication

Website: The Company's website www.margofinance.com contains *inter alia* 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 newspaper 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 exclusively for shareholder / investor grievances redressal.

SCORES (SEBI Complaints Redressal System): SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.

Uploading on BSE Listing Centre: The quarterly results, quarterly compliances and all other corporate communications and disclosures are filed electronically on BSE Listing Centre.

Investor Presentations: No Investor 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 the Listing Regulations during the financial year 2022-23 were in the ordinary course of business and 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 given in the notes to the Financial Statements.

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

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, 2023 as per Regulation 24A of Listing Regulations from M/s. Ashu Gupta & Associates, Practicing Company Secretaries. The said report & certificate does not contain any qualifications or adverse remarks.

**b) Whistle Blower policy and Vigil Mechanism**

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, your Company has formulated Vigil Mechanism / Whistle Blower Policy to enable Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance and / or reputation, in a secure and confidential manner. The said policy provides adequate safeguards against victimization of Directors/employees and direct access to Chairman of Audit Committee, in exceptional cases. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company under the web-link: <http://www.margofinance.com/wp-content/uploads/2021/01/whistle-blower-policy-vigil-mechanism-investor-complaint-report.pdf>

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

c) Subsidiaries

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

d) 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 senior employees have affirmed compliance to the code of conduct as on 31st March, 2023. 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 2022-23.

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 Regulation 17(8) of Listing Regulations, Mr. Shri Dass Maheshwari, Whole Time Director & Chief Financial Officer of the Company have furnished certificate to the Board on financial statements for the year ended 31st March, 2023, in the prescribed format. The certificate has been reviewed by the Audit Committee and taken on record by the Board on the meeting held on 29th May, 2023.

h) Reconciliation of Share Capital Audit

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

**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

j) Certificate on Non-disqualification of Directors

M/s. Ashu Gupta & Associates, Practising Company Secretaries have certified that for the financial year ended 31st March, 2023, 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.

k) Recommendation of the committees

During FY 2022-23, the Board has accepted all recommendations made by Audit Committee and Nomination and Remuneration Committee.

l) Total fees paid to Statutory Auditors

During FY 2022-23, Rs 65,000/- was paid to M/s. Pawan Shubham & Co., Statutory Auditors for all services availed by the Company.

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

m) 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, 2023.

n) 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.



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, 2023, nor in past 2 years.

Separate posts of Chairperson and Chief Executive Officer: Mr. Anil Kumar Jain, Non-Executive Director is the Chairman of the Company and Mr. Shri Dass Maheshwari is the Chief Financial Officer of the Company.

Reporting of Internal Auditors: The representatives/partners of Internal Auditors of the Company are permanent invitee to the Audit Committee Meeting. They attend each Audit Committee Meeting and present their internal audit observations to the Audit Committee. They directly interact with Audit Committee Members during the meeting.

o) 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.

p) Compliance with the requirements of Corporate Governance

Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stipulates 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 ₹ 10.00 Crores and net worth not exceeding ₹ 25.00 Crores as on the last day of the previous financial year.

We would like to inform that as on 31st March 2022, the paid-up equity share capital of Margo Finance Limited ("Company") is ₹ 4.57 Crores and net worth is ₹ 7.25 Crores.

Since the paid-up equity share capital of the company does not exceed ₹ 10 Crore and Net Worth does not exceed ₹ 25 Crores as on 31st March, 2022, Regulation 27 (2) read with Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein referred as Regulation) is not applicable to the Company. Therefore, it is not required to submit Corporate Governance report for the quarter and year ended 31st March, 2023. Further, the Company shall comply with this regulation within 6 months from the date of applicability of the said Regulation.

*The Company is doing the Corporate Governance Compliances Voluntarily and not mandatory.

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, 2023 is not applicable.

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 2022-23 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 FY 2022-23.
ISIN	INE680B01019


Investor Information

Annual General Meeting		
Day, Date & Time of AGM	32 nd AGM of the Company will be held on Thursday, August 3, 2023 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 2023-24)	Board Meeting for approval of	
	Financial Results for the Quarter ended 30 th June, 2023 (Unaudited)	On or before August 14, 2023
	Financial Results for the Quarter ended 30 th September, 2023 (Unaudited)	On or before November 14, 2023
	Financial Results for the Quarter ended 31 st December, 2023 (Unaudited)	On or before February 14, 2024
	Financial Results for the Quarter ended 31 st March, 2024 (Audited)	On or before May 30, 2024

Dates of Book Closure:

26th July, 2023 to 3rd August, 2023 (both days inclusive)

Dividend: No dividend has been declared for the year ended 31st March, 2023.

