

19th _____
Annual
Report
_____ *2009-2010*



MARGO FINANCE LIMITED
(Formerly Indocount Finance Limited)



Board of Directors	Shri ANIL KUMAR JAIN Shri G. P. AGRAWAL Shri SUSHIL KUMAR AGARWAL Shri PRADEEP K. SHAH	Chairman Director Director Director
Auditors	M/s. AVK & ASSOCIATES, Chartered Accountants	
Bankers	KARNATAKA BANK LIMITED	
Registered Office	Village Aite, Taluka : Hatkanangale, Dist. Kolhapur - 416 109 Maharashtra	
Head Office	301, 'ARCADIA' Nariman Point, Mumbai - 400 021 Maharashtra	
Corporate Office	705, Pragati Tower, 26, Rajendra Place, New Delhi - 110 008	

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NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Shareholders of MARGO FINANCE LIMITED (Formerly Indocount Finance Limited) will be held on Saturday, the 31st July, 2010 at 12.45 P. M. at the Registered Office of the Company i.e. at Village Aite, Taluka : Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, the Profit and Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri G. P. Agrawal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Pradeep K. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors and fix their remuneration

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

Place : Mumbai
Date : 29th May, 2010

ANIL KUMAR JAIN
CHAIRMAN

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
2. Register of Members and the Share Transfer Books of the Company will remain closed from 23.07.2010 to 31.07.2010 (both days inclusive).
3. Members are requested to :
 - i) Intimate change, if any, in their registered addresses.
 - ii) Quote ledger folio, in their correspondence.
 - iii) Intimate about consolidation of folios if shareholdings are under multiple folios
 - iv) Members/proxies should bring the attendance slip duly filled for attending the meeting.
 - v) Members are requested to send their queries, if any, at least 14 days in advance of the meeting addressed to Margo Finance Limited at 705, Pragati Tower, 26, Rajendra Place, New Delhi -110 008 so that information can be made available at the meeting.
 - vi) Trading in Equity Shares of the Company are compulsorily in demat form w.e.f. 26.03.2001.

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

Place : Mumbai
Date : 29th May, 2010

ANIL KUMAR JAIN
CHAIRMAN



ADDITIONAL INFORMATION

Brief Profile of Shri G. P. Agrawal, who retires by rotation, and is eligible for re-appointment :
Shri G. P. Agrawal is a Law Graduate and a Fellow Member of the Institute of Company Secretaries of India. He has a rich experience of over 30 years in the fields of Corporate Affairs, Project Financing, Capital Market, Company Law & legal matters in the Private Sector and has been associated with the Company since its Incorporation.

Outside Directorships :

- (i) Almondz Capital & Management Services Ltd.
- (ii) Almondz Finanz Ltd.
- (iii) Almondz Insurance Brokers Pvt. Ltd
- (iv) Rama Vision Limited
- (v) Yarmtex Exports Ltd.

Brief Profile of Shri Pradeep K. Shah, who retires by rotation, and is eligible for re-appointment :
Shri Pradeep K. Shah is B.Com, PGDMMB and has a rich experience of over 40 years in the area of General Insurance.

Outside Directorships :

No Directorships in any other Company.

By Order of the Board
For MARGO FINANCE LIMITED

Place : Mumbai
Date : 29th May, 2010

ANIL KUMAR JAIN
CHAIRMAN



DIRECTORS' REPORT

Your Directors present their 19th ANNUAL REPORT, along with the Audited Accounts for the year ended 31st March, 2010

FINANCIAL RESULTS :

The Financial Results for the year ended on 31st March 2010 are as under

Particulars	2009-2010 (Rs. In lacs)	2008-2009 (Rs. In lacs)
Total Income	38.22	34.61
Profit Before Depreciation	20.11	11.19
Less : Depreciation	1.15	0.87
Profit Before Tax	18.96	10.32
Less : Provision for Taxation	2.23	2.05
Net Profit After Tax	16.73	8.47
Less Transfer to Special Reserve	3.35	1.69
Add Profit brought forward from Previous year	55.60	48.82
Balance carried to Balance Sheet	68.98	55.60

OPERATIONS :

The Company has earned a Net Profit of Rs. 16.73 lacs during the year under review against the Net Profit of Rs. 8.47 lacs in the Previous Year. Company is looking for an opportunity to make a suitable diversification.

DIVIDEND :

Due to inadequate profits the Board of Directors do not recommend any dividend for the year

CHANGE OF NAME OF THE COMPANY :

After obtaining approval from Government of India, Reserve Bank of India and other concerned authorities, the name of the Company has been changed from Indocount Finance Limited to Margo Finance Limited w.e.f. 31.03.2010. Fresh Certificate of Incorporation consequent upon change of name has been received from Registrar of Companies, Pune.

DEPOSITS :

The Company has not accepted any fixed deposits from the Public.

DIRECTORS :

In accordance with the provisions of Companies Act, 1956, Shri G. P. Agrawal and Shri Pradeep K. Shah, Directors of the Company, retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS :

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 furnished a certificate to the effect under Section 224 (1-B) of the Companies Act, 1956.



