

**23rd
ANNUAL REPORT
2013 - 2014**



MARGO FINANCE LIMITED



MARGO FINANCE LIMITED

Board of Directors	Shri Anil Kumar Jain Shri Govind Prasad Agrawal Shri Sushilkumar Krishna Agrawal	Chairman Director Director
Company Secretary	Miss Kiran	
Auditors	M/s. AVK & Associates, Chartered Accountants	
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	
Head Office	301, "Arcadia" Nariman Point, Mumbai - 400 021 Maharashtra	
Corporate Office	506, Pragati Tower, 26, Rajendra Place, New Delhi - 110 008	

Contents	Page No.
Directors' Report	1
Management Discussion & Analysis Report	3
Corporate Governance Report	4
Compliance Certificates	10
Auditors' Report	11
Balance Sheet	15
Statement of Profit & Loss	16
Cash Flow Statement	17
Significant Accounting Policies	18
Notes to Financial Statements	21



DIRECTORS' REPORT

Your Directors present their 23rd ANNUAL REPORT on the state of affairs together with the Audited Accounts of your Company for the year ended 31st March, 2014.

FINANCIAL RESULTS :

The Financial Results for the year ended on 31st March, 2014 are as under :

Particulars	2013-14 (Rs. in lacs)	2012-13 (Rs. in lacs)
Total Income	28.33	30.13
Profit / (Loss) before depreciation	(56.72)	(23.34)
Less : depreciation	1.52	1.35
Profit / (Loss) before tax & exceptional items	(58.24)	(24.69)
Add : exceptional items	2.82	0.14
Less : provision for taxation	3.71	2.69
Profit / (Loss) after tax	(59.13)	(27.24)
Add : profit brought forward from previous year	57.31	84.55
Less : transferred to Special Reserve	—	—
Balance carried to Balance Sheet	1.82	57.31

OPERATIONS :

The Company has incurred a net loss of Rs 59.13 lacs during the year under review against the Net loss of Rs. 27.24 lacs in the Previous Year. Company is looking for an opportunity to make a suitable expansion / diversification.

DIVIDEND :

Due to loss in the Company, the Board of Directors do not recommend any dividend for the Financial Year ended on 31st March, 2014.

DEPOSITS :

During the year under review, the Company has not accepted any fixed deposits from the Public.

DIRECTORS :

Shri Pradeep Kantilal Shah, Director of the Company has resigned from the Board of Directors on 12.08.2013.

In accordance with the provisions of Companies Act, 1956, Shri Anil Kumar Jain, Director of the Company, retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Further, in terms of Section 149 (10) & (13), the Independent Directors of the Company would not be liable to retire by rotation In view of the new provisions introduced by the Companies Act, 2013, your Directors seek appointment of Shri Govind Prasad Agrawal, Shri Sushilkumar Krishna Agrawal as Independent Directors for five consecutive years commencing from the date of 23rd Annual General Meeting of the Company.

AUDITORS & THEIR REPORT :

The Auditors, M/s AVK & Associates, Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed that, they satisfy the criteria provided under Section 141 of the Companies Act, 2013.



MARGO FINANCE LIMITED

The Auditor's Report to the Members together with Accounts for the year ended 31st March, 2014 and the observations of the Auditors as referred in their report are suitably explained in the Notes to Accounts and therefore do not call for any further comments.

PERSONNEL :

None of the Employees of the Company is covered under Section 217(2A) of the Companies Act, 1956, hence, the statement required under Companies (Particulars of Employee) Rule, 1975 is not annexed hereto.

DISCLOSURE :

Being a Non-Banking Financial Company, inclusion of particulars with respect to conservation of energy and technology absorption as required under Companies (Disclosure of Particulars in the Report of Directors) Rules, 1998 is not required.

CORPORATE GOVERNANCE :

The corporate governance report together with a certificate from a Practicing Company Secretary confirming compliance of guidelines is made part of this Report as per Clause 49 of the Listing Agreement entered into with the Stock Exchange(s).

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company confirms :

- a) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2014 and of the profit / (loss) of the Company for that year.
- c) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31st March, 2014 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities.
- d) that the Directors had prepared the Annual Accounts ended 31st March, 2014 on a "going concern" basis.

ACKNOWLEDGEMENTS :

Your Directors wish to place on record their appreciation towards the contribution of all employees, Bankers, all Shareholders and Customers of the Company for their guidance and support.

By Order of the Board
For **MARGO FINANCE LIMITED**

ANIL KUMAR JAIN

Chairman

DIN : 00086106

Place : Mumbai
Date : 14th May, 2014



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY AND BUSINESS OUTLOOK

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 Nationalised 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.

RISKS & 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.

OPPORTUNITIES AND THREATS

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

Operating in the service industry, your Company's performance is heavily dependent on the knowledge and expertise of its personnel. The Company is having dedicated team of persons.

CAUTIONERY STATEMENT

Statement in this Management Discussion describing the Company's objectives, estimates, and expectations may constitute "Forward Looking Statement" within the meaning of applicable laws. Actual results might differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operations include demand and supply conditions, cyclical demand, changes in Government regulations, tax regimes and economic development within India.



CORPORATE GOVERNANCE REPORT

1. Company's Philosophy

The Management of the Company recognizes the importance of Corporate Governance for better transparency as well protection of Shareholder's interest.

2. Board of Directors

The Board of Directors of the Company comprises of all Non-Executive Directors headed by Non-Executive Chairman. The present strength of the board is 3 (Three) and out of which 2 (Two) are independent Directors. The Independent Directors do not have any material pecuniary relationship or transactions with the Company, promoters, management which may affect their judgments in any manner. The Board meets at least once in a quarter to consider amongst other matters, the quarterly audited / unaudited financial results of the Company.

Sr. No.	Name of Directors	Category	No. of Directorship in other Public Ltd. Companies	No. of Chairmanship / Membership in other Board Committees
1.	Shri Anil Kumar Jain	Non-Executive Chairman	2	2 Chairmanship
2.	Shri Govind Prasad Agrawal	Non-Executive Independent Director	6	1 Chairmanship 3 Membership
3.	Shri Sushilkumar Krishna Agrawal	Non-Executive Independent Director	1	1 Chairmanship 1 Membership

During the year under review, 4 Board Meetings were held on 24th May, 2013, 12th August, 2013, 31st October, 2013 and 10th February, 2014. The gap between the two meetings was not more than 4 months. The last Annual General Meeting was held on 20th July, 2013.

The attendance of the individual directors in the aforesaid meetings was as follows :

Name of Directors	Category	Meeting Date & Attendance			
		24.05.2013	12.08.2013	31.10.2013	10.02.2014
Shri Anil Kumar Jain	Chairman	✓	✓	✓	✓
Shri Govind Prasad Agrawal	Director	X	✓	✓	✓
Shri Sushilkumar Krishna Agrawal	Director	✓	✓	✓	✓
Shri Pradeep Kantilal Shah *	Director	X	X	N. A.	N. A.

* Shri Pradeep Kantilal Shah has resigned from the directorship of the Company w.e.f. 12.08.2013.

3. Re-appointment of Directors

Shri Anil Kumar Jain is commerce graduate having approx. 37 years of experience in general business and administration.

Shri Anil Kumar Jain will hold office until conclusion of the ensuing annual general meeting, subject to however, being eligible for re-appointment.