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, 2022 to March, 2023 are as under and comparison against BSE sensex is as under:

Month	Margo Finance Limited (BSE Limited)			BSE Sensex	
	High (₹)	Low (₹)	Volume (No of Trades)	High (₹)	Low (₹)
April -2022	31.00	25.10	327	60845.1	56,009.07
May- 2022	30.00	24.35	329	57184.21	52,632.48
June -2022	35.60	22.15	186	56432.65	50,921.22
July- 2022	27.40	20.50	336	57619.27	52,094.25
August -2022	28.85	22.70	494	60411.2	57,367.47
September -2022	29.65	21.25	500	60676.12	56,147.23
October -2022	26.70	21.90	237	60786.7	56,683.4
November -2022	29.65	21.55	437	63303.01	60425.47
December- 2022	27.95	21.60	519	63583.07	59,754.10
January -2023	42.25	22.25	1420	61343.96	58,699.20
February -2023	39.70	29.10	715	61682.25	58795.97
March -2023	34.89	25.07	426	60498.48	57084.91

Source: BSE website

Registrar and Share Transfer Agents

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

Link Intime India Private Limited

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 2022-23, 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, 2023, the Share Transfer Committee comprises of Mr. Anil Kumar Jain, as Chairman, Mr. Sushil Kumar Agrawal, Ms. Smita Kulkarni and Mr. Ambarish R. Sodha as Members. The Share Committee meets whenever required for approval of share transfer, transmission, Issue 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, 2023:

No. of equity Shares	No. of share holders	% of share holders	No. of shares held	% of share holding
1- 500	8,569	95.19	12,69,330	27.77
501- 1000	259	2.89	2,13,177	4.67
1001- 2000	74	0.82	1,11,341	2.43
2001- 3000	27	0.29	68,752	1.5
3001-4000	16	0.18	58,587	1.29
4001 -5000	17	0.19	79,961	1.75
5001-10000	16	0.18	1,22,997	2.70
Above 10001	24	0.26	26,45,855	57.89
Total	9,002	100.00	45,70,000	100.00

*No. of shareholders are not consolidated as per PAN No. The Number of shareholders consolidated as per PAN are 8,942 as on March 31, 2023.

Shareholding pattern as on 31st March, 2023

Category	No. of Equity Shares (Face Value of ₹10/- each)	As a percentage of total paid up Share Capital
A. Shareholding of Promoter and Promoter Group		
1. Indian Individual/Hindu Undivided Family		
Bodies Corporate	8,71,215	19.06
Sub Total (A) (1)	15,69,416	34.34
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)	24,40,631	53.41
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



Category		No. of Equity Shares (Face Value of ₹10/- each)	As a percentage of total paid up Share Capital
2.	Non- Institutions		
	(i) Individuals	19,54,945	42.77
	(ii) Bodies Corporate	45,651	1.00
	(iii) HUF	1,15,183	2.53
	(iv) LLP	10,000	0.22
	(iv) NRI's	3,390	0.07
	(v) Trusts	100	0.00
	Sub Total (B) (2)	21,29,269	46.59
	Total Public Shareholding (B)(1) +(B)(2)	21,29,369	46.59
Total (A+B)		45,70,000	100.00
C.	Shares held by Custodian and against which depository receipts have been issued	0	0
	Grand Total (A+B+C)	45,70,000	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 2023, 35,86,390 Equity Shares of the Company constituting over 78.48% of the issued, subscribed and paid-up share capital of the Company are held in dematerialized form and 983610 Equity Shares of the Company constituting over 21.52% 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, 2023

Category	Numbers of		% of total equity
	Shareholders	Shares	
Demat Mode			
NSDL	1,792	7,83,072	17.14
CDSL	1,384	28,03,318	61.34
Total	3,176	35,86,390	78.48
Physical Mode	5,826	9,83,610	21.52
Grand Total	9,002	45,70,000	100.00

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

As on 31st March, 2023, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instrument.

**Address for correspondence**

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

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,

Email: delhi@linkintime.co.in

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

Pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management Personnel of Margo Finance Limited have affirmed compliance with the Code of Conduct for the year ended 31st March, 2023.

For Margo Finance Limited

Shri Dass Maheshwari

DIN: 00181615

Whole Time Director-Finance & Chief Financial Officer

Date : May 29, 2023

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, 2023** 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. Sushil kumar 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 : 27.05.2023

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

UDIN: F004123E000396383



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 2023, 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, 2023, 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 Financial Statements of the year under report. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and Auditors' report thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

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



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

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

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

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

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

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

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

- a) Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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, 2023 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