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 :

Particulars of employees in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are not given, as none of the employees qualify for such disclosure.

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, 1988 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 :

Your Directors confirm :

- 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 judgements 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, 2010 and of the Profit 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, 2010 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, 2010 on a "going concern" basis.

ACKNOWLEDGEMENTS :

Your Directors place on record their appreciation of the support made by the employees at all levels, Bankers, Shareholders and Customers of the Company.

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

Place : Mumbai
Date : 29th May, 2010

ANIL KUMAR JAIN
CHAIRMAN



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 hope 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 risks 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 disbursement 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 follow provisioning norms of RBI.

OPPORTUNITIES AND THREATS

Business Opportunities for Finance Companies 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 being 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 system 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, 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, 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 4 (Four) and out of which 3 (Three) are Independent Directors. The Independent Directors do not have any material pecuniary relationship or transactions with the Company, promoters, management which may affect their judgements 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	Category	No. of Directorship in other Public Ltd. Companies	No. of Membership in other Board Committees
1	Shri Anil Kumar Jain	Non-Executive Chairman	3	4 Chairmanship 1 Membership
2	Shri G. P. Agrawal	Non-Executive Director, Independent	4	1 Chairmanship 4 Membership
3	Shri Sushil Kumar Agarwal	Non-Executive Director, Independent	1	1 Chairmanship
4	Shri Pradeep K. Shah	Non-Executive Director, Independent	NIL	NIL

During the year under review, 5 Board Meetings were held on 25th June, 2009, 31st July, 2009, 30th October, 2009, 28th January, 2010 and 27th February, 2010. The gap between the two meetings was not more than 4 months. The last Annual General Meeting was held on 29th September, 2008.

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

Name of Director	Category	Meeting Date & Attendance				
		25.06.09	31.07.09	30.10.09	28.01.10	27.02.10
Shri Anil Kumar Jain	Chairman	✓	✓	✓	✓	✓
Shri G. P. Agrawal	Director	X	X	X	X	X
Shri Sushil Kumar Agarwal	Director	✓	✓	✓	✓	✓
Shri Pradeep K. Shah	Director	✓	✓	✓	✓	✓

3. Re-appointment of Directors

Shri G. P. Agrawal is a Law graduate and a Fellow Member of the Institute of Company Secretaries Of India. He has got more than 30 years of experience in the field of Corporate Affairs, Project Finance, Capital Market, Company Law and Legal matters in Private Sector. He has handled public / rights issues for a number of companies. He has got wide experience in dealing with All Indian / State Financial Institutions and Banks and successfully raised funds for many projects in the field of Textile, Papers, and Picture Tubes etc. He has been associated with the Company since its Incorporation.



Shri Pradeep K. Shah is B.Com., PGDMB and has a rich experience of over 40 years in the area of General Insurance. He has been on the Board since 28.12.2005.

Both, Shri G. P. Agrawal and Shri Pradeep K. Shah will hold office until conclusion of the ensuing annual general meeting, subject however, being eligible for re-appointment.

4. Remuneration of Directors

Name	Category	Sitting Fees (Rs.)
Shri Anil Kumar Jain	Director	4000
Shri G. P. Agrawal	Director	—
Shri Sushil Kumar Agarwal	Director	6000
Shri Pradeep K. Shah	Director	5000

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 :

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

The Audit Committee comprises of three Non Executive Independent Directors. Shri Sushil Kumar Agarwal, Shri Pradeep K. Shah and Shri G. P. Agrawal.

The quorum for the Audit Committee meeting is 1/3 of the total strength or 2 whichever is higher. The terms of reference of the Audit Committee are in line with Stock Exchange Listing Agreement and provisions of Section 292 A of the Companies Act, 1956.

During the Financial year 2009-2010, the Audit Committee meetings were held 4 times i.e. on 25th June, 2008, 31st July, 2008, 30th October, 2009 and 28th January, 2010. The gap between the two meetings was not more than 4 months.

All the Audit Committee meetings were attended by Shri Sushil Kumar Agarwal and Shri Pradeep K. Shah. Shri Sushil Kumar Agarwal, 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' Grievance Committee

At present the Share Transfer and Share Holders / Investor grievances committee comprises of Shri Anil Kumar Jain, Shri G. P. Agrawal and Shri Pradeep K. Shah. The Chairman is elected amongst members of the Committee. Quorum of the Committee Meeting is two Directors.

During the year under review 10 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 was being conducted on an ad hoc basis.



The various issues addressed in connection with Shareholders and Investor services & grievance are

a) Share transfer :

- i) Approve and effect transfer and transmission of shares.
- ii) Issue of new Share Certificates in lieu of lost share / 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 Compliance Officer of the Company attends every meeting and closely supervises 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 constituted any remuneration Committee.

9. 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.

10. 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 / Hindi / Marathi Newspapers.

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

Management Discussion & Analysis Report forms part of this Annual Report.