4. Remuneration of Directors

Name of Directors	Category	Sitting Fees (Rs.)
Shri Anil Kumar Jain	Chairman	4,000/-
Shri Govind Prasad Agrawal	Director	3,000/-
Shri Sushilkumar Krishna Agrawal	Director	4,000/-

5. Audit Committee

The Audit Committee was formed in accordance with the requirements of Clause 49 of the Listing Agreement. The broad terms of reference of the Audit Committee are :

- a) To review the overall financial reporting process and disclosure of financial information.
- b) To review the annual accounting / financial statements, policies and practice.
- c) To appraise the adequacy of proper internal control and internal audit systems.
- d) To review the Company's financials and risk management policies.
- e) To recommend the appointment and removal of external Auditors and fixation of audit fees.
- f) To approve payment to Statutory Auditors for any other services rendered by them.
- g) To review with the management, the quarterly financial statements before submission to the Board of Directors.

The Audit Committee comprises of three Non Executive Directors, Shri Sushilkumar Krishna Agrawal, Shri Govind Prasad Agrawal and Shri Anil Kumar Jain. Constituted Audit Committee have two Independent Directors headed with the independent Chairman.

The quorum for the Audit Committee meeting is 1/3 of the total strength or 2 whichever is higher but there should be a minimum 2 independent director present at the meeting. The Company Secretary acts as the Secretary to the Committee. The terms of reference of the Audit Committee are in line with Stock Exchange Listing Agreement and provisions of Section 292A of the Companies Act, 1956.

During the Financial year 2013-2014, the Audit Committee meetings were held 4 times i.e. on 24th May, 2013, 12th August, 2013, 31st October, 2013 and 10th February, 2014. The gap between the two meetings was not more than 4 months.

The Audit Committee meeting dated 24.05.2013 was attended by Shri Sushilkumar Krishna Agrawal and Shri Pradeep Kantilal Shah. The Audit Committee meetings dated 12.08.2013, 31.10.2013 and 10.02.2014 were attended by Shri Sushilkumar Krishna Agrawal, Shri Anil Kumar Jain and Shri Govind Prasad Agrawal.

Shri Sushil Kumar Krishna Agrawal, Chairman of the audit committee, was present at the Annual General Meeting of the Company to answer the shareholders queries.

6. Share Transfer and Share Holders' / Investor Grievance Committee

At present the Share Transfer and Share Holders' / Investor Grievances Committee comprises of Shri Anil Kumar Jain, Shri Govind Prasad Agrawal and Shri Sushilkumar Krishna Agrawal. The Chairman is elected amongst members of the Committee. Quorum of the Committee Meeting is two Directors.

During the year under review 6 Share Transfer and Share Holders' / Investor Grievance Committee meetings were held. Gap between two meetings was more than statutory period of 14 days in the absence of transactions and the same is being conducted on as and when required basis.



MARGO FINANCE LIMITED

The various issues addressed in connection with Share Transfer and Share Holders and Investors grievance are :

a) Share transfer :

- i) Approve and effect transfer and transmission of shares.
- ii) Issue of new Share Certificates in lieu of lost /mutilated share certificates.
- iii) Consolidation of folios / transposition of names.

b) Shareholders / Investors complaints :

- i) Non receipt of shares after transfer / transmission.
- ii) Non receipt of Annual Report.
- iii) Other matters including change of address etc.

The minutes of the committee are placed in the subsequent board meeting held after the committee meeting. The members of the Committee closely supervise the shareholders grievances and coordinates with the regulatory Authorities and other agencies.

7. Disclosure

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

There is no material transaction with any related party which may have potential conflict with the interests of the Company at large. However, the Company has annexed to the accounts, a list of related parties as per Accounting Standard 18 and the transactions entered into with them.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

Neither any non-compliance with any of the legal provisions of law has been made by the Company nor has any penalty, stricture been imposed by the Stock Exchange(s) or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

8. Remuneration Committee

The Board has not yet constituted any remuneration Committee.

9. CEO / CFO Certification

The Manager Finance has placed a certificate before the Board relating to the Financial Statements and Cash Flow Statements, in accordance with clause 49 V of Listing Agreement for the Financial Year ended 31st March, 2014, which is annexed hereto.

10. Compliance

The Company has complied with the requirement of Stock Exchanges, SEBI and other Statutory Authorities during the preceding financial year on all matters related to Capital Market and no penalty / strictures have been imposed on the Company.

11. Compliance Officer

The name and designation of the Compliance Officer of the Company is :

Ms. Kiran – Company Secretary

Contact details are: Tel: +011-41539444;

e-mail Id: mfl Delhi.1991@gmail.com



MARGO FINANCE LIMITED

12. Means of Communication

Quarterly Results are faxed / couriered to the Stock Exchanges immediately after the Board Meeting as required under the listing agreement. Quarterly Results are also published in English / Marathi Newspapers.

The Annual Report is posted to every shareholder of the Company.

Management discussion & analysis report form part of this Annual Report.

GENERAL SHAREHOLDER'S INFORMATION

Day	Date	Time	Venue
Annual General Meeting	: Saturday, the 23rd August, 2014	3.00 P.M.	Office No. 3, Plot No. 266 Village Alte, Kumbhoj Road Taluka : Hatkanangale, Dist. Kolhapur - 416 109 (Maharashtra)

Financial Year : 31st March, 2014

Book Closure Dates : 18th August, 2014 to 23rd August, 2014 (Both days inclusive)

Date, Time & Venue of the last three AGMs :

Financial Year Ended	Date	Time	Venue	Special Resolution Passed, If any	Dividend Payment Details
31.03.2013	20.07.2013	12.00 Noon	Village Alte, Taluka : Hatkanangale, Dist. Kolhapur - 416 109	No	N.A.
31.03.2012	25.08.2012	11.00 A.M.	Village Alte, Taluka : Hatkanangale, Dist. Kolhapur - 416 109	No	N.A.
31.03.2011	02.08.2011	11.00 A.M.	Village Alte, Taluka : Hatkanangale, Dist. Kolhapur - 416 109	No	N.A.

No Special Resolution was passed and no item was considered for adoption by Postal Ballot in the preceding three Annual General Meetings of the Company.

Listing on Stock Exchange : BSE Limited
25th Floor, P. J. Towers
Dalal Street, Mumbai - 400 001
Stock Code : 500206

Depositories	: The National Securities Depository Ltd., 4th floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	Central Depository Services (India) Ltd. P. J. Towers 17th floor, Dalal Street Mumbai – 400 001
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MARGO FINANCE LIMITED

**Registrar & Share
Transfer Agent's and
Address for
Correspondence**

: Link Intime India Pvt. Ltd.,
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase - I,
Near PVR Cinema
New Delhi – 110 028.
Telephone No. 011-41410592 to 594
Fax No. 011 - 41410591
E-mail : delhi@linkintime.co.in

Stock price data for the period from 1st April, 2013 to 31st March, 2014 at Bombay Stock Exchange :

Month	High (Rs.)	Low (Rs.)	Volume
April 2013	2.15	2.05	225
May 2013	1.95	1.77	900
June 2013	1.70	1.57	81111
July 2013	1.64	1.64	101
August 2013	2.04	1.70	856
September 2013	1.91	1.80	900
October 2013	1.75	1.64	601
November 2013	1.65	1.49	451
December 2013	1.50	1.43	800
January 2014	2.38	1.51	3169
February 2014	2.75	2.40	4416
March 2014	4.27	2.62	5752

Distribution of shareholding as on 31st March, 2014 :