CA Krishna Kumar
(Partner)
Membership No. 523411
UDIN NO- 23523411BGWIHH1405

Place : Delhi
Date : 29th May, 2023



Annexure A to the Independent Auditors' Report

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

- i (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment (the "PPE"). The company has maintained proper records showing full particulars of Intangible Assets.
- (b) As explained to us, all the PPE have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification with respect records of books.
- (c) The title deed of immovable property is held in the name of the Company.
- (d) The company has not revalued its PPE and intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988 as amended in 2016) and rules made thereunder. Refer note 84 to the Financial Statements.
- ii the company is an investment company and does not have any physical inventory, therefore this clause of the order is not applicable to the Company.
- iii Since the Company's principal business is to give loans. Accordingly, the provision of clause 3
- (iii) (a) of the Order is not applicable to it.
- (b) The Company, is a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.
- (d) In respect of total amount overdue including principal and/or payment of interest by its customers for more than 90 days reasonable steps are taken by the Company for recovery thereof.
- (e) Since the Company has not granted any fresh loans during the year, the provision of clause 3(iii)(e) of the Order is not applicable to it.
- (f) Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- iv According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act wherever applicable.
- v In our opinion and according to the information and explanations given to us, the Company being a non-banking financial company registered with the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. We are informed by the Management that no order has been passed by the Company



Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

- vi The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.
- vii (a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues relating to amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and any other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company did not have dues referred to in paragraph (a) above which have not been deposited as on March 31, 2023.
- viii In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us, there were no loans obtained by way of term loans from bank during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) & (f) The company has not taken any funds from any entity or person on account of or to meet the obligations of its associate. The Company does not have any subsidiaries or joint ventures.
- x. (a) The Company has not raised any moneys by way of further public offer (including Debt Instruments) during the current financial year, hence the reporting requirements under the clause are not applicable.
- (b) The Company has not made preferential allotment of equity shares during the year hence the reporting requirements under the clause are not applicable.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud material or immaterial, by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT -4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



- (c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.
- xii The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, during the course of our audit, the reports of the Internal Auditor for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has conducted the Non-Banking Financial activities with a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company ("CIC") as defined under the Regulations by the Reserve Bank of India.
- (d) As per information provided in course of our audit, the Group to which the Company belongs has 6 CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and two registered NBFCs including this company.
- xvii. The Company not incurred cash losses during the financial year covered by our audit , however the company incurred cash losses in the immediately preceding financial year.
- xviii There has not been any resignation from of the Statutory Auditors during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.



(b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act.

xxi. This clause is not applicable, since the Company does not have any subsidiaries and is not required to prepare consolidated financial statements.

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

CA Krishna Kumar
(Partner)
Membership No. 523411
UDIN NO- 23523411BGWIHH1405

Place : Delhi
Date : 29th May, 2023



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 2023 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 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

CA Krishna Kumar
(Partner)
Membership No. 523411
UDIN NO- 23523411BGWIHH1405

Place : Delhi
Date : 29th May, 2023



Balance Sheet as at 31 March, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Financial assets			
Cash and cash equivalents	3	4.67	3.98
Bank balances other than above	4	17.20	15.77
Receivables			
Trade receivables	5	4.38	6.22
Other receivables	6	0.10	0.10
Loans	7	-	-
Investments	8	7,381.50	9,947.85
Other financial assets	9	29.00	29.00
		7,436.85	10,002.92
Non-financial assets			
Income tax assets (net)	10	-	5.68
Property, plant and equipment	11	7.24	8.53
Intangible Assets	12	0.29	0.37
Intangible assets under development	13	-	-
Investment property	14	16.14	16.14
Other non-financial assets	15	2.55	2.09
		26.22	32.81
Total Assets		7,463.07	10,035.73
Liabilities and Equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables	16		
(a) Total outstanding dues to micro enterprises and small enterprises		1.68	0.72
(b) Total outstanding dues to other than micro enterprises and small enterprises		0.21	0.18
		1.89	0.90
Non-financial liabilities			
Provisions	17	9.92	-
Deferred tax liabilities (net)	18	1,626.83	2,365.29
Other non-financial liabilities	19	2.05	0.23
		1,638.80	2,365.52
Equity			
Equity share capital	20	457.00	457.00
Other equity	21	5,365.38	7,212.31
		5,822.38	7,669.31
Total Liabilities and Equity		7,463.07	10,035.73
Summary of significant accounting policies	2		

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

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

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

Krishna Kumar
Partner
Membership No.: 523411
UDIN: 23523411BGW1HH1405

Anil Kumar Jain
Chairman
DIN: 00086106

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

Archisha Tyagi
Company Secretary
Membership No. : 49606
Place: Mumbai
Date: 29.05.2023