GENERAL SHAREHOLDER'S INFORMATION

Annual General Meeting : Day: Saturday, Date: the 31st July, 2010 Time: 12.45 P.M. Venue: Village Aiba, Taluka : Hatkanangale, Dist. Kolhapur - 416 109 (Maharashtra)

Financial Year : 31st March, 2010

Book Closure Dates : 23rd July, 2010 to 31st July, 2010 (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
31.03.2009	29.09.2009	11.00 a.m.	Village Aiba, Hatkanangale, Dist. Kolhapur - 416 109	No	N.A.
31.03.2008	27.09.2008	2.00 p.m.	Hotel Shalini Palace, Rankala, Kolhapur - 416 010	No	N.A.
31.03.2007	26.09.2007	3.30 p.m.	Hotel Shalini Palace, Rankala, Kolhapur - 416 010	No	N.A.

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

Listing on Stock Exchanges : The Stock Exchange, Mumbai
25th Floor, Phiroze Jeejeebhoy 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 Panel, Mumbai - 400 013
Central Depositories Services (India) Ltd.
Phiroze Jeejeebhoy Towers
17th floor, Dalal Street
Mumbai - 400 001

Registrars and Share Transfer Agents and Address for Correspondence : Link Intime India Pvt. Ltd.,
A-40, 2nd Floor, Near Bata, Banquet Hall,
Naraina Industrial Area, Phase - II,
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, 2009 to 31st March, 2010 at Bombay Stock Exchange

Month	High (Rs.)	Low (Rs.)	Volume
April 2009	3.87	3.04	221
May 2009	4.21	3.40	20079
June 2009	3.50	2.34	13386
July 2009	2.23	1.85	13470
August 2009	2.17	1.78	7698
September 2009	2.27	1.87	18948
October 2009	2.20	1.84	24239
November 2009	2.50	1.77	27435
December 2009	3.04	2.27	23224
January 2010	3.52	2.70	29843
February 2010	3.00	2.59	10986
March 2010	2.65	2.02	217739

Distribution of shareholding as on 31st March, 2010 :

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Share Holding
1 - 250	8231	82.72	1030802	22.55
251 - 500	1256	12.61	478886	10.48
501 - 1000	311	3.13	255426	5.59
1001 - 2000	89	0.94	135524	2.97
2001 - 3000	18	0.18	44724	0.98
3001 - 4000	9	0.09	31585	0.69
4001 - 5000	7	0.07	33809	0.74
5001 - 10000	5	0.05	34100	0.75
Above 10000	21	0.21	2525144	55.25
	9850	100.00	4570000	100.00



Shareholding pattern as on 31st March, 2010

Category	No. of Equity Shares held	% of Shareholding
Promoters & Associates	24,47,489	53.556
Financial Institutions / Banks / Insurance Companies including Central / State Government Institutions	100	0.002
Mutual Funds and UFI	—	—
FIIs	—	—
NFIIs	2,456	0.004
Domestic Corporate Bodies	1,02,738	2.248
Indian Public	20,17,209	44.140
Total	45,70,000	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 28.03.2001. The ISIN no allotted for the shares of company is INE 880B01019. 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 :

Village Ahe, Taluka : Hatkanangale
Dist. Kolhapur - 416 109
Maharashtra

Head Office :

301, Arcadia
Nariman Point
Mumbai - 400 021

Delhi Office :

705, Pragati Tower,
26, Rajendra Place
New Delhi - 110 008

Communication Address :

Shri S. D. Maheshwar
Manager
705, Pragati Tower, 26, Rajendra Place
New Delhi - 110 008



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 (Formerly Indocount Finance Limited), for the year ended on 31st March, 2010 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 is 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 state that no investor grievance is pending for a period of exceeding one month against the company as per the records maintained by the shareholders / Investors grievance committee.

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 : 29th May, 2010

ASHU GUPTA
Proprietor
C.P. No. 6546



AUDITORS' REPORT

To the Members,
Margo Finance Limited (formerly Indocount Finance Limited),

We have audited the attached Balance Sheet of MARGO FINANCE LIMITED (formerly Indocount Finance Limited) as at March 31, 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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.

Further to our comments in annexure referred to in paragraph 1 above -

- i) 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.
- ii) 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 the said books.
- iii) The Balance Sheet, Cash Flow Statement and the Profit & Loss Account referred to in this report are in agreement with the books of account.
- iv) In our opinion the Balance Sheet, Cash Flow Statement and the Profit & Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v) In our opinion, and based on information and explanations given to us none of the directors are disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon in Schedule 13, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - a) In the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2010.
 - b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
 - c) In the case of Cash Flow Statement of cash flows for the year ended on that date.

For **AVK & ASSOCIATES**
Chartered Accountants

Parul Gupta
Partner

FOA-095638

Firm Registration No. 002638N

Place : Mumbai
Dated : 29th May, 2010

Annexure referred to in paragraph 1 of the Auditors Report on the Accounts for the year ended 31st March, 2010.