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Share Holding
1 - 500	9201	95.4956	1454903	31.8360
501 - 1000	294	3.0514	241165	5.2771
1001 - 2000	81	0.8407	115174	2.5202
2001 - 3000	13	0.1349	32674	0.7150
3001 - 4000	6	0.0623	20951	0.4584
4001 - 5000	8	0.0830	37509	0.8208
5001-10000	10	0.1038	70600	1.5449
Above 10000	22	0.2283	2597024	56.8277
Total	9635	100.0000	4570000	100.0000



MARGO FINANCE LIMITED

Shareholding pattern as on 31st March, 2014 :

Category	No. of Equity Shares held	% of Shareholding
Promoters & Associates	2421827	52.994
Financial Institutions / Banks / Insurance Companies including Central / State Government Institutions	100	0.002
Mutual Funds and UTI	—	—
FIs	—	—
NRIs	2032	0.044
Domestic Corporate Bodies	138674	3.035
Indian Public	2007367	43.925
Total	4570000	100.000

Dematerialisation of shares and liquidity :

As per directive of SEBI the Equity Shares of the Company are compulsorily traded in dematerialized form with effect from 26.03.2001. The ISIN No. allotted for the shares of company is INE 680B01019. Requests for dematerialisation of shares are processed and confirmed within 15-20 days of receipt from NSDL and CDSL.

Offices of the Company :

The Company has offices at the following places :

Registered Office :

Office No. 3, Plot No. 266,
Village Alte, Kumbhoj Road,
Taluka : Hatkanangale Dist. Kolhapur – 416 109
Maharashtra

Corporate Office :

506, Pragati Tower,
26, Rajendra Place
New Delhi – 110 008

Head Office :

301, "Arcadia"
Nariman Point
Mumbai – 400 021
Maharashtra

Communication Address :

Shri S. D. Maheshwari
Manager Finance
506, Pragati Tower, 26, Rajendra Place
New Delhi – 110 008



CERTIFICATE BY MANAGER FINANCE OF THE COMPANY

We hereby certify that for the financial year ended 31st March, 2014, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief.

1. These statements do not contain any materially untrue statement or omit to state a material fact or contain statement that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2014 are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness for the internal control systems of the Company.
5. We further certify that :
 - (a) There have been no significant changes in internal control over financial reporting during the year.
 - (b) There have been no significant changes in accounting policies during the year.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

For **MARGO FINANCE LIMITED**

Place : New Delhi
Date : 14th May, 2014

S. D. MAHESHWARI
Manager Finance

COMPLIANCE CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

**To the Shareholders of
Margo Finance Limited**

We have examined the compliance of conditions of corporate governance by Margo Finance Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement(s) of the said company with stock exchange(s) in India.

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement.

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

For **ASHU GUPTA & CO.**
Company Secretaries

Place : New Delhi
Dated : 14th May, 2014

ASHU GUPTA
Proprietor
C.P. No. 6646



INDEPENDENT AUDITORS` REPORT

To
The Members,
Margo Finance Limited,

Report on Financial Statements

We have audited the accompanying financial statements of the Company Margo Finance Limited ("the Company"), which comprises the Balance Sheet as at 31st March, 2014, Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13 September, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenances of internal control relevant to the preparation of the financial statements give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act in the manner so required for the companies and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (ii) in the case of the Profit and Loss Account, of loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of cash flows for the year ended on that date.



MARGO FINANCE LIMITED

Report on other Legal and Regulatory Matters

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the said order.
2. As required by Section 227(3) of the Act, We report that :
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) the Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - (d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies, Act, 2013.
 - (e) on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For AVK & ASSOCIATES
Chartered Accountants
Firm Registration No. 002638N

Place : Delhi
Dated : 15th May, 2014

Parul Gupta
Partner
Membership No. 095539



Annexure referred to in paragraph 5 of the Independent Auditor's Report to the Members of Margo Finance Limited on the accounts for the year ended 31st March, 2014.

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year affecting the going concern assumption.
- (ii) There is no inventory, therefore the clause no. (ii) (a), (b) and (c) of the order are not applicable to the Company.
- (iii) (a) According to the information and explanation given to us the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has granted loans to two bodies corporate covered in the register maintained under Section 301 of the Companies Act, 1956. The Maximum amount outstanding during the year was Rs. 1,00,95,000 and the year end balance of such loans amounted to Rs. Nil. Other than above the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (c) In our opinion, rate of interest and other terms and conditions on which the loans have been received and granted are not prima facie prejudicial to the interest of the Company. Parties to whom loans have been granted have repaid the principal amount as per stipulation, wherever applicable.
- (iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) According to the information given to us, the Company has not accepted any deposits from the public.
- (vii) According to the information and explanation given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) The provisions of Section 209(1)(d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory including Provident Fund, Investor Education and Protection Fund,



MARGO FINANCE LIMITED

Employees State Insurance, Income Tax, Wealth Tax and other statutory dues to the extent applicable, have generally been regularly deposited.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues were in arrears as at 31 March, 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the Company does not have any Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and cess which have not been deposited with the appropriate authority on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the current financial year. In the immediate preceding financial year the Company incurred cash losses.
- (xi) According to information and explanations given to us, the Company has not defaulted in payment of dues to Bank and financial institutions.
- (xii) According to the information and explanations given to us, the Company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the Company is neither a chit fund nor nidhi / mutual benefit fund / society and hence clause 4 (xiii) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of records, we are of the opinion that the Company has maintained proper records of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other securities have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xvii) The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xviii) The Company did not have any outstanding debentures during the year.
- (xix) The Company has not raised any money by public issue during the year.
- (xx) Based on the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For AVK & ASSOCIATES
Chartered Accountants
Firm Registration No. 002638N

Parul Gupta
Partner

Membership No. 095539

Place : Delhi
Dated : 15th May, 2014



BALANCE SHEET

as at 31st March, 2014

(Amount in Indian Rupees)

Particulars	Notes	As at 31 March 2014	As at 31 March 2013
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share capital	2.01	45,700,000	45,700,000
b) Reserves and surplus	2.02	7,032,442	12,945,461
2) Current liabilities			
a) Short Term Borrowings	2.03	—	1,644,753
b) Trade Payables	2.04	67,561	85,277
c) Other Current Liabilities	2.05	49,454	54,472
d) Short Term Provisions	2.06	353,611	—
TOTAL		53,203,068	60,429,963
II. ASSETS			
1) Non-current assets			
a) Fixed assets			
(i) Tangible Assets	2.07	707,279	793,261
(ii) Intangible Assets	2.08	16,702	—
b) Non Current Investments	2.09	30,315,937	26,836,578
c) Long-term loans and advances	2.10	771,796	12,042,270
2) Current assets			
a) Inventories	2.13	—	17,044
b) Trade receivables	2.11	133,847	278,402
c) Cash and cash equivalents	2.14	18,003,827	11,856,773
d) Short-term loans and advances	2.10	1,108,916	422,370
e) Other current assets	2.12	2,144,764	8,183,265
TOTAL		53,203,068	60,429,963

Significant accounting policies 1

Notes to the Financial Statements 2

The notes referred to above form an integral part of the financial statements

As per our report attached
For **AVK & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 002638N

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

Place : Delhi
Dated : 15th May 2014

PARUL GUPTA
Partner
Membership No. : 095539

KIRAN
Company Secretary
ACS : 33818
Place : Mumbai
Dated : 14th May 2014

SUSHILKUMAR KRISHNA AGRAWAL
Director
DIN : 00400892
Place : Mumbai
Dated : 14th May 2014