Statement of Profit and Loss for the year ended March 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations			
Interest income	22	4.72	5.92
Dividend income	23	35.13	26.09
Fees and commission income	24	19.42	26.98
Others [Net gain/(loss) on sale of investments]	25	-	-
Other income	26	0.50	1.08
Total Income		59.77	60.07
Expenses			
Finance costs	27	-	-
Employee benefits expenses	28	15.00	14.40
Depreciation and amortisation	29	1.45	0.75
Other expenses	30	78.64	59.76
Total Expenses		95.09	74.91
Profit / (loss) before exceptional items and tax		(35.32)	(14.84)
Exceptional items		-	-
Profit / (loss) before tax		(35.32)	(14.84)
Tax expense			
Current tax	39	21.32	36.21
Deferred tax charge	39	0.68	(0.61)
		22.00	35.60
Profit / (loss) after tax		(57.32)	(50.44)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	34	(0.09)	3.11
- Changes in fair value of financial instruments		(2,528.66)	1,799.93
Income tax relating to items that will not be reclassified to profit or loss			
- Tax on remeasurement of defined benefit plans	39	-	(0.81)
- Tax on changes in fair value of financial instruments	39	739.14	(397.86)
Other comprehensive income for the year		(1,789.61)	1,404.37
Total comprehensive income		(1,846.93)	1,353.93
Earnings per equity share (in ₹):			
Nominal value of ₹ 10 each (Previous year ₹ 10 each)			
-Basic & Diluted earning per share	31	(1.25)	(1.10)

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

Krishna Kumar
Partner
Membership No.: 523411
UDIN: 23523411BGWIMHH1405

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
Place: Mumbai
Date: 29.05.2023

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



Cash Flow Statement for the year ended March 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flow from operating activities		
Profit before tax	(35.32)	(14.84)
Adjustments for:		
Depreciation and amortization	1.45	0.75
(Excess) Contingent provisions on Standard Assets	-	(0.18)
Provision for NPA	(0.30)	-
Loss / (Profit) on write off/ sale of PPE	-	(0.90)
Provision for employee benefits	0.05	-
Interest paid	-	-
Operating gain before working capital changes	(34.12)	(15.17)
Adjustments for :		
Decrease in trade receivables	1.84	(1.88)
Decrease in other bank balance	(1.43)	(1.85)
Decrease in loans	0.30	0.18
Increase in Other Financial Assets	-	-
Decrease/ (increase) in other non financial assets	(0.60)	(0.70)
Decrease/ (increase) in investments	37.69	54.06
(Decrease)/ increase in trade payable	0.99	(1.20)
(Decrease)/increase in other financial liabilities	1.82	0.01
(Decrease)/ increase in provisions	9.92	2.29
Cash generated from operating activities before taxes	16.41	35.74
Less: Direct taxes paid (net of refunds)	(15.64)	(36.33)
Net cash generated from operating activities (A)	0.77	(0.59)
B Cash flows from investing activities		
Purchase of property, plant and equipment	(0.08)	(6.39)
Net cash used in investing activities (B)	(0.08)	(6.39)
C Cash flows from financing activities		
Interest paid	-	-
Net cash used in financing activities (C)	-	-
INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	0.69	(6.98)
Cash and cash equivalents at the beginning of the year	3.98	10.96
Cash and cash equivalents at the end of the year	4.67	3.98
Notes to statement of cash flows:		



		For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	Components of cash and bank balances (refer note 3 and 4)		
	Cash and cash equivalents		
	- Cash on hand	0.13	0.09
	- Balances with banks in current account	4.54	3.89
	Other bank balances		
	- Term deposits with remaining maturity less than 12 months	0.10	15.17
	- Term deposits with remaining maturity more than 12 months	17.10	0.60
	Cash and bank balances at end of the year	21.87	19.75

- (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

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

Krishna Kumar
Partner
Membership No.: 523411
UDIN: 23523411BGWIHH1405

Anil Kumar Jain
Chairman
DIN: 00086106

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

Archisha Tyagi
Company Secretary
Membership No. : 49606
Place: Mumbai
Date: 29.05.2023



Statement of Changes in Equity for the year ended March 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

A. Equity Share capital

Current Reporting Period - as at March 31, 2023					
	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, 2022					
	Balance at the beginning of the previous reporting period	Changes in Equity share capital due to prior period errors	Restated balance at the beginning of previous reporting period.	Changes in Equity Share Capital during the previous reporting period	Balance as at end of the previous reporting period
	Amount	Amount	Amount	Amount	Amount
	457.00	-	457.00	-	457.00

B. Other Equity

Particulars	Reserves & Surplus						Total
	Share Warrant Option Premium	Special Reserve	General Reserve	Retained Earnings	Changes in fair value of Equity instruments through Other Comprehensive Income	Remeasurement of defined benefit plans	
Balance at the beginning of the current reporting period	33.80	80.87	12.49	141.30	6,940.35	3.50	7,212.31
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total other comprehensive income for the current year	-	-	-	(57.32)	(1,789.52)	(0.09)	(1,846.93)
Amount transferred to retained earning - Net profit on sale of Investments	-	-	-	42.04	(42.04)	-	-
Amount transferred to special reserve	-	-	-	-	-	-	-
Balance as at end of the current reporting period	33.80	80.87	12.49	126.02	5,108.79	3.41	5,365.38
Balance at the beginning of the previous 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 previous reporting period	-	-	-	-	-	-	-
Total other comprehensive income for the previous year	-	-	-	(50.44)	1,402.07	2.30	1,353.93