- (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.
- (ii) There is no inventory except the stocks under finance agreement, therefore the clause No. (ii) (a) (b) and (c) of the order are not applicable to the company.
- (iii) The company has granted and taken unsecured loans to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

a) Following are the particulars of unsecured loans taken by the company :

S. No.	Name of the Party	Amount (Rs. In Lacs)	Yearend Balance (Rs. In Lacs)	Maximum Balance (Rs. In Lacs)
1	Indocount Securities Limited	10.75	Nil	11.28

b) Following are the particulars of unsecured loans granted by the company :

S. No.	Name of the Party	Amount (Rs. In Lacs)	Yearend Balance (Rs. In Lacs)	Maximum Balance (Rs. In Lacs)
1.	Indocount Securities Limited	5.42	Nil	5.42
2	Rini Investment & Finance Pvt. Ltd.	Nil	Nil	0.05
3.	Skyrise Properties Private Limited	Nil	127.56*	127.56*

* Including Interest

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) In our opinion and 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) In our opinion and 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) In our opinion and according to the information given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975
- (vii) In our opinion, 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 records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax and other statutory dues applicable to it
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, were outstanding as at 31.03.2010 for a period of more than six months from the date they became payable
- (x) The company does not have accumulated losses at the end of the financial year, the company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- (xi) Based on our examination of documents and records maintained by the Company the Company has not defaulted in payment of dues to Bank
- (xii) Based on our examination of documents and records maintained by the company, we are of the opinion that since the company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities, it is not required to maintain records in respect thereof
- (xiii) In our opinion, the company is neither a chartered fund nor a mutual benefit fund / society and hence clause 4 (xiii) of the Order is not applicable to the company
- (xiv) 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) Based on our examination of the records, we are of the opinion that 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 the 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) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xviii) During the year the company had not issued any debentures.
- (xix) During the year no money was raised by public issue
- (xx) According to the information and explanations given to us, we report no fraud on or by the company has been noticed or reported during the course of our audit

For AVK & ASSOCIATES
Chartered Accountants

Parul Gupta
Partner

FCA-085539

Firm Registration No. 002638N

Place : Mumbai
Dated : 29th May, 2010



BALANCE SHEET
as at 31st March, 2010

	Schedules		Current Year 31.03.2010 (Rs.)	Previous Year 31.03.2009 (Rs.)
SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Share Capital	1	45,700,000	45,700,000	
b) Reserves & Surplus	2	13,723,428	59,423,428	12,050,701
2. Loan Funds				
a) Secured Loan from Bank Overdraft against Fixed Deposit				18,571
b) Unsecured Loans		—	—	528,494
			<u>59,423,428</u>	<u>58,297,766</u>
APPLICATION OF FUNDS				
1. Fixed Assets	3			
a) Gross Block		1,736,122	1,650,522	
b) Less : Depreciation		972,875	857,441	
c) Net Block			783,247	796,081
2. Investments	4		39,155,999	32,150,955
3. Current Assets, Loans & Advances				
a) Current Assets	5	10,282,169	10,341,811	
b) Loans and Advances	6	15,429,775	15,385,699	
		25,685,938	25,737,510	
4. Less : Current Liabilities and Provisions				
a) Current Liabilities & Provisions	7	181,626	386,780	
		181,626	386,780	
Net Current Assets			<u>26,504,312</u>	<u>25,350,710</u>
			<u>59,423,428</u>	<u>58,297,766</u>
NOTES TO THE ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES	13			

The Schedules referred to above, form an integral part of the Balance Sheet

In terms of our report of even date annexed
For **AVK & ASSOCIATES**
Chartered Accountants

Place: Mumbai
Dated: 28th May, 2010

PARUL GUPTA
Partner
FCA — 095538

ANIL KUMAR JAIN
SUSHIL KUMAR AGARWAL
Directors



PROFIT & LOSS ACCOUNT
for the Year Ended 31st March, 2010

	Schedules	Current Year 31.03.2010 (Rs.)	Previous Year 31.03.2009 (Rs.)
INCOME			
Interest & Finance Charges Received	8	2,381,241	2,313,448
Other Income	9	381,382	750,810
Profit on Sale of Investments		1,098,338	397,199
		<u>3,821,941</u>	<u>3,461,255</u>
EXPENDITURE			
Administration Expenses	10	1,188,827	1,587,958
Personnel Expenses	11	598,168	749,168
Interest & Financial Charges	12	20,990	25,237
Depreciation		715,434	66,581
		<u>1,928,437</u>	<u>2,408,952</u>
PROFIT BEFORE TAX		1,896,504	1,052,303
Less : Provision for Income Tax			
— Previous Year		5,287	—
— Current Tax		217,490	188,405
— Fringe Benefit Tax		—	15,202
		<u>222,777</u>	<u>204,607</u>
PROFIT AFTER TAX		1,672,727	847,696
Less : Amount Transferred to Special Reserve		334,545	188,539
Balance Brought Forward		5,560,158	4,882,001
Balance Carried to Balance Sheet		<u>6,898,340</u>	<u>5,560,158</u>
Earning per Share - Basic & Diluted		0.37	0.19