ANIL KUMAR JAIN
Chairman
DIN : 00086106
Place : Mumbai
Dated : 14th May 2014



STATEMENT OF PROFIT & LOSS

for the year ended 31st March, 2014

(Amount in Indian Rupees)

Particulars	Notes	Year ended 31 March 2014	Year ended 31 March 2013
I. Income			
i) Revenue from Operations	2.15	2,334,969	2,677,426
ii) Other income	2.16	497,788	335,753
Total Revenue		2,832,757	3,013,179
II. Expenses			
i) Employee benefit expense	2.17	740,491	757,384
ii) Finance Cost	2.18	4,393	23,677
iii) Depreciation and amortization expense	2.19	151,780	135,394
iv) Other expenses	2.20	7,759,931	4,566,048
Total expenses		8,656,595	5,482,503
III. Profit/(Loss) before exceptional items, extraordinary items and tax (I-II)		(5,823,838)	(2,469,324)
IV. Exceptional items			
Add : Bad Debts Recovered		282,250	22,000
Less : Prior Period Expenses		—	7,500
V. Profit/(Loss) before extraordinary items and tax (III-IV)		(5,541,588)	(2,454,824)
VI. Extraordinary items		—	—
VII. Profit/(Loss) before tax (V-VI)		(5,541,588)	(2,454,824)
VIII. Tax expense			
(i) Current Tax		353,611	255,000
(ii) Current Tax for previous year		17,820	13,582
(iii) Deferred tax		—	—
IX. Profit/(Loss) for the year		(5,913,019)	(2,723,406)
X. Earning per equity share :	2.21		
(1) Basic		(1.29)	(0.60)
(2) Diluted		(1.29)	(0.60)

Significant accounting policies 1

Notes to the Financial Statements 2

The notes referred to above form an integral part of the financial statements

As per our report attached
For **AVK & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 002638N

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

Place : Delhi
Dated : 15th May 2014
PARUL GUPTA
Partner
Membership No. : 095539

KIRAN
Company Secretary
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SUSHILKUMAR KRISHNA AGRAWAL
Director
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Place : Mumbai
Dated : 14th May 2014

ANIL KUMAR JAIN
Chairman
DIN : 00086106
Place : Mumbai
Dated : 14th May 2014



CASH FLOW STATEMENT

for the year ended 31st March, 2014

(Amount in Indian Rupees)

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (Loss) before taxes	(5,541,588)	(2,454,824)
Adjustments for :		
Depreciation, amortization and impairment	151,780	135,394
(Excess) / Provision for NPA	44,478	53,705
(Excess) / Provision for Doubtful Advances	6,881,936	—
(Excess) / Provision for Doubtful Debts	26,161	—
Contingent provisions on Standard Assets	—	—
Loss / (Profit) on sale of Assets	—	54,940
Loss / (Profit) on sale of Investments	—	3,311,811
Dividend Received	(102,203)	(164,509)
Interest Paid	4,393	23,677
	7,006,545	3,415,018
Operating gain before working capital changes	1,464,957	960,194
Adjustments for :		
(Increase) / decrease in Inventories	17,044	18,600
Decrease / (increase) in Sundry Debtors	100,077	398,944
Decrease / (increase) in Loans and Advances	10,557,767	2,740,054
(Increase) / Decrease in Other Current Assets	(843,435)	(6,301,706)
(Increase) / Decrease in Other Deposits	(5,935,458)	(290,298)
Increase in Current Liabilities and Provisions	330,877	24,570
	4,226,872	(3,409,836)
Cash generated from operating activities before taxes	5,691,829	(2,449,642)
Direct taxes paid (net of refunds)	(371,431)	(268,582)
Net cash generated from / (used in) operating activities	5,320,398	(2,718,224)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(82,500)	(470,978)
Dividend received	102,203	164,509
Sale of Fixed Assets	—	122,377
Sale / (Purchase) of Investments	(3,479,359)	2,493,192
Net cash generated from / (used in) investing activities	(3,459,656)	2,309,100
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in short term bank borrowings (net)	(1,644,753)	627,179
Interest Paid	(4,393)	(23,677)
Net cash generated from / (used in) financing activities	(1,649,146)	603,502
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	211,596	194,378
Cash and cash equivalents at the beginning of the year	383,193	188,815
Cash and cash equivalents at the end of the year	594,789	383,193
Notes :		
Cash and cash equivalents include :		
Cash, cheques in hand and remittances in transit	31,280	316,372
With banks in :		
Current accounts	47,133	66,821
Overdraft account	516,376	—
Cash and cash equivalents at the end of the year	594,789	383,193
Add : Fixed deposits with original maturity of more than 90 days	18,785,394	12,715,507
Cash and bank balances at the end of the year	19,380,183	13,098,700

Note : The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow Statement, notified by Central Government in the Companies (Accounting Standard) Rules, 2006.

The notes referred to above form an integral part of the financial statements

As per our report attached

For **AVK & ASSOCIATES**

Chartered Accountants

Firm Registration No. : 002638N

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

Place : Delhi
Dated : 15th May 2014

PARUL GUPTA
Partner
Membership No. : 095539

KIRAN
Company Secretary
ACS : 33818
Place : Mumbai
Dated : 14th May 2014

SUSHILKUMAR KRISHNA AGRAWAL
Director
DIN : 00400892
Place : Mumbai
Dated : 14th May 2014

ANIL KUMAR JAIN
Chairman
DIN : 00086106
Place : Mumbai
Dated : 14th May 2014



1. SIGNIFICANT ACCOUNTING POLICIES

1.01 System of Accounting :

- a. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except accounting for income from non-performing assets as defined in the guidelines of the Reserve Bank of India on prudential norms for income recognition of Non Banking Financial Companies, penal interest on delayed payments on lease & finance installments and dividend which have been accounted for on cash basis.
- b. The Company follows the prudential norms for Asset classification, Income Recognition, Provisioning for bad and doubtful debts as prescribed by the Reserve Bank of India for Non-Banking Finance Companies.
- c. The accounting policies are consistently applied by the company with those applied in the previous year except otherwise stated. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of its assets and liabilities.

1.02 Use of Estimates :

The preparation of Financial Statements in generally accepted accounting principles requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities at the date of the financials and the results of operations during the reported period end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Adjustments as a result of differences between actual and estimates are made prospectively.

1.03 Fixed Assets :

Tangible Assets : Tangible assets are stated at acquisition cost plus directly attributable costs of bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment losses, if any.

Intangible Assets : Intangible assets are stated at cost and amortized over the period the Company expects to derive economic benefits from their use.

Advances paid towards acquisition of fixed assets and cost of assets not ready for use before the year end, are disclosed as capital work in progress.

1.04 Impairment :

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable is estimated at each balance sheet date. An impairment loss is recognized whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization loss had been recognized.

1.05 Investments :

Investment are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investment intended to be held for more than one year are classified as long-term investments.

Long-term investments, including investments in subsidiaries, if any, are stated at cost price. Any diminution of permanent nature in the value of the long-term investments is suitably provided for by



MARGO FINANCE LIMITED

charging off to revenue. Diminution is considered to be permanent based on the criteria that include the extent to which cost exceeds the market value, the duration of the market value, decline and the financial health of and specific prospects of the issuer.

The investments intended to be held for less than one year are classified as current investments are stated at lower of cost or fair value, computed category-wise.

1.06 Inventories :

Stock under finance agreements is valued at full agreement value less amounts received / receivable upto the close of the financial year.