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	
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 previous reporting period	33.80	80.87	12.49	141.30	6,940.35	3.50	7,212.31

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

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

Krishna Kumar
Partner
Membership No.: 523411
UDIN: 23523411BGWIHH1405

Anil Kumar Jain
Chairman
DIN: 00086106

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

Archisha Tyagi
Company Secretary
Membership No. : 49606
Place: Mumbai
Date: 29.05.2023

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are ₹ in Lacs unless otherwise stated)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023.**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, 2023 were authorized and approved for issue by the Board of Directors on 29th May, 2023.

(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, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

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

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

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

De-recognition

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

Transition to Ind AS

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

a) Intangible assets

Recognition and initial measurement

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

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

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

Transition to Ind AS.

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

b) Revenue recognition

Interest and processing fee income on loans

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(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.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are ₹ in Lacs unless otherwise stated)

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.

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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are ₹ in Lacs unless otherwise stated)

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 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are ₹ in Lacs unless otherwise stated)

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
 - 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are ₹ in Lacs unless otherwise stated)

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 a 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)
- 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are ₹ in Lacs unless otherwise stated)

Compound financial instruments

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

Offsetting of financial instruments

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

k) Earnings per share

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

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

l) Segment reporting

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

m) Foreign currency**Functional and presentation currency**

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

Transactions and balances

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

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

Transition to Ind AS

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

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

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

Significant management judgements

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

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

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

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

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

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

Significant estimates

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

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, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
3 Cash and cash equivalents		
Cash on hand	0.13	0.09
Balances with banks -on current accounts	4.54	3.89
	4.67	3.98
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	0.10	15.17
Term deposits with banks with remaining maturity more than 12 months	17.10	0.60
	17.20	15.77
5 Trade receivables		
Undisputed, Unsecured - Outstanding for less than 6 Months from the due date of payment. Considered good		
Receivable for fees, commission and others	0.29	1.54
Interest accrued on		
-Fixed deposits	0.87	1.74
-Bonds and securities	1.74	0.73
Unbilled Dues	1.48	2.21
	4.38	6.22
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	0.50	0.80
Less: Allowance for impairment	(0.50)	(0.80)
	-	-
Out of the above		
Loans in India		
-Public sector	-	-
Less: Impairment loss allowance	-	-
-Others	0.50	0.80
Less: Impairment loss allowance	(0.50)	(0.80)
Total in India	-	-
Loans outside India	-	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
8	Investments		
(A)	Investment in quoted equity instruments (At fair value through OCI)		
	Gujarat Heavy Chemicals Limited	53.03	-
	10530 (previous year Nil) equity shares of ₹ 10 fully paid up		
	Housing Development Finance Corporation Limited	-	13.38
	Nil (previous year 560) equity shares of ₹ 2 fully paid up		
	HDFC Bank Limited	-	57.31
	Nil (previous year 3899) equity shares of ₹ 1 fully paid up		
	HDFC Standard Life Insurance	-	0.54
	Nil (previous year 100) equity shares of ₹ 10 fully paid up		
	ICICI Bank	4.39	3.65
	500 (previous year 500) equity shares of ₹ 2 fully paid up		
	Indo Count Industries Limited	1,700.90	2,419.87
	1520020 (previous year 1520020) equity shares of ₹ 2 fully paid up		
	ISMT Limited	-	1.00
	Nil (previous year 2000) equity shares of ₹ 5 fully paid up		
	Jindal Steel & Power Limited	-	1.60
	Nil (previous year 300) equity shares of ₹ 1 fully paid up		
	Larsen & Tubro Limited	14.61	11.93
	675 (previous year 675) equity shares of ₹ 2 fully paid up		
	Maharashtra Seamless Limited	-	181.53
	Nil (previous year 32915) equity shares of ₹ 5 fully paid up		
	Reliance Industries Limited	21.03	23.76
	902 (previous year 902) equity shares of ₹ 10 fully paid up		
	State Bank of India	-	0.74
	Nil (previous year 150) equity shares of ₹ 1 fully paid up		
	Welspun India Limited	-	136.59
	Nil (previous year 150345 equity shares of ₹ 1 fully paid up		
	Total value of investment in quoted equity instruments	1,793.96	2,851.90
(B)	Investments in unquoted equity instruments (at fair value through OCI)		
	Indocount Securities Limited	4,913.87	6,821.20
	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	4,913.87	6,821.20