NOTES TO THE ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES 13

The Schedules referred to above, form an integral part of the Profit & Loss Account

In terms of our report of even date annexed
For **AVK & ASSOCIATES**
Chartered Accountants

Place : Mumbai
Dated : 29th May 2010

PARUL GUPTA
Partner
FCA -- 095538

ANIL KUMAR JAIN
SUSHIL KUMAR AGARWAL
Directors



CASH FLOW STATEMENT
for the Year Ended 31st March, 2010

	Current Year 31.03.2010 (Rs.)	Previous Year 31.03.2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax & extra-ordinary items	1,005,504	1,052,303
Adjustments for :		
Add : Depreciation	115,434	66,581
Less : Liabilities no longer payable written back	(24,800)	—
Less : Provision for NPA reversed	(14,823)	(143,548)
Less : Profit on sale of Investments	(1,089,338)	(397,199)
Add Interest Paid	18,997	7,394
	<u>(1,004,530)</u>	<u>(466,772)</u>
Operating Profit before working capital changes	890,974	585,531
Adjustments for :		
Trade & other Receivables	720,065	1,530,950
Inventories	90,151	(128,726)
Trade Payables	(180,354)	87,870
Loans & Advances	(270,404)	(715,677)
	<u>359,468</u>	<u>773,423</u>
Cash generated from Operations	1,250,442	1,358,954
Interest Paid	18,997	7,394
Direct taxes paid	<u>(19,551)</u>	<u>302,705</u>
Cash flow before extraordinary items	<u>(554)</u>	<u>310,099</u>
Net Cash from Operating Activities	<u>1,250,988</u>	<u>1,048,655</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(62,600)	(397,100)
Sale of Investments	94,424	452,366
	<u>11,824</u>	<u>55,176</u>
Net Cash used in Investing Activities	<u>11,824</u>	<u>55,176</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings	(547,085)	547,065
Net Cash used in Financing Activities	<u>(547,085)</u>	<u>547,065</u>
Net increase in Cash and Cash Equivalents	715,766	1,651,096
Cash and Equivalents as at 01.04.2009 (Opening Balance)	<u>8,319,294</u>	<u>7,658,198</u>
Cash and Equivalents as at 31.03.2010 (Closing Balance)	<u>10,038,048</u>	<u>9,319,294</u>

In terms of our report of even date annexed
For **AVK & ASSOCIATES**
Chartered Accountants

Place : Mumbai
Dated : 29th May, 2010

PARUL GUPTA
Partner
FCA — 005530

ANIL KUMAR JAIN
SUSHIL KUMAR AGARWAL
Directors



SCHEDULES

	Current Year 31.03.2010 (Rs.)	Previous Year 31.03.2009 (Rs.)
1. SHARE CAPITAL		
Authorized		
10,000,000 (Previous Year 10,000,000) Equity Shares of Rs 10/- each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid-up		
4,570,000 (Previous Year 4,570,000) Equity Shares of Rs 10/- each fully paid up	<u>45,700,000</u> <u>45,700,000</u>	<u>45,700,000</u> <u>45,700,000</u>
2. RESERVES & SURPLUS		
a) General Reserve	1,248,000	1,248,000
b) Share Warrant Option Premium	3,380,000	3,380,000
c) Profit & Loss Account	8,898,340	5,560,158
d) Special Reserve Fund		
Opening Balance	1,861,543	1,492,004
Add : Transferred from Profit & Loss Account	<u>334,545</u> <u>2,188,089</u>	<u>169,539</u> <u>1,861,543</u>
	<u>13,723,428</u>	<u>12,050,701</u>

3. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1.4.2008 (Rs.)	Additions (Rs.)	Sale/Adjustments (Rs.)	Total as at 31.3.2010 (Rs.)	As at 1.4.2009 (Rs.)	For the year (Rs.)	Adjustments (Rs.)	Total as at 31.3.2010 (Rs.)	As at 31.3.2010 (Rs.)	As at 31.3.2009 (Rs.)
Furniture & Fixtures	415,348	—	—	415,348	344,738	25,011	—	369,749	48,897	70,608
Vehicles	204,000	—	—	204,000	4,832	19,390	—	24,222	179,788	189,168
Office Equipments	1,034,175	62,000	—	1,116,776	607,871	71,043	—	678,914	537,862	526,006
TOTAL	1,653,522	62,000	—	1,736,122	857,441	115,434	—	972,875	768,547	796,081
Previous Year	1,256,332	367,190	—	1,653,522	750,880	66,581	—	817,461	708,881	—