1.07 Revenue Recognition :

Income / revenue is generally accounted on accrual as they are earned except income from non-performing assets as defined in the guidelines of the Reserve Bank of India on prudential norms for income recognition of Non Banking Financial Companies & penal interest on delayed payments which are accounted for on cash basis.

The income is deemed as earned :

- a. Finance charges, are accounted for over the finance period on the basis of sum of digit method. They are recognized as income on due basis as per the terms of agreement.
- b. Interest is recognized as earned on day to day basis.
- c. Dividend income is recognized when the right to receive the income is established.
- d. In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

In case of uncertainties as to the risks & rewards, the conservative accounting policy is adopted by way of making suitable provisions for expenses and deferring the recognition of revenues.

1.08 Expenditure :

Expenses are recognized on accrual basis and provisions are made for all known losses and liabilities.

1.09 Borrowing Cost :

Borrowing cost that are directly attributable to the acquisition, construction or production of qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for intended use or sale.

All other borrowing costs are recognized as expense for the period in which they are incurred calculated taking into account the amount outstanding and the rate applicable on the borrowing.

1.10 Depreciation :

- i) Tangible Assets are depreciated on Straight Line Method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956 from the date of put to use until the date of sale.
- ii) Intangible Assets are amortized over the period, the company expects to derive economic benefits from their use.
- iii) Leasehold improvements are amortized over the lease period as stated in the lease agreement or over the estimated useful life of the assets, whichever is shorter.
- iv) Depreciation on assets costing up to Rs. 5,000/- is calculated at the rate of 100% on pro-rata basis.
- v) Depreciation on additions to assets or on sale / adjustment is calculated pro-rata from the date of such addition or up to the date of such sale / adjustment.

1.11 Earnings per share :

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential shares outstanding during the year, except where the results would be anti-dilutive.



1.12 Taxation :

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax for the year determined in accordance with the provisions of income tax laws based on the estimated taxable income, as the case may be, after taking into consideration, estimates of benefits / deductions admissible under the provisions of Income Tax Act, 1961. Deferred Tax charge or credit reflects the tax effects of impact of timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Any major deficiency or reversal in relation to the estimate of preceding year(s) is shown separately as relating to earlier years.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation and tax losses deferred tax are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the company reassesses unrecognized deferred tax assets. It recognizes deferred tax assets to the extent it has become reasonable certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be. That sufficient future taxable income will be available.

1.13 Retirement Benefits :

The company's obligations towards various employees' benefits have been recognized as follows :

a) Short term benefits

All employee benefits payable / available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the statement of profit and loss in the period in which the employee renders the related services.

b) Provident Fund (Defined contribution plan)

Provident fund is a defined contribution plan. The contribution towards provident fund which are being deposited with the Regional Provident Fund, Commissioner and are charged to the statement of profit and loss.

c) Gratuity (Defined benefit plan)

The company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The company has taken a policy from LIC to meet such liability. The contribution to the policy is accounted for on accrual basis.

In terms of our report attached

For **AVK & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 002638N

Parul Gupta
Partner

Membership No. : 095539

Place : Delhi
Dated : 15th May 2014



MARGO FINANCE LIMITED

2. Notes to the Financial Statements

(Amount in Indian Rupees)

2.01 SHARE CAPITAL

Particulars	As at 31 March 2014		As at 31 March 2013	
	No. of shares	Amount	No. of shares	Amount
Authorised Equity shares of Rs.10 each *	10,000,000	100,000,000	10,000,000	100,000,000
	10,000,000	100,000,000	10,000,000	100,000,000
Issued, subscribed and fully paid up Equity shares of Rs.10 each fully paid up At the beginning of the year Add : Issued during the year	4,570,000 —	45,700,000 —	4,570,000 —	45,700,000 —
At the end of the year	4,570,000	45,700,000	4,570,000	45,700,000
Total	4,570,000	45,700,000	4,570,000	45,700,000

* Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders. During the year ended 31 March 2014, the Company has recorded per share dividend of Rs. Nil (previous year : Rs. Nil) to equity shareholders.

Details of shareholders holding more than 5% shares of the Company

Name of the Shareholders	As at 31 March 2014		As at 31 March 2013	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs. 10 each fully paid up held by :				
a) Shri Anil Kumar Jain (HUF)	394,902	8.64	394,902	8.64
b) Mrs. Gayatri Devi Jain	324,870	7.11	243,960	5.34
c) M/s. YarnTex Exports Ltd.	265,370	5.81	265,370	5.81
d) M/s. Rini Investment & Finance Private Limited	446,685	9.77	446,685	9.77
e) M/s. Skyrise Properties Private Limited	313,300	6.86	313,300	6.86
Total	1,745,127	38.19	1,664,217	36.42



MARGO FINANCE LIMITED

Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.02 RESERVES & SURPLUS

Particulars	As at 31 March 2014	As at 31 March 2013
(a) General reserve		
Balance at the beginning of the year	1,249,000	1,249,000
Add: Addition during the year	—	—
Less: Deduction during the year	—	—
Balance at the end of the year	1,249,000	1,249,000
(b) Special Reserve Fund		
Balance at the beginning of the year	2,585,176	2,585,176
Add: Addition during the year	—	—
Less: Deduction during the year	—	—
Balance at the end of the year	2,585,176	2,585,176
(c) Share Warrant Option Premium		
Balance at the beginning of the year	3,380,000	3,380,000
Add: Addition during the year	—	—
Less: Deduction during the year	—	—
Balance at the end of the year	3,380,000	3,380,000
(d) (Deficit)/surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	5,731,285	8,454,691
Add/(less): Profit/(loss) for the year	(5,913,019)	(2,723,406)
Less: Appropriations	—	—
Transfer to special reserve	—	—
Balance at the end of the year	(181,734)	5,731,285
Total	7,032,442	12,945,461

2.03 BORROWINGS

Particulars	Long Term		Short Term	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Loans repayable on demand				
From a bank *	—	—	—	1,644,753
Total	—	—	—	1,644,753
* Bank overdraft limit from Karnataka Bank Limited is secured by Fixed Deposit with the same bank.				
Default in payment of loans	—	—	—	—
Default in payment of Interest	—	—	—	—



MARGO FINANCE LIMITED

Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.04 TRADE PAYABLES

Particulars	Long Term		Short Term	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Trade Payables	—	—	67,561	85,277
	—	—	67,561	85,277

Based on the information available with the company, there are no suppliers registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006"

2.05 OTHER CURRENT LIABILITIES

Particulars	Long Term		Short Term	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Unmatured Finance Charges	—	—	—	3,150
Statutory Liabilities	—	—	12,141	14,009
Contingent Provision on Standard Asset	—	—	37,313	37,313
	—	—	49,454	54,472

2.06 SHORT TERM PROVISIONS

Particulars	Long Term		Short Term	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Provision for Income Tax	—	—	353,611	—
	—	—	353,611	—



Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.07 TANGIBLE ASSETS

Cost								
Description	As at 1 April 2012	Addi- tions	Disposals / Adjust- ments	As at 31 March 2013	As at 1 April 2013	Addi- tions	Disposals / Adjust- ments	As at 31 March 2014
Furniture and fixtures	170,595	—	—	170,595	170,595	—	—	170,595
Office equipments	987,845	1,850	89,000	900,695	900,695	65,500	—	966,195
Vehicles	204,000	469,128	204,000	469,128	469,128	—	—	469,128
Total	1,362,440	4,70,978	293,000	1,540,418	1,540,418	65,500	—	1,605,918