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
(C)	Investments in debentures & bonds (At fair value through OCI)		
	Housing and Urban Development Corporation Limited 200 (previous year 200) bonds of ₹ 1,000 each	2.92	2.30
	Indian Railway Finance Corporation Limited 1,000 (previous year 1,000) bonds of ₹ 1,000 each	10.61	11.50
	National Highway Authority of India 1,000 (previous year 1,000) bonds of ₹ 1,000 each	11.72	12.18
	Total value of Investments in debentures & bonds	25.25	25.98
(D)	Investments in Mutual Funds (At fair value through OCI)		
	ICICI Prudential Short Term Fund	648.42	248.77
	Total value of investments in mutual funds	648.42	248.77
	Total Value of Investments (A)+(B)+(C)+(D)	7,381.50	9,947.85
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
		-	5.68

11 Property, plant and equipment

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

Previous year	Gross block (at cost)				Accumulated depreciation				Net block
	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

Footnotes:

- The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2023 and March 31, 2022.
- Please refer note 32 for capital commitments.
- There are no impairment losses recognised during the year.
- There are no exchange differences adjusted in Property, Plant & Equipment.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

12 Intangible assets

Current Year	Gross block (at cost)				Accumulated amortisation				Net block
Description	As at April 1, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at April 1, 2022	For the year	Disposal/ Adjustment	As at March 31, 2023	As at March 31, 2023
Computer software	0.40	-	-	0.40	0.03	0.08	-	0.11	0.29
Total	0.40	-	-	0.40	0.03	0.08	-	0.11	0.29

Previous year	Gross block (at cost)				Accumulated depreciation				
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

13 Intangible assets under development

Current Year	Gross block (at cost)				Accumulated amortisation				Net block
Description	As at April 1, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at April 1, 2022	For the year	Disposal/ Adjustment	As at March 31, 2023	As at March 31, 2023
Computer software	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Previous year	Gross block (at cost)				Accumulated depreciation				
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	-	-	-	-	-	-

14 Investment property

		As at March 31, 2023	As at March 31, 2022
A.	Reconciliation of carrying amount		
	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	16.14
		16.14	16.14

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

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

Valuation technique:

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

Fair value hierarchy:

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

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, 2023	As at March 31, 2022
15	Other non-financial assets		
	Balance with government and other authorities	2.16	1.94
	Prepaid expenses	0.39	0.15
		2.55	2.09
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	-	-
	Unbilled dues - due to others for less than 1 year from date of payment.		
	- to micro and small enterprises (refer note 33)	1.68	0.72
	- to others	0.21	0.18
		1.89	0.90
17	Provisions		
	Provision for employee benefits (refer note 34)		
	Provision for gratuity	-	-
	Provision for income tax	9.92	-
		9.92	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
18	Deferred tax liabilities (net)		
	Deferred tax liabilities (refer note 39)	1,626.83	2,365.29
		1,626.83	2,365.29
19	Other non-financial liabilities		
	Statutory dues payable	2.05	0.23
		2.05	0.23

20 Equity share capital

		As at March 31, 2023	As at March 31, 2022
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

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, 2023, 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, 2023		Year ended March 31, 2022	
	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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

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

	As at March 31, 2023		As at March 31, 2022	
	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.

f). Shareholding of Promoters

Name of the Promoters	As at 31 March 2023		
	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 ₹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 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 ₹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%	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

Name of the Promoters	As at 31 March 2022		
	Number of shares	% holding in the class	% of change during the year
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%	-

		As at March 31, 2023	As at March 31, 2022
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	80.87	48.06
	Additions during the year	-	32.81
	Balance at end of the year	80.87	80.87
	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	141.30	65.78
	Add: Profit for the year	(57.32)	(50.44)
	Add: Net profit on sale of investment	42.04	158.77
	Less: Transfer to special reserve	-	(32.81)
	Balance at end of the year	126.02	141.30
	e). Accumulated Other comprehensive income		
	Balance at beginning of the year	6,943.85	5,698.25
	Add: Other comprehensive income for the year	(1,789.61)	1,404.37
	Less: Net profit on sale of investment transfer to retained earnings (net of tax)	(42.04)	(158.77)
	Balance at end of the year	5,112.20	6,943.85
	Total Other equity	5,365.38	7,212.31

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are ₹ in Lacs unless otherwise stated)

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

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

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

(ii) Special reserve

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

(iii) Share warrant option premium

The Company allotted 20,00,000 Option Warrants to the Promoter Group in pursuance of the approval given by the shareholders in the Extra Ordinary General Meeting held on 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.


