

# **11<sup>TH</sup>**

## **ANNUAL REPORT**

### **2002-2003**

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**INDCAP FINANCIAL LIMITED**



## **INDCAP FINANCIAL LIMITED**

### **BOARD OF DIRECTORS**

**Sh. K. S. Bhutoria**

**Sh. P. R. Latey**

**Sh. T. Veerabathran**

**Sh. Suresh Bohra**

**Sh. Sunil Kala**

**Sh. Anil Bafna**

### **AUDITORS**

**M/s Vinod Sahni & Associates**

*Chartered Accountants*

New Delhi

### **BANKERS**

State Bank of Indore

Delhi State of Indore,

Mumbai Citi Bank, N.A., Delhi

HDFC Bank Ltd., Delhi

### **REGISTERED OFFICE**

M-64, Commercial Complex,

Greater Kailash - II, New Delhi - 110 048

### **LISTED WITH STOCK EXCHANGES**

**The Delhi Stock Exchange Association Limited**

DSE House, 3/1, Asaf Ali Road, Delhi - 110 002

**The Stock Exchange, Mumbai**

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai - 400 001

**Madras Stock Exchange Ltd.**

Exchange Building, Post box No. 183

11, Second Line Beach, Chennai - 600 001

**The Calcutta Stock Exchange Association Ltd.**

7, Lyons Range, Calcutta - 700 001

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## INDCAP FINANCIAL LIMITED

### NOTICE

**NOTICE** is hereby given that the Annual General Meeting of the Company will be held on Tuesday, the 30th September, 2003 at 9.30 A.M at B-224, Sainik Farm, New Delhi -110 030 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2003 and the Profit & Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K.S. Bhutoria, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. P.R. Latey, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"Resolved that Mr. Sunil Kala who was appointed as Additional Director w.e.f. 27 June 2003, in terms Section 260 of the Company Act, 1956, holds such office upto this Annual General Meeting and in respect of whom the company has received a notice in writing from a member of the company pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed a Director of the Company."
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"Resolved that Mr. Anil Bafna who was appointed as Additional Director w.e.f. 30 July, 2003, in terms Section 260 of the Company Act, 1956, holds such office up to this Annual General Meeting and in respect of whom the company has received a notice in writing from a member of the company pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed a Director of the Company."

By Order of the Board  
For **INDCAP FINANCIAL LIMITED**

Date : 30.07.2003  
Place : New Delhi

Director

#### **NOTES :**

1. Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 is annexed herewith.
2. A member entitled to attend and vote is entitled to appoint one or more proxy to attend and vote on his behalf and such proxy need not be a member of the company. A proxy may be sent in the form enclosed and in order to be effective must reach the registered office of the company at least 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 29th September, 2003 to 30th September, 2003 (both days inclusive):
4. Members are requested to notify the change in their address, if any, quoting their folio Number.

#### **INFORMATION PURSUANT TO CLAUSE 31 OF THE LISTING AGREEMENT**

Names and addresses of the Stock Exchanges at which the Company's shares are listed

1. The Delhi Stock Exchange Association Ltd. 3/1, Asaf Ali Road, New Delhi- 110002
2. The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Calcutta- 700001.
3. The Stock Exchange, Mumbai, Phiroze, Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
4. Madras Stock Exchange Ltd., Exchange Building, Post Box No. 183, 11, Second Line Beach, Chennai -600 001.

It is hereby confirmed that the Company has paid Annual Listing Fee to the stock exchanges.

By Order of the Board  
For **INDCAP FINANCIAL LIMITED**

Date : 30.07.2003  
Place : New Delhi

Director



## **INDCAP FINANCIAL LIMITED**

### **EXPLANATORY STATEMENT PURSUANT SECTION 173(2) OF THE COMPANIES ACT, 1956**

#### **Item No. 5**

The Board of Directors of the company at their meeting held on 27 June 2003, appointed Mr. Sunil Kala as an Additional Director on the Board.

Mr. Sunil Kala has vide experience in management consultancy. Your directors feel that the continued association of Mr. Sunil Kala on the Board of your company will be of immense benefit to the company. The company received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director. Therefore the board of director recommends his appointment as a director of the company for your approval.

None of the directors of the company is concerned or interested in the proposed resolution.

#### **Item No. 6**

The Board of Directors of the company at their meeting held on 30 July, 2003, appointed Mr. Anil Bafna as an Additional Director on the Board.