Depreciation								
Description	As at 1 April 2012	Addi- tions	Reversal for disposals / adjust- ments	As at 31 March 2013	As at 1 April 2013	Addi- tions	Reversal for disposals / adjust- ments	As at 31 March 2014
Furniture and fixtures	156,548	5,749	—	162,297	162,297	3,189	—	165,486
Office equipments	507,926	105,865	36,622	577,169	577,169	103,726	—	680,895
Vehicles	62,972	23,780	79,061	7,691	7,691	44,567	—	52,258
Total	727,446	135,394	115,683	747,157	747,157	151,482	—	898,639

Net Block			
Description	As at 31 March 2013		As at 31 March 2014
Furniture and fixtures	8,298		5,109
Office equipments	323,526		285,300
Vehicles	461,437		416,870
Total	793,261		707,279



Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.08 INTANGIBLE ASSETS

Cost								
Description	As at 1 April 2012	Addi- tions	Disposals / Adjust- ments	As at 31 March 2013	As at 1 April 2013	Addi- tions	Disposals / Adjust- ments	As at 31 March 2014
Software	—	—	—	—	—	17,000	—	17,000
Total	—	—	—	—	—	17,000	—	17,000

Depreciation								
Description	As at 1 April 2012	Addi- tions	Disposals / Adjust- ments	As at 31 March 2013	As at 1 April 2013	Addi- tions	Disposals / Adjust- ments	As at 31 March 2014
Software	—	—	—	—	—	298	—	298
Total	—	—	—	—	—	298	—	298

Net Block								
Description				As at 31 March 2013				As at 31 March 2014
Software				—				16,702
Total				—				16,702


MARGO FINANCE LIMITED
Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.09 INVESTMENTS

Particulars	Long Term		Short Term	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
(A) Investments in Equity Instruments - Unquoted				
Indocount Securities Limited 427000 (previous year 427000) equity shares of Rs. 10 fully paid up.	4,270,000	4,270,000	—	—
Hindustan Breweries & Bottling Limited 25000 (previous year 25000) equity shares of Rs. 10 fully paid up.	251,250	251,250	—	—
Shiva Services Limited 10000 (previous year 10000) equity shares of Rs. 10 fully paid up.	100,000	100,000	—	—
	4,621,250	4,621,250	—	—
Less : Provision for diminution in value of investment	1,745,620	1,745,620	—	—
TOTAL VALUE OF UNQUOTED EQUITY SHARES	2,875,630	2,875,630	—	—
(B) Investments in Equity Instruments - Quoted				
Avonmore Capital & Management Services Ltd. 10 (previous year 10) equity shares of Rs. 10 fully paid up.	380	380	—	—
Almondz Global Securities Ltd. 5000 (previous year 5000) equity shares of Rs. 6 fully paid up.	35,165	35,165	—	—
Bicon Limited Nil (previous year 1000) equity shares of Rs. 5 fully paid up.	—	293,317	—	—
EIH Associated Hotel Limited 1 (previous year 1) equity shares of Rs. 10 fully paid up.	153	153	—	—
Fairfield Atlas Limited Nil (previous year 950) equity shares of Rs. 10 fully paid up.	—	155,501	—	—
Haryana Capfin Limited * 570 (previous year 570) equity shares of Rs. 10 fully paid up	—	—	—	—
Hindustan Uniliver Limited Nil (previous year 1000) equity shares of Re. 1 fully paid up.	—	517,153	—	—
Hindustan Zinc Limited 500 (previous year 500) equity shares of Rs. 2 fully paid up.	70,557	70,557	—	—
Indo Count Industries Limited 307004 (previous year 307004) equity shares of Rs. 10 fully paid up.	5,309,220	5,309,220	—	—
James Warren Tea Limited * 3 (previous year Nil) equity shares of Rs. 10 fully paid up.	—	—	—	—
JSW Ispat Steel Limited (formerly Ispat Industries Limited) Nil (previous year 5) equity shares of Rs. 10 fully paid up.	—	127	—	—
Jindal Polyfilms Limited Nil (previous year 5) equity shares of Rs. 10 fully paid up.	—	3,147	—	—


MARGO FINANCE LIMITED
Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.09 INVESTMENTS (Contd.)

Particulars	Long Term		Short Term	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
JSW Steel Limited Nil (previous year 1) equity shares of Rs. 10 fully paid up.	—	659	—	—
Larson and Toubro Limited ** Nil (previous year 5) equity shares of Rs. 2 fully paid up.	—	—	—	—
Lupin Limited Nil (previous year 1500) equity shares of Rs. 2 fully paid up.	—	891,943	—	—
Maharashtra Seamless Limited Nil (previous year 9) equity shares of Rs. 5 fully paid up.	—	5,840	—	—
Prime Urban Development India Ltd. (Formerly Prime Textile Limited) 200 (previous year 200) equity shares of Rs. 2 fully paid up.	12,195	12,195	—	—
Reliance Industries Limited ** Nil (previous year 5) equity shares of Rs. 10 fully paid up.	—	—	—	—
Tata Consultancy Services Limited ** Nil (previous year 5) equity shares of Re. 1 fully paid up	—	—	—	—
Indian Hotels Company Limited 2 (previous year 2) equity shares of Re. 1 fully paid up.	128	128	—	—
Warren Tea Limited ** 3 (previous year 5) equity shares of Rs. 10 fully paid up.	—	3,304	—	—
	5,427,798	7,298,789	—	—
Less : Provision for diminution in value of investment	—	—	—	—
TOTAL VALUE OF QUOTED EQUITY SHARES	5,427,798	7,298,789	—	—
* Issued on demerger ** Bonus shares				
(C)				
Investments in preference shares				
Aegis Finstat Private Limited 477000 (previous year 477000) equity shares of Rs. 10 fully paid up	4,770,000	4,770,000	—	—
Amruti Promoters & Finance Private Limited 462000 (previous year 462000) equity shares of Rs. 10 fully paid up	4,620,000	4,620,000	—	—
Uniworth Finance & Securities Private Limited 452000 (previous year 452000) equity shares of Rs. 10 fully paid up	4,520,000	4,520,000	—	—
	13,910,000	13,910,000	—	—
Less : Provision for diminution in value of investment	—	—	—	—
TOTAL VALUE OF PREFERENCE SHARES	13,910,000	13,910,000	—	—



MARGO FINANCE LIMITED

Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.09 INVESTMENTS (Contd.)