Schedules forming part of the Balance Sheet

	Face Value (Rs.)	Quantity (Nos.)	Current Year 31.03.2010 Value (Rs.)	Previous Year 31.03.2009 Quantity (Nos.)	Value (Rs.)
4. INVESTMENTS					
LONG TERM					
A. QUOTED :					
A) Equity Shares					
ACC Limited	10	--	--	200	156,370
Almonds Capital & Management Services Ltd.	10	10	380	10	180
Aps Bank Limited	10	--	--	900	185,390
Fortis Healthcare Limited	10	--	--	915	88,820
Grains Industries Limited	10	--	--	17	32,224
Haryana Captn. Limited*	10	670	--	670	--
HDFC Bank Limited	10	--	--	500	378,443
ICICI Bank Limited	10	--	--	200	121,642
Indian Bank Limited	10	--	--	242	20,570
Indocount Industries Limited	10	307,504	5,308,328	307,504	5,308,220
Infoya Technologies Limited	5	--	--	70	156,216
Jadval Drilling Limited	5	--	--	1,900	789,383
Jadval Steel & Power Limited	1	8,808	3,785,846	500	176,039
JSW Steel Limited	10	2,051	878,478	2,081	875,478
Jindal South West Holdings Limited	10	--	--	300	348,782
Larsen and Toubro Limited	2	488	184,764	400	154,754
Maharashtra Seamless Limited	5	5,880	2,433,680	5,509	2,433,690
Parikmath Developers Limited	10	--	--	128	35,872
Power Finance Limited	10	--	--	406	40,120
Pranavadiya Spinning Mills Limited	10	--	--	5	18
Prime Textile Limited	2	200	12,195	200	12,195
Reliance Industries Limited	10	612	1,082,008	--	--
Reliance Petro Limited	10	--	--	4,900	1,082,008
Rona Koyo Steering Systems Limited	1	--	--	2,000	85,764
Sutton Energy Limited	2	--	--	800	102,346
Tata Consultancy Services Limited**	1	118	--	110	85,884
Welspun Gurat Limited	5	4,309	7,461,183	4,300	1,451,183
Yes Bank Limited	10	--	--	503	48,812
			15,114,305		14,180,322
B) Units of Mutual Funds					
HDFC Mutual Fund			1,215,304		1,175,003
			1,215,304		1,175,003
TOTAL 'A'			16,329,609		15,355,325

* Issued on demerger

** Bonus Shares

Aggregate Market Value of Quoted Investments Rs.17,162,850 (Previous Year Rs. 7,147,280)



Schedules forming part of the Balance Sheet

4. INVESTMENTS (Continued)

	Face Value (Rs.)	Quantity (Nos.)	Current Year	Previous Year	
			31.03.2010 Value (Rs.)	31.03.2009 Quantity (Nos.)	31.03.2009 Value (Rs.)
B. UNQUOTED					
A) Equity Shares					
Indocount Securities Limited	10	427,000	4,270,000	427,000	4,270,000
Hindustan Breweries & Bottling Limited	10	25,000	251,250	25,000	251,250
Shiva Services Limited	10	10,000	100,000	10,000	100,000
			<u>4,621,250</u>		<u>4,621,250</u>
B) Preference Shares					
Aaga Finetale Private Limited		477,000	4,770,000	477,000	4,770,000
Disney Promoters & Finance Private Limited		462,000	4,620,000	462,000	4,620,000
Univorth Finance & Securities Private Limited		462,000	4,520,000	452,000	4,520,000
			<u>13,910,000</u>		<u>13,910,000</u>
TOTAL 'B'			<u>18,531,250</u>		<u>18,531,250</u>
TOTAL 'A'+ 'B'			<u>34,901,400</u>		<u>33,896,575</u>
Provision for diminution in value of investments			<u>1,745,820</u>		<u>1,745,820</u>
			<u>33,155,580</u>		<u>32,150,755</u>

	Current Year		Previous Year	
	31.03.2010 (Rs.)		31.03.2009 (Rs.)	
5. CURRENT ASSETS				
Stock under Finance Agreements		108,710		1,96,800
Fixed Deposit with Banks (Including Interest Accrued & Due)		9,776,479		9,246,830
Cash / Cheques in Hand		5,862		7,961
Balance with Banks				
— In Current Accounts		262,888		64,403
Sundry Debtors (Unsecured, Considered good)				
— More than Six Months	105,139		106,889	
— Others	87,828		785,220	
	<u>172,965</u>		<u>874,109</u>	
Less : Provision for Sub-Standard Debtors	52,570	120,396	48,472	825,637
		<u>10,262,160</u>		<u>10,341,811</u>



Schedules forming part of the Balance Sheet

	Current Year 31.03.2010 (Rs.)	Previous Year 31.03.2009 (Rs.)
6. LOANS AND ADVANCES		
Loans - Unsecured	14,650,970	14,177,361
Less - Provision for Sub-Standard Loans	<u>—</u>	<u>18,921</u>
	14,650,970	14,158,440
Prepaid Expenses	2,673	7,676
Loans/Advances to Staff	1,600	218,523
Security Deposits	258,968	258,968
Advance Tax/Tax Deducted at Source	911,764	754,092
	<u>16,423,775</u>	<u>16,395,699</u>
7. CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors/Expenses Payable		
— Due to Micro & Small Enterprises	—	—
— Others	171,281	303,325
Unmatured Finance Charges	6,468	24,781
Statutory Liabilities	4,867	6,561
Bank Overdraft	—	54,123
	<u>181,628</u>	<u>388,789</u>