Mr. Anil Bafna is a senior Chartered Accountants having vide experience of the profession. Your directors feel that the continued association of Mr. Anil Bafna on the Board of your company will be of immense benefit to the company. The company received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director. Therefore the board of director recommends his appointment as a director of the company for your approval.

None of the directors of the company is concerned or interested in the proposed resolution.

By Order of the Board  
For **INDCAP FINANCIAL LIMITED**

Date : 30.07.2003  
Place : New Delhi

Director

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## INDCAP FINANCIAL LIMITED

### DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS

To  
The Members,

Your Directors present the Annual Report of the Company together with the Audited Annual Accounts for the year ended 31st March, 2003.

#### PERFORMANCE HIGHLIGHTS

Performance of the company, during the year under review has been affected with the continue sluggish financial conditions in the country and provisioning for the NPA assets.

#### FINANCIAL RESULTS

	Amount (Rs. in Lacs)
Total Income	40.93
Profit before Depreciation & Taxation	(-) 52.97
Less : Depreciation	(-) 1.02
Profit before tax	(-) 53.99
Less : Provision for Taxation	—
Add : Adjustment for deferred taxation	14.98
Profit after Tax Adjustment	(-) 39.01
Balance carried over to Balance Sheet	(-) 39.01

#### PERFORMANCE REVIEW

Total income for the year was Rs. 40.93 lacs (previous year Rs. 14.30 lacs) After provision of depreciation of Rs.1.02 lacs (previous year Rs.1.71 lacs) with no income tax liability ( previous year Rs. – Nil ) but after making adjustment for the deferred tax the net Loss was 39.01 lacs against a net profit of Rs. 1.51 lacs in the previous year. The income has improved in comparison to the previous year but due to the provisioning for the NPA during the year company could not make any profit and incurred net loss.

#### OPERATIONAL PROSPECTS

The company during the year continued its focus in providing advisory services in Financial sector and technical consultancy in the field of software development, e-commerce and internet related services to its existing as well as new clients. The company will continue the same in the following year and your directors are confident that your company will do well in future.

#### DIVIDEND

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

#### 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 Employee) Rules, 1975.

#### DEPOSITS

During the year under review the Company has neither invited nor received any deposit from the Public.

#### LISTING OF EQUITY SHARES:

The Company's shares are listed on the Stock Exchanges in Delhi, Mumbai, Chennai & Kolkata and listing fees for the period 2003-2004 have been paid to these Stock Exchanges.

#### DEMATERIALISATION OF SECURITIES:

The trading in the shares of your company has been allowed on Demat pursuant to Agreements with NSDL and CDSL. Shareholders may avail this facility.

#### CORPORATE GOVERNANCE

The Board of Directors supports the Broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.



## **INDCAP FINANCIAL LIMITED**

As prescribed under the listing agreement of the Stock Exchanges, a separate statement on Corporate Governance is produced as part of the Annual Report.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Being engaged in Financial Services, provisions under Section 217 (1)(e) of the Companies Act, 1956, are not applicable to this company.

### **FOREIGN EXCHANGE EARNING AND OUTGO**

Earning : Nil

Outgo : Nil

### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures,
- such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the State of Affairs of the company and for preventing and detecting and detecting fraud and other irregularities;
- proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on the basis of the going concern.

### **BUYBACK OF SHARES:**

The Company has not bought back any share during the year.

### **DIRECTOR:**

In accordance with Articles of Association of the Company Mr. K.S. Bhutoria and Mr. P.R. Latey retire by rotation at this Annual General meeting and being eligible offer himself for reappointment.

During the year Mr. Sunil Kala and Mr. Anil Bafna was appointed as an Additional Director on 27th June 2003 and 30th July 2003 respectively to hold office till the ensuing Annual General Meeting.

### **AUDITORS:**

M/s Vinod Sahni & Associates, Chartered Accountants Delhi, statutory auditor 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.

### **ACKNOWLEDGEMENT**

The Board wishes to express its deep appreciation for the support received from Bankers, Financial Institution, Shareholders and clients in addition to the sincere and dedicated serviced rendered by all personnel of your company.

For and on behalf of the Board

Date : 30.07.2003

Place : New Delhi

Chairman



## INDCAP FINANCIAL LIMITED

### REPORT ON CORPORATE GOVERNANCE

The objective of Corporate Governance is "Enhancement of long term shareholders value and ensuring the protection of rights of the shareholders" and your company reiterates its commitment to good Corporate Governance.