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are ₹ in Lacs unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
22	Interest income		
	Interest income on		
	-deposits	2.87	2.92
	-investments	1.85	3.00
		4.72	5.92
23	Dividend income		
	Dividend income	35.13	26.09
		35.13	26.09
24	Fees and commission income		
	Commission income	19.42	26.98
		19.42	26.98
25	Others [Net gain/(loss) on sale of investments]		
	Gain on sale of investments	-	-
		-	-
26	Other income		
	Provisions written back	0.30	0.18
	Interest received on income tax refund	0.15	-
	Excess provision for retirement benefits reversed	0.05	-
	Profit on sale of fixed assets	-	0.90
		0.50	1.08
27	Finance costs		
	Interest expense	-	-
		-	-
28	Employee benefits expenses		
	Salaries, wages and bonus	14.89	13.73
	Contribution to retirement benefits (refer note 34)	-	0.59
	Staff welfare expense	0.11	0.08
		15.00	14.40
29	Depreciation and amortisation expenses		
	Depreciation on property, plant and equipment (refer note 11)	1.37	0.72
	Amortisation of Intangible assets	0.08	0.03
		1.45	0.75
30	Other expenses		
	Advertisement and publicity	1.66	1.65
	Loss on sale of investments	59.40	43.65
	Rates and taxes	1.66	1.96
	Donation	0.01	-
	Director sitting fees	0.63	0.61
	Legal and professional expenses (refer footnote)	6.72	5.61
	Share transfer expenses	1.92	0.51



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Listing fees	3.00	3.00
Insurance	0.20	0.20
Travelling and conveyance	0.13	0.65
Printing and stationery	0.55	0.17
Repair and maintenance on		
-Vehicles	0.73	0.58
-Others	0.49	0.21
Telephone expenses	0.51	0.42
Postage expenses	0.38	0.03
Miscellaneous Expenses	0.65	0.51
	78.64	59.76
Payment of remuneration to auditors (excluding GST)		
Statutory audit	0.65	0.65
31 Earnings per share		
Basic and diluted earnings per share (refer footnote)	(1.25)	(1.10)
Nominal value per share (in ₹)	10.00	10.00
Footnotes:		
(a) Profit attributable to equity holders		
Profit for the year	(57.32)	(50.44)
Profit attributable to equity holders of the company for Basic and Diluted EPS	(57.32)	(50.44)
(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, 2023 (March 31, 2022 ₹ Nil).		


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are ₹ in Lacs unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
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.	-	-

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, 2023	Year ended March 31, 2022
Contribution to provident fund	-	-

(ii) Defined benefit plan:
Gratuity

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

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023. 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.


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are ₹ in Lacs unless otherwise stated)

- 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, 2023	Year ended March 31, 2022
Net defined benefit (asset)/liability		
Gratuity (unfunded)	(2.16)	(1.94)
Total employee benefit liabilities	(2.16)	(1.94)
Non-current	-	-
Current	-	-

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

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

	Year ended March 31, 2023			Year ended March 31, 2022		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance at the beginning of the year	2.53	4.47	(1.94)	5.43	4.60	0.83
Included in profit or loss						
Current service cost	0.10	-	0.10	0.59	-	0.59
Interest cost (income)	0.17	0.32	(0.15)	0.28	0.28	-
Actual company contribution	-	0.26	(0.26)	(0.98)	0.25	(1.23)
Past service cost	-	-	-	-	-	-
	0.27	0.58	(0.31)	(0.11)	0.53	(0.64)
Included in OCI						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- financial assumptions	-	-	-	-	-	-
- demographic assumptions	-	-	-	-	-	-
- experience adjustments	0.09	-	0.09	(2.79)	-	(2.79)
Return on plan assets	-	-	-	-	0.32	(0.32)
	0.09	-	0.09	(2.79)	0.32	(3.11)
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	2.89	5.05	(2.16)	2.53	4.47	(1.94)


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are ₹ in Lacs unless otherwise stated)

Expenses recognised in the Statement of profit and loss	Year ended March 31, 2023	Year ended March 31, 2022
Service cost	-0.05	0.59
Net interest cost	-	-
	-0.05	0.59

C. Plan assets

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

	As at March 31, 2023	As at March 31, 2022
Funds Managed by Insurer (investment with insurer)	5.05	4.47

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, 2023	As at March 31, 2022
Discount rate	7.30%	7.12%
Expected rate of future salary increase	7.50%	7.50%
Expected rate of return on assets	7.30%	7.12%

b) Demographic assumptions

	As at March 31, 2023	As at March 31, 2022
i) Retirement age (years)	60	60
ii) Mortality rates inclusive of provision for disability	"100% of IALM (2012-14)"	"100% of IALM (2012-14)"
iii) Withdrawal rate	11%	11%



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

E. Sensitivity analysis

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

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

	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis point)	0.02	0.02	(0.00)	0.00
Expected rate of future salary increase (100 basis point)	0.02	0.02	0.00	(0.00)
Withdrawal rate (100 basis point)	0.01	0.01	(0.00)	0.00

Description of risk exposures:

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

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Duration of defined benefit obligation		
Less than 1 year	0.36	0.34
Between 1-2 years	0.33	0.31
Between 2-5 years	1.31	1.16
Over 5 years	1.83	1.68
Total	3.83	3.49

Expected contributions to post-employment benefit plans for the year ending March 31, 2023 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, 2023: 9.1 years).