Schedules forming part of the Profit & Loss Account

8. INTEREST & FINANCE CHARGES RECEIVED		
Interest & Finance Charges Received	2,361,241	2,313,446
(Tax Deducted at Source Rs. 203,279 Previous Year Rs. 110,478)	<u>2,361,241</u>	<u>2,313,446</u>
9. OTHER INCOME		
Dividend on Long Term Investments	111,338	188,456
Commission Received	100,325	—
Miscellaneous Income	10,200	157,224
Bad Debts Recovered	99,875	280,382
Liabilities No Longer Payable Written Back	24,800	—
Provision for NPA Reversed	14,825	143,548
	<u>381,362</u>	<u>750,610</u>



Schedules forming part of the Profit & Loss Account

	Current Year 31.03.2010 (Rs.)	Previous Year 31.03.2009 (Rs.)
10. ADMINISTRATION EXPENSES		
Rent	357,000	290,264
Advertisement & Publicity	21,877	25,682
Audit Fee	27,575	27,575
Bad Debts Written Off	63,926	423,633
Legal & Professional Charges	191,975	258,753
Communication Expenses	142,838	106,290
Insurance Expenses	12,783	15,589
Travelling & Conveyance	32,616	64,019
Printing & Stationery Expenses	67,053	74,157
Share Transfer Expenses	32,288	35,693
Repairs & Maintenance		
— Vehicles	37,950	35,687
— Others	62,933	56,825
Rates & Taxes	1,336	7,096
Miscellaneous Expenses	140,703	143,825
	<u>1,183,827</u>	<u>1,567,968</u>
11. PERSONNEL EXPENSES		
Salary, Bonus & Allowance	576,801	729,441
Employers' Contribution to PF & ESF	9,086	8,142
Staff Welfare Expenses	8,299	11,583
	<u>594,186</u>	<u>749,166</u>
12. INTEREST & FINANCIAL CHARGES		
Interest		
— Bank	16,997	7,394
— Inter-corporate Loans	—	9,602
Bank Charges	1,993	8,241
	<u>20,990</u>	<u>25,237</u>



13. NOTES TO ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

(i) **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.

(ii) **Fixed Assets :**

Fixed Assets are stated at cost of acquisition, less accumulated depreciation.

(iii) **Depreciation :**

Depreciation is provided on straight line method in accordance with the rates and in the manner prescribed under Schedule XIV of the Companies Act 1956.

(iv) **Investments :**

Long term investments are valued at cost and any diminution in value whenever considered permanent by the management are provided for. Unquoted Equity Shares are valued at cost or break-up value whichever is lower, Unquoted Preference Shares are valued at cost or face value whichever is lower.

(v) **Inventories :**

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

(vi) **Revenue Recognition :**

- a) Finance charges are accounted for over the finance period on the basis of sum of digit method. They are recognised as income on due basis as per the terms of agreement.
- b) Interest is recognized as earned on day to day basis.

(vii) **Retirement Benefits :**

Company's contribution to Provident Fund, Gratuity and Leave encashment are charged to Profit & Loss Account on accrual basis.

(viii) **Taxation :**

Provision for the tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period(s)

(ix) **Contingent Liabilities :**

Unprovided contingent liabilities are disclosed in the accounts by way of notes giving nature and quantum of such liabilities.



II. NOTES ON ACCOUNTS

	Current Year 31.03.2010 (Rs.)	Previous Year 31.03.2009 (Rs.)
1. Contingent Liabilities not provided for	Nil	Nil
2. Earning per share computed in accordance with the mandatory requirements of Accounting Standard 20 issued by the Institute of Chartered Accountants of India is as under :		
a) Net Profit after tax available for equity shareholders	1,872,727	847,596
b) Weighted average number of Equity Shares of Rs. 10/- each outstanding during the year	4,570,000	4,570,000
c) Basic / Diluted Earning per Share Rs. (a ÷ b)	0.37	0.12
3. 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.		
4. In compliance of the Accounting Standard 22 issued by the Institute of Chartered Accountants of India, the company has not made provision for Deferred Tax Asset, the composition of which is given here below		

	As at 01.04.2009		For the Year		As at 31.03.2010	
	Deferred Tax Asset (Rs.)	Deferred Tax Liability (Rs.)	Deferred Tax Asset (Rs.)	Deferred Tax Liability (Rs.)	Deferred Tax Asset (Rs.)	Deferred Tax Liability (Rs.)
i) Depreciation	—	(21,544)	—	4,635	—	(26,179)
ii) Provision for diminution in the value of Investments	539,397	—	—	—	539,397	—
iii) Provision for NPA	20,824	—	(4,580)	—	16,244	—
TOTAL	580,221	(21,544)	(4,580)	4,635	555,641	(26,179)

5. Related Party Disclosure

List of parties with whom transactions have taken place during the year :

