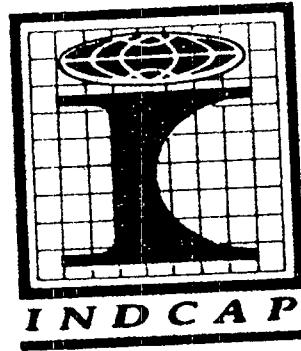


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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SM	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



5th
ANNUAL
REPORT
1996-97

INDCAP FINANCIAL LIMITED

INDCAP FINANCIAL LIMITED**Board of Directors**

Sh. K.S. Bhutoria, Managing Director
Sh. V. K. Dhawan, Wholetime Director
Sh. P.R. Latey
Sh. T. Veerabathran
Sh. J. K. Gupta
Sh. Pradeep Singhi

Company Secretary

Sh. Shelindra Mohan

Auditors

Sharma Sahni & Associates
A - 370, Kalkaji,
New Delhi - 110 019

Bankers

State Bank of Indore, Delhi
State Bank of Indore, Mumbai
Citi Bank, N. A. Delhi

Registered Office

M-64, Commercial Complex,
Greater Kailash - II,
New Delhi - 110 048

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INDCAP FINANCIAL LIMITED

NOTICE

NOTICE is hereby given that the 5th Annual General Meeting of the members of M/s Indcap Financial Limited will be held on Tuesday, the 23rd December, 1997 at 9.30 A.M. at Shiv Mandir, Yoga Sadhna Kendra, Maidan Garhi, New Delhi -110068 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 1997 and the Profit & Loss Account for the year ended 30th June, 1997 and the report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. P.R. Latey who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. J. K. Gupta who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

By Order of the Board
FOR INDCAP FINANCIAL LTD.

Date : 16/10/97
Place : New Delhi

Sd/-
COMPANY SECRETARY

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself on a poll and a proxy need not be a member, proxies in order to be effective must be received by the company not less than 48 hrs., before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 20th December, 1997 to 23rd December, 1997 both days inclusive.
3. Members are requested to notify immediately change in address, if any, to company.
4. Members who have multiple folios with identical order or names are requested to intimate to the company those folios to enable the company to consolidate all share holdings into one folio.

By Order of the Board
FOR INDCAP FINANCIAL LTD.

Date : 16/10/97
Place : New Delhi

Sd/-
COMPANY SECRETARY



INDCAP FINANCIAL LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors' have pleasure in presenting to you the Fifth Annual Report together with Audited Statement of Accounts for the year ended 30th June 1997.

PERFORMANCE HIGHLIGHTS

Performance of the company, during the year under review has been effected with the sluggish financial conditions in the country.

FINANCIAL RESULTS

	Amount (Rs. in lacs)
Total Income	176.57
Profit before Depreciation & Taxation	6.25
Less : Depreciation	4.63
Profit before taxation	1.62
Less : Provision for Taxation	0.90
Profit after Tax	0.72
Balance Carried to Balance Sheet	0.72

PERFORMANCE REVIEW

Total income for the year was Rs. 176.57 lacs, a decrease of 21.5% over the previous year. After provision of depreciation of Rs. 4.63 lacs (previous year Rs. 5.40 lacs) and income tax of Rs. 0.90 lacs (previous year 2.64 lacs) net profit was Rs. 0.72 lacs against Rs. 35.78 lacs in the previous year. The decline in income & profits during the year was primarily due to general sluggishness in the economy & poor response for credit by banking system.

OPERATIONAL PROSPECTS

In view of continued adverse Capital Market environment your company continued its focus on Project Loan Syndication and Equity Placement activities. These activities have been the mainstay of the company. Besides above activities your company is also syndicating Strategic alliances for its clients. The company has made substantial progress in this area.



INDCAP FINANCIAL LIMITED

However, your directors are confident that your company, having established a niche for itself in the financial services sector the company will grow notwithstanding the increasing competitive business environment.

DIVIDEND

In view of insufficient profit your directors do not recommend any dividend.

PARTICULARS OF EMPLOYEES

As required under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of Employee, as applicable, is as under :

Name	Age (Year)	Designation	Gross Remuneration	Qualification	Experience (Year)	Date of joining	Previous Position held
Sri V. K. Dhawan	50	Whole time Director	3,00,000	B. Com A.C.A	24	1/9/95	General Manager IFCI Merchant Banking

DEPOSITS

During the period under review, the company has not accepted any deposits under Section 58 A of the Companies Act, 1956 and the rules framed thereunder.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The company is not covered by schedule which requires to furnish details in Form A & B as per the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

FOREIGN EXCHANGE EARNINGS AND OUTGOS.

Foreign Exchange Earnings : Nil

Foreign Exchange Outflow : Rs. 53218/-

DIRECTORS

In accordance with Articles of Association of the Company Mr. P.R. Latey and Mr. J. K. Gupta retire by rotation at this Annual General Meeting and being eligible offer themselves for reappointment.



INDCAP FINANCIAL LIMITED

Mr. Rakesh Mehra & Mr. Anil Bafna have resigned during the year. Your Directors place on record their appreciation of the services rendered by Mr. Rakesh Mehra & Mr. Anil Bafna.

AUDITORS

M/s. Sharma Sahni & Associates, Chartered Accountants, New Delhi, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

GENERAL

The note forming part of the accounts being self explanatory, the comments made by the auditors in their report are not required to be dealt separately.

STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT

The statement containing details as required under clause 43 of the listing agreement with the stock Exchanges is given as under :

Projections v/s Actuals

For the year ended 30th June 1997

	Projections (Rs. in lacs)	Actuals (Rs. in lacs)
Total Income	360.40	177.00
Profit after Tax	77.05	0.72
EPS	2.57	0.024

Reasons for decrease in Profitability Vs. Projections :

1. Extremely sluggish economic and capital market conditions.

ACKNOWLEDGEMENT

The Directors wish to place on record their deep appreciation for the support received from Bankers, Financial Institution, Shareholders and clients in addition to the sincere & dedicated services rendered by all personnel of your company.

For and on behalf of the Board

Date : 16/10/97

Place : New Delhi

CHAIRMAN



INDCAP FINANCIAL LIMITED

AUDITOR'S REPORT

The Members

INDCAP FINANCIAL LIMITED

New Delhi

Ladies & Gentlemen

We have audited the attached Balance Sheet of INCAP FINANCIAL LIMITED as at 30th June'1997 and the Profit and Loss Account for the year ended at 30th June'1997, annexed thereto and report that :

1. As required by the Manufacturing and other Companies (Auditor's Report) order 1988, 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 paragraph 4 & 5 of the said order to the extent applicable to the Company.
2. Further to our comments in the annexure referred to in paragraph 1 above.
 - 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 accounts as required by law have been kept by the Company so far as appears from our examinations of such books.
 - c) The Balance Sheet & Profit and Loss Account referred to this report are in agreement with the books of accounts.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) In the case of the Balance Sheet of the State of affairs of the Company as at 30th June'1997
and
 - ii) In the case of the profit & loss account of profit for the year ended at 30th June'1997.

For SHARMA SAHNI & ASSOCIATES

Chartered Accountants

Place : New Delhi

Dated : 16/10/1997

(Vinod Sahni)

F.C.A., Partner