



7th
ANNUAL REPORT
1998-99

INDCAP FINANCIAL LIMITED



INDCAP FINANCIAL LIMITED

BOARD OF DIRECTORS

Sh. K.S. Bhutoria

Sh. V.K. Dhawan

Sh. P.R. Latey

Sh. T. Veerabathran

Sh. Pradeep Singh

COMPANY SECRETARY

Sh. Shelindra Mohan

AUDITORS

M/s. Sharma Sahni & Associates

Chartered Accountants

New Delhi

BANKERS

State Bank of Indore, Delhi

State Bank of Indore, Mumbai

Citi Bank, N.A. Delhi

HDFC, Delhi

REGISTERED OFFICE

N-17, Green Park Extension

New Delhi - 110 016



INDCAP FINANCIAL LIMITED

NOTICE

NOTICE is hereby given that the 7th Annual General Meeting of the members of M/s Indcap Financial Limited will be held on Monday, the 27th September, 1999 at 9.30 A.M. at Tivoli Gardens, Chattarpur, New Delhi - 110030, to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the 9 months period ended 31st March, 1999 and the Report of Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. P.R. Latey who retires by rotation & being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. K.S. Bhutoria who retires by rotation & being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

By Order of the Board
For **INDCAP FINANCIAL LTD.**

Sd/-
Company Secretary

Date : 29/07/99

Place : New Delhi

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 16th September, 1999 to 18th September, 1999 both days inclusive.
3. Members are requested to notify immediately change in address, if any, to the 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 shareholdings into one folio.

By Order of the Board
for **INDCAP FINANCIAL LTD.**

Date : 29/07/99

Place : New Delhi

Sd/-
Company Secretary



INDCAP FINANCIAL LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting to you the Seventh Annual Report together with Audited Statement of Accounts for the nine months period ended 31st March, 1999.

PERFORMANCE HIGHLIGHTS

Performance of the company, during the period under review has been affected to a great extent due to continued sluggish capital market & economic conditions in the country.

FINANCIAL RESULTS

	(Rs. in lacs) Amount
Total Income	42.58
Profit before Depreciation & Taxation	(-) 53.21
Less : Depreciation	6.71
Profit before taxation	(-) 59.92
Less : Provision for Taxation	—
Profit after Tax	(-) 59.92
Balance Carried to Balance Sheet	(-) 59.92

PERFORMANCE REVIEW

Total income for the period was Rs. 42.58 lacs (previous year Rs. 94.37 lacs). After provision of depreciation of Rs. 6.71 lacs (previous year Rs. 4.97 lacs) with no income tax liability (previous year nil) net loss was Rs. 59.92 lacs (previous year 34.62 lacs). The decline in income & profits during the year was primarily due to continued general sluggishness in the economy & poor response for credit by banking system. The company is also getting very poor returns on the investments made.

The company is aware of the importance of the Y2K problem and hence taking up the necessary steps to ensure Y2K compliance for all its computer systems.

OPERATIONAL PROSPECTS

In view of continued adverse Capital Market and Political distability environment your company continued its focus on Project Loan Syndication and Equity Placement activities besides Syndicating Strategic alliances, change of Management for its clients. In view of the continued industrial slump in the country, the company has decided to take up assignments for providing its advisory services for restructuring of the corporates.

However, your directors are confident that your company, having established a niche for itself in the financial services sector the company will grow not withstanding the increasing competitive business environment.

DIVIDEND

In absence of profit your directors do not recommend any dividend.



INDCAP FINANCIAL LIMITED

PARTICULARS OF EMPLOYEES

During the year under review there was no employee drawing remuneration exceeding the limits as specified in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

DEPOSITS

Since your company is a non banking finance company, the provisions of Section 58A of the Companies Act, 1956 are not applicable to the company. However, during the period under review, the company has not accepted any deposits.

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 Director) Rules, 1988.

FOREIGN EXCHANGE EARNINGS AND OUTGOES.

Foreign Exchange Earnings : US\$ 1200

Foreign Exchange Outflow : Nil

DIRECTORS

In accordance with the Articles of Association of the Company Mr. P.R. Latey and Mr. K.S. Bhutoria retire by rotation at this Annual General Meeting and being eligible offer themselves for reappointment. Mr. J.K. Gupta, an eminent lawyer and Director on the Board of the company passed away on 23.2.99. The Board places on record their appreciation for the services rendered by him during his tenure as Director.

AUDITORS

M/s. Sharma Sahni & Associates, Chartered Accountants, New Delhi, Auditor's of the company retire at 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.

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

Sd/-
Chairman

Place : New Delhi

Date : 29th July, 1999



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 31st March'1999 and the Profit and Loss Account for the year ended at 31st March'1999 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 informations 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, the Balance Sheet and the Profit & Loss Account dealt with by the report is in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - E) 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 31st March'1999.
and
 - ii) In the case of the Profit & Loss Account of Profit for the year ended at 31st March'1999.

for SHARMA SAHNI & ASSOCIATES
Chartered Accountants

Sd/-
(Vinod Sahni)
(F.C.A.) Partner

Place : New Delhi
Date : 29.05.1999