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

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, 2023	Year ended March 31, 2022
Employee benefits expense		
Remuneration to Whole-time Director	8.26	7.75
Expenses recovered on behalf of		
-Indocount Securities Limited	0.59	0.59
Closing Balance of Investments		
-Indocount Securities Limited	42.70	42.70
-Indocount Industries Limited	52.57	52.57

Terms and conditions of transactions with the related parties

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

36 Segment Reporting

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

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

i). 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			

ii). As at March 31, 2023

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	-	7,381.50	-	7,381.50	2,467.63	4,913.87	-
Trade & Other receivables	4.48	-	-	4.48	-	4.48	-
Cash and cash equivalents	-	-	4.67	4.67	-	-	-
Balances other than cash and cash equivalents	-	-	17.20	17.20	-	-	-
Total	4.48	7,381.50	50.87	7,436.85			
Financial liabilities							
Trade payables	-	-	1.89	1.89	-	-	-
Total	-	-	1.89	1.89			

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

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

Valuation processes

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

b). Financial risk management

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

- Credit risk
- Liquidity risk
- Interest rate risk

Risk management framework

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

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

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

(i) Credit risk

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

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	4.48	6.32
Cash and cash equivalents	4.67	3.98
Bank balances other than cash and cash equivalents	17.20	15.77
Investments	7,381.50	9,947.85
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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

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

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

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

Gross carrying amount Particulars	Gross carrying amount	
	As at March 31, 2023	As at March 31, 2022
0-90 days past due	4.38	6.22
91 to 180 days past due	-	-
More than 180 days past due #	0.10	0.10
Total	4.48	6.32

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

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

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

(ii) Liquidity risk

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

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of ₹ 21.87 lacs as at March 31, 2023 (March 31, 2022: ₹ 19.75 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:



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

- 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, 2023	Carrying amount	Contractual cash flows		
		Less than one year	More than one year	Total
Trade payables	1.89	1.89	-	1.89
Total	1.89	1.89	-	1.89

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

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

iii). Market risk

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

Interest rate risk

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

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. During the year ended March 31, 2022 & March 31, 2023 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.


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are ₹ in Lacs unless otherwise stated)

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	-	-
Less: Cash and cash equivalents	(4.67)	(3.98)
Adjusted net debt (A)	(4.67)	(3.98)
Total equity (B)	5,822.38	7,669.31
Adjusted net debt to adjusted equity ratio (A/B)	-0.08%	-0.05%

39 Income taxes
A. Amounts recognised in profit or loss

	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	21.32	36.21
	21.32	36.21
Deferred tax expense		
Change in recognised temporary differences	0.68	(0.61)
	0.68	(0.61)
Total Tax Expense	22.00	35.60

B. Amounts recognised in Other Comprehensive Income

	March 31, 2023			March 31, 2022		
	Before tax	"Tax (Expense)/ Income"	Net of tax	Before tax	"Tax (Expense)/ Income"	Net of tax
Remeasurements of defined benefit liability	(0.09)	-	(0.09)	3.11	(0.81)	2.30
Changes in fair value of financial instruments	(2,528.66)	739.14	(1,789.52)	1,799.93	(397.86)	1,402.07
	(2,528.75)	739.14	(1,789.61)	1,803.04	(398.67)	1,404.37

C. Reconciliation of effective tax rate

	March 31, 2023		March 31, 2022	
	Rate	Amount	Rate	Amount
Profit before tax	25.17%	(35.32)	26.00%	(14.84)
Tax using the Company's domestic tax rate (A)		15.14		36.26
Prior Years adjustment (B)		6.18		-0.05
Total Tax (A+B)		21.32		36.21


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are ₹ in Lacs unless otherwise stated)
D. Movement in deferred tax balances

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

	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 and intangibles	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)

- 40 There are no borrowing costs that have been capitalised during the year ended March 31, 2023 and March 31, 2022.
- 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 29th May, 2023.
- 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, 2023 and March 31, 2022.
- 45 All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2023 and March 31, 2022. 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, 2023 and March 31, 2022.
- 47 There are no transactions not recorded in the books of accounts.


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are ₹ in Lacs unless otherwise stated)

- 48** The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023 and March 31, 2022.
- 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, 2023 and March 31, 2022.
- 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, 2023 and March 31, 2022.
- 51** In the financial years ended March 31, 2023 and March 31, 2022, 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, 2023	Year ended March 31, 2022
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: 23523411BGWIHH1405

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

Anil Kumar Jain
Chairman
DIN: 00086106

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

Archisha Tyagi
Company Secretary
Membership No. : 49606
Place: Mumbai
Date: 29.05.2023



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