Particulars	Long Term		Short Term	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
D) Investments in debentures & bonds				
Housing and Urban Development Corporation Limited 200 (previous year Nil) bonds of Rs.1000 each	200,000	—	—	—
Indian Railway Finance Corporation Limited 1000 (previous year Nil) bonds of Rs.1000 each	1,000,000	—	—	—
India Infoline Finance Limited 500 (previous year 500) bonds of Rs.1000 each	486,905	486,905	—	—
National Highway Authority of India 1000 (previous year Nil) bonds of Rs.1000 each	1,000,000	—	—	—
Shriram Transport Finance Company Limited 510 (previous year 510) bonds of Rs.1000 each	510,000	510,000	—	—
TOTAL VALUE OF BONDS	3,196,905	996,905	—	—
(E) Investments in Mutual Funds				
Axis Mutual Fund	500,000	—	—	—
HDFC Mutual Fund	1,555,904	1,455,254	—	—
IDFC Mutual Fund	750,000	—	—	—
SBI Mutual Fund	1,799,700	—	—	—
SBI Magnum Income Fund	300,000	300,000	—	—
TOTAL VALUE OF MUTUAL FUND UNITS	4,905,604	1,755,254	—	—
	30,315,937	26,836,578	—	—
Aggregate book value of quoted investments (net of provision for diminution in the value of investment)	13,530,307	10,050,948	—	—
Market value of quoted investments	20,353,257	7,021,831	—	—
Aggregate book value of unquoted investments (net of provision for diminution in the value of investment)	16,785,630	16,785,630	—	—
Aggregate provision in the value of investments	1,745,620	1,745,620	—	—

2.10 LOANS & ADVANCES

Particulars	Long Term		Short Term	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Security deposits - Unsecured, considered good	290,000	291,318	—	—
Loans & advances - Unsecured considered good, Related parties				
Skyrise Properties Private Limited	—	10,050,000	—	—
Others	481,796	1,700,952	883,329	408,046
Loans to employees	—	—	4,800	65,700
Prepaid expenses	—	—	6,973	812
Advance income-tax / Income Tax Refundable (net of provisions)	—	—	311,997	1,517
	771,796	12,042,270	1,207,099	476,075
Less : Provision for doubtful loans and advances	—	—	98,183	53,705
	771,796	12,042,270	1,108,916	422,370
Aggregate balance of loans and advances to related parties, unsecured - considered good	—	10,050,000	—	—



MARGO FINANCE LIMITED

Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.11 TRADE RECEIVABLES

Particulars	Short Term	
	As at 31 March 2014	As at 31 March 2013
Debts outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered doubtful	34,301	—
Debts due from related parties, unsecured	—	83,400
	34,301	83,400
Other debts		
Unsecured, considered good	—	79,082
Debts due from related parties, unsecured	133,847	124,060
	133,847	203,142
Less : Provision for doubtful debts	34,301	8,140
	99,546	195,002
	133,847	278,402

2.12 OTHER CURRENT ASSETS

Particulars	Short Term	
	As at 31 March 2014	As at 31 March 2013
Unsecured considered good, unless otherwise stated		
Interest accrued on fixed deposits	1,376,356	1,241,927
Interest accrued on investments	59,500	59,500
Interest accrued on loans & advances	708,908	987,843
Other Advances *	6,881,936	5,893,995
	9,026,700	8,183,265
Less : Provision for doubtful other assets	6,881,936	—
	2,144,764	8,183,265
Aggregate balance of interest receivable from related parties	629,718	915,456
Details of other advances		
a. Represents advances to a commodity broker for trading on commodity/spot exchange.		
b. During the current year, trading in national spot exchange limited was suspended. The company has made provision for the amount outstanding.		

2.13 INVENTORIES

Particulars	As at 31 March 2014	As at 31 March 2013
Stock under Hire Purchase agreements	—	17,044
	—	17,044



MARGO FINANCE LIMITED

Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.14 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2014	As at 31 March 2013
Cash in hand	31,280	57,072
Cheques / drafts in hand	—	259,300
Balance with banks in		
Current accounts *	47,133	66,821
Overdraft account	516,376	—
Total Cash & Cash Equivalent	594,789	383,193
Other Deposits with Bank **	17,409,038	11,473,580
Total Cash & Bank Balances	18,003,827	11,856,773
* Details of Balance in Current accounts :		
Canara Bank Limited	6,539	5,395
ICICI Bank Limited	—	20,606
Karnataka Bank Limited	40,594	40,820
	47,133	66,821
** including deposits having maturity period of more than 12 months as under :		
1. Deposits of Rs. 4300000 (in different denomination) maturing on 09-01-2017		
2. Deposits of Rs. 2000000 (in different denomination) maturing on 22-01-2016		
3. Deposits of Rs. 126850 (in different denomination) maturing on 08-04-2015		
4. Deposits of Rs. 1300000 (in different denomination) maturing on 26-09-2015		
5. Deposits of Rs. 400000 (in different denomination) maturing on 22-11-2015		
6. Deposits of Rs. 100000 (in different denomination) maturing on 19-12-2015		
7. Deposits of Rs. 1700000 (in different denomination) maturing on 17-01-2016		
8. Deposits of Rs. 3451218 (in different denomination) maturing on 28-10-2015		
9. Deposits of Rs. 86384 (in different denomination) maturing on 05-11-2015		
10. Deposits of Rs. 495138 (in different denomination) maturing on 16-11-2015		
11. Deposits of Rs. 1098117 (in different denomination) maturing on 14-12-2015		
12. Deposits of Rs. 770352 (in different denomination) maturing on 10-01-2016		

2.15 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Interest & Finance Charges received	2,329,269	2,670,300
Other operating income	5,700	7,126
Revenue from operations (Gross)	2,334,969	2,677,426

2.16 OTHER INCOME

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Dividend income from current/long-term investments	102,203	164,509
Net income from trading in shares / forward contracts / commodities	233,477	171,244
Net gain on sale of investments	162,108	—
	497,788	335,753



MARGO FINANCE LIMITED

Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.17 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Salaries, wages and bonus	687,060	703,220
Employer's Contribution to provident and other fund	21,876	20,293
Gratuity	15,119	15,438
Staff welfare expense	16,436	18,433
	740,491	757,384

2.18 FINANCE COST

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Interest paid	4,393	23,677
	4,393	23,677

2.19 DEPRECIATION & AMORTISATION EXPENSES

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Depreciation on tangible assets	151,482	135,394
Amortization of intangible assets	298	—
	151,780	135,394



MARGO FINANCE LIMITED

Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.20 OTHER EXPENSES

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Advertisement & Publicity	33,289	24,889
Rent	440,250	417,000
Rates, Taxes & Fee	7,686	5,790
Donation	5,000	57,378
Director Sitting Fee	8,000	11,000
Professional Charges Paid	153,387	364,699
Insurance Expense	8,775	12,980
Conveyance Expenses	18,165	29,339
Share Transfer Charges	43,845	45,376
Printing & Stationary	91,942	80,786
Repair & Maintenance - Others	59,335	62,411
Repair & Maintenance - Vehicle	24,986	33,565
Electricity Expenses	39,760	34,130
Bank Charges	8,270	4,642
Communication Expense	80,114	85,537
Loss on sale of Investments	—	3,311,811
Provision on NPA Assets	44,478	53,705
Provision for Doubtful Advances	6,881,936	—
Provision for Doubtful Debts	26,161	—
Contingent Provision on Standard Asset	—	—
Loss on sale of Fixed Assets (net)	—	54,940
Miscellaneous Expense	76,552	68,070
	8,051,931	4,758,048
Less : Recovery of expenses	292,000	192,000
	7,759,931	4,566,048
Professional Charges paid include payment to auditors		
Audit fee	40,000	40,000
Limited review	60,000	60,000
In other capacity	2,200	11,000
Taxation matters	13,500	30,458
For reimbursement of expenses including service tax'	14,301	17,484
	130,001	158,942

2.21 EARNING PER EQUITY SHARE

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Profit for calculation of EPS (Rs.)	(5,913,019)	(2,723,406)
Weighted No. of Equity Shares	4,570,000	4,570,000
Basic / Diluted EPS (Rs.)	(1.29)	(0.60)

2.22 CONTINGENT LIABILITIES & COMMITMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
i) Contingent Liabilities	—	—
ii) Capital Commitments	—	—



Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.23 TRANSACTIONS WITH RELATED PARTIES