1) Entities under Common Control	2) Key Managerial Personnel
a) Indo Count Industries Limited	a) Shri Anil Kumar Jain
b) Rini Investment & Finance Private Limited	b) Shri G. P. Agrawal
c) Indocount Securities Limited	c) Shri Sushil Kumar Agarwal
d) Skytee Properties Private Limited	d) Shri Pradeep K. Shah



3) Transactions during the year with related parties

Name of Transactors	Enables under Common Control (Rs.) (1)	Key Managerial Personnel (Rs.) (2)	Year Ended 31.03.2010 (Rs.)	Year Ended 31.03.2009 (Rs.)
Unsecured Loans (Indocount Securities Limited)				
i) Opening Balance	525,000		525,000	(25,000)
ii) Received During the Year	1,075,000		1,075,000	925,000
iii) Returned during the year	1,800,000		1,800,000	375,000
iv) Balance as on 31.03.2010	—		—	525,000
Current Liabilities (Indo Count Industries Limited)				
i) Opening Balance	67,877	—	67,877	24,860
ii) Expenses paid on our behalf (Mall)	98,031		98,031	62,830
iii) Amount Paid during the year	85,147		85,147	
iv) Balance as on 31.03.2010	68,761		68,761	67,670
Loans Advanced (Rini Investment & Finance Pvt. Ltd.)				
i) Opening Balance	5,000	—	5,000	249,000
ii) Given During the Year	—		—	5,000
iii) Returned during the Year	5,000		5,000	249,000
iv) Balance as on 31.03.2010	—		—	5,000
Indocount Securities Limited				
i) Opening Balance	—	—	—	—
ii) Given During the Year	542,378		542,378	—
iii) Returned during the Year	542,378		542,378	—
iv) Balance as on 31.03.2010	—		—	—
Skylines Properties Private Limited				
i) Opening Balance	11,800,000	—	11,800,000	11,800,000
ii) Given During the Year	—		—	—
iii) Returned during the Year	—		—	—
iv) Balance as on 31.03.2010	11,800,000		11,800,000	11,800,000
Expenditure				
i) Rent paid to Indo Count Industries Limited	8,000	—	8,000	6,000
ii) Director Sitting Fee paid to Directors	—	16,000	18,000	8,000
iii) Interest Paid	—	—	—	8,632



10. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

State Code Registration No.
 Balance Sheet Date
Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue Rights Issue
 Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus
 Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Miscellaneous Expenditure
 Accumulated Losses

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover Total Expenditure
 Profit Before Tax Profit After Tax
 Earning per Share in Rs. Dividend Rate %

V. Generic Names of Three Principal Services of Company

Item Code No.
 Service Description
 Item Code No.
 Service Description

In terms of our report of even date annexed
 For AVK & ASSOCIATES
 Chartered Accountants

Place : Mumbai
 Dated : 29th May, 2010

PARUL GUPTA
 Partner
 FCA -- 095539

ANIL KUMAR JAIN
 SUSHIL KUMAR AGARWAL
 Directors

PROXY
MARGO FINANCE LIMITED

(Formerly Indocount Finance Limited)

Regd. Office : Village Aite, Taluka : Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra
Corporate Office : 705, Pragati Tower, 25, Rajendra Place, New Delhi - 110 008

I / We _____
of _____
in the district of _____
being a member / members of the above - named Company, hereby appoint Mr. / Miss / Mrs. _____
of _____
in the district of _____
or failing him / her Mr. / Miss / Mrs. _____
of _____ in the district of _____
as my / our proxy to vote for me / us on my / our behalf at the 19th Annual General Meeting of the Company to be held on Saturday, the 31st July, 2010 at 12.45 p.m. and at any adjournment thereof.

Signed on this _____ day of _____, 2010

No. of Shares held _____ Ref.No. / L.F.No. / Client ID No. _____

DPID No : _____

Signature(s) _____

Address : _____

Affix
Rs. 1/-
Revenue
Stamp

Note : The Proxy must be deposited at the Registered Office of the Company at Village Aite, Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra not less than 48 hours before the time for holding the meeting.

-----TEAR HERE-----

ATTENDANCE SLIP
MARGO FINANCE LIMITED

(Formerly Indocount Finance Limited)

Regd. Office : Village Aite, Taluka : Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra
Corporate Office : 705, Pragati Tower, 25, Rajendra Place, New Delhi - 110 008

I hereby record my presence at the 19th Annual General Meeting being held on Saturday, the 31st July, 2010 at 12.45 p.m. at Village Aite, Taluka : Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra

Name of the Shareholder _____
(In block letters)

Folio No./ DPID No. and Client ID No. _____

No. of Shares held _____

(Signature of the Shareholder / Proxy)

- Note :**
1. Please complete this attendance slip and hand it over at the entrance of the venue of the meeting
 2. Please bring your copy of Balance Sheet at the time of Annual General Meeting

If undelivered please return to :



MARGO FINANCE LIMITED

(Formerly Indocount Finance Limited)

705, Pragati Tower, 26, Rajendra Place, New Delhi - 110 008