List of parties with whom transactions have taken place during the year :				
1) Entities under common control a) Indo Count Industries Limited b) Rini Investment & Finance Private Limited c) Indocount Securities Limited d) Pranvadiya Spinning Mills Limited e) Skyrise Properties Private Limited		2) Key Managerial Personnel a) Shri Anil Kumar Jain b) Shri Govind Prasad Agrawal c) Shri Sushilkumar Krishna Agrawal d) Shri Pradeep Kantilal Shah (upto 12.08.2013)		
Transactions during the year with related parties				
Nature of Transactions	Entities under Common control (1)	Key Managerial Personnel (2)	Year Ended 31 March 2014 (Rs.)	Year Ended 31 March 2013 (Rs.)
Current Liabilities				
Indo Count Industries Limited				
i) Opening Balance	(207,460)	—	(207,460)	(65,049)
ii) Expenses paid on behalf of company (Net)	44,533	—	44,533	24,389
iii) Amount Paid / (Received) during the year	(295,880)	—	(295,880)	—
iv) Expenses Debited	266,800	—	266,800	166,800
v) Balance as on 31-3-2014	(133,847)	—	(133,847)	(207,460)
Indocount Securities Limited				
i) Opening Balance	—	—	—	—
ii) Expenses paid on behalf of company (Net)	1,408	—	1,408	—
iii) Amount Received during the year	1,408	—	1,408	—
iv) Balance as on 31-3-2014	—	—	—	—
Loans granted				
Rini Investment & Finance Private Limited				
i) Opening Balance	—	—	—	—
ii) Given during the year	45,000	—	45,000	70,000
iii) Returned during the year	45,000	—	45,000	70,000
iv) Balance as on 31-3-2014	—	—	—	—
Skyrise Properties Private Limited				
i) Opening Balance	10,050,000	—	10,050,000	11,800,000
ii) Given during the year	—	—	—	—
iii) Returned during the year	10,050,000	—	10,050,000	1,750,000
iv) Balance as on 31-3-2014	—	—	—	10,050,000
Expenditure				
i) Director Sitting Fee Paid to Directors	—	8,000	8,000	11,000
Income				
i) Rent & Expenses recovered from Indo Count Industries Limited	266,800	—	266,800	166,800
ii) Rent & Expenses recovered from Pranvadiya Spinning Mills Limited	25,200	—	25,200	25,200
iii) Interest received from Skyrise Properties Private Limited	699,687	—	699,687	1,017,173



MARGO FINANCE LIMITED

Notes to the Financial Statements (Contd.)

(Amount in Indian Rupees)

2.24 DEFERRED TAX ASSETS / LIABILITIES

Particulars	As at 31 March 2014	As at 31 March 2013
Deferred tax asset		
Provision on NPA Assets	30,339	—
Provision for Doubtful Advances	2,126,518	—
Provision for Doubtful Debts	10,599	—
Contingent Provision on Standard Assets	11,530	11,530
Provision for diminution in Investments	539,397	539,397
Gross deferred tax asset	2,718,383	550,927
Deferred tax liability		
Difference in the written down value of fixed assets as per the Companies Act, 1956 and the Income Tax Act, 1961	11,094	14,749
Gross deferred tax liability	11,094	14,749
Net deferred tax asset / (liability) *	2,707,289	536,178

* In compliance of the Accounting Standard 22 issued by the Institute of Chartered Accountants of India, the company has not made provision for net deferred tax assets.

2.25 Others

Particulars	As at 31 March 2014	As at 31 March 2013
i) As the company's business activities fall under a single business segment and geographical segment, there are no additional disclosure to be provided under Accounting Standard 17 'Segment Reporting' other than those already provided in the financial statements.		
ii) In the opinion of the management, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.		
iii) Paise have been rounded off to nearest rupee.		
iv) Debit & Credit balances are subject to confirmation		
v) Previous Year's figures have been regrouped and / or rearranged.		
vi) Additional Information		
a) Purchase, Sales & Stocks	Nil	Nil
b) C.I.F. value of Imports	Nil	Nil
c) Expenditure in Foreign Currency	Nil	Nil
d) Remittances in Foreign Currency	Nil	Nil
e) Earning in foreign currency	Nil	Nil

As per our report attached

For **AVK & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 002638N

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

Place : Delhi
Dated : 15th May 2014

PARUL GUPTA
Partner
Membership No. : 095539

KIRAN
Company Secretary
ACS : 33818
Place : Mumbai
Dated : 14th May 2014

SUSHILKUMAR KRISHNA AGRAWAL
Director
DIN : 00400892
Place : Mumbai
Dated : 14th May 2014

ANIL KUMAR JAIN
Chairman
DIN : 00086106
Place : Mumbai
Dated : 14th May 2014



**Schedule to the Balance Sheet
of a non-deposit taking Non-Banking Financial Company**

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

(Rs. in lakhs)

Particulars			
Liabilities side			
(1)	Loans and Advances availed by non-banking financial company inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits*)	— —	— —
	(b) Deferred Credits	—	—
	(c) Term Loans	—	—
	(d) Inter-corporate loans and borrowing	—	—
	(e) Commercial Paper	—	—
	(f) Other Loans : Loan repayable on demand from bank	—	—
	<i>(Bank Overdraft limit from Karnataka Bank Limited secured by Fixed Deposit with the same Bank)</i>		

(Rs. in lakhs)

Assets side		
(2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below :	Amount Outstanding
	(a) Secured	—
	(b) Unsecured	18.81
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease	— —
	(ii) Stock on hire including hire charges under sundry debtors : (a) Assets on hire (b) Repossessed Assets	— —
	(iii) Other loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	— —
(4)	Break-up of Investments :	
	Current Investments :	
	(1) Quoted :	
	(i) Shares : (a) Equity (b) Preference	— —
	(ii) Debentures and Bonds	—
	(iii) Units of mutual funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
	(2) Unquoted :	
	(i) Shares : (a) Equity (b) Preference	— —
	(ii) Debentures and Bonds	—
	(iii) Units of mutual funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—


MARGO FINANCE LIMITED

(Rs. in lakhs)

Particulars			
Break-up of Investments : (Contd...)			
Long Term Investments :			
(1) Quoted :			
(i) Shares : (a) Equity			54.28
(b) Preference			—
(ii) Debentures and Bonds			31.97
(iii) Units of mutual funds			49.06
(iv) Government Securities			—
(v) Others (please specify)			—
(2) Unquoted :			
(i) Shares : (a) Equity			46.21
(b) Preference			139.10
(ii) Debentures and Bonds			—
(iii) Units of mutual funds			—
(iv) Government Securities			—
(v) Others (please specify)			—
Total			320.62
(5) Borrower group-wise classification of assets financed as in (2) and (3) above :			
Category	Amount net of provisions		
	Secured	Unsecured	Total
(1) Related Parties **			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) Other related parties	—	—	—
(2) Other than related parties	—	18.81	18.81
Total	—	18.81	18.81
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
(1) Related Parties **			
(a) Subsidiaries	—	—	
(b) Companies in the same group	—	—	
(c) Other related parties	354.17	217.44	
(2) Other than related parties	98.85	85.72	
Total	453.02	303.16	

** As per Accounting Standard of ICAI

(7) Other information		
Particulars		Amount
(i) Gross Non-Performing Assets		
(a) Related Parties		—
(b) Other than related parties		1.97
(ii) Net Non-Performing Assets		
(a) Related Parties		—
(b) Other than related parties		0.99
(iii) Assets acquired in satisfaction of debt		—

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