#### BOARD OF DIRECTORS

The Board provides leadership and strategic guidance, objectively reviews management decisions and exercises control over the company. Your company has an appropriate mix of independent and Non independent Directors to maintain the independence of the Board. As on the date of this report, the Board of Directors of the Company consists of Six members, all are Non Executive Directors, out of them five are Independent Directors.

Board Meetings are scheduled well in advance. Agenda for each meeting alongwith explanatory notes are distributed in advance to the Board Members. Further every Board member is free to suggest the inclusion of items on the Agenda. The Board meeting at least once in every quarter to review the financial results and discuss other issues. Additional meetings are held on need basis. Six Board Meetings have taken place on 10th April, 2002, 28th June, 2002, 29th July, 2002, 28th October 2002, 28th January 2003 and 28th March. 2003.

Details of attendance of each Director at various meetings of the company are as follows: -

Name	Designation	Category	No. of board meetings attended	Last AGM attended
Sh K.S.Bhutoria	Director	Non executive & non-independent	6	Yes
Sh P.R. Latey	Director	Non executive & independent	—	—
Sh T. Veerabatharn	Director	Non executive & independent	—	—
Sh Suresh Bohra	Director	Non executive & independent	5	—
Dr. Ashish Sabharwal	Director	Non executive & independent	2	—

#### COMMITTEE OF DIRECTORS

##### AUDIT COMMITTEE:

As a measure of good corporate governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities. An Audit Committee has been constituted in the meeting of meeting of Board of Directors held on 28th March 2003. The Audit Committee reviews the audit procedures and techniques. It reviews with the management, external and internal procedures and the adequacy of internal control systems. It reviews the company's financial reporting processes and ensures that the financial statements give a true and fair view of the affairs of the company. The committee comprised of four Directors namely, Shri Suresh Bohra , Chairman, Shri K.S.Bhutoria, Sh. P.R. Latey and Shri T.Veerabathran .

As the Audit Committee was incorporated on 28th March 2003, only one meeting has been held in the last financial year.

Name of the Director	Category	Nos. of Meetings Attended	Date of the Meeting
Shri Suresh Bohra	Chairman &Independent	1	28/03/2003
Shri K. S. Bhutoria	Non-independent	1	28/03/2003
Shri T.Veerabatharn	Independent	1	28/03/2003
Shri P.R. Latey	Independent	—	

#### SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE:

As a measure of good corporate Governance & to focus on the shareholders/Investors Grievance Committee was constituted in the meeting of Board of Directors.

- Sh. Suresh Bohra - Chairman
- Sh. K. S. Bhutoria
- Sh. T. Veerabathran

The rôle & responsibilities of the Share Grievances Committee are as follows:

#### THE ROLE AND RESPONSIBILITIES

- ❖ To monitor the process of expeditious transfers of shares and debentures.
- ❖ To monitor and review the shareholders complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.



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- ❖ To monitor and review from time to time the systems/procedures relating to processing of transfer of shares, dematerialization/ re-materialisation of share certificates, re-issued of share certificates against split, cancellation, consolidation and lost share certificates etc.
- ❖ To investigate any activity and seek information from any employee of the company, in discharging its duties.
- ❖ To obtain outside legal or professional services, if considered necessary
- ❖ To fix the record date for the purposes as required under the Companies Act and/or Listing Agreement.
- ❖ To consider and approve issue of duplicate share certificates in lieu of those reported lost, misplaced, torn, mutilated etc.
- ❖ Any other powers which are specifically delegated by the Board from time to time.

### SUB-DELEGATION

In order to expedite the process of shares transfers, the Board has appointed the Beetal Financial & Computer Services (P). Limited as Share Transfer Agent. The transfer agent will generally attends to the transfer formalities once in a fortnight and operates subject to the overall supervision of the Shareholders/Investors Grievances Committee.

In compliance with the Listing Guidelines, every six months, the Share Transfer System is audited by a practicing Company Secretary and a certificate to that effect is issued by them.

### REMUNERATION COMMITTEE

Constitution of Remuneration committee by listed public company pursuant to the Listing Agreement is voluntary. Presently the company does not pay any remuneration to any Director other than sitting fees for attending Board Meeting and committee meeting.

### GENERAL BODY MEETINGS:-

Year	Date	Venue	Time
2000	29.09.2000	B-224, Sainik Farms, New Delhi – 110030	9.30 A.M.
2001	28.09.2001	B-224, Sainik Farms, New Delhi – 110030	9.30 A.M.
2002	30.09.2002	B-224, Sainik Farms, New Delhi – 110030	9.30 A.M.

All Resolutions proposed for the above said meetings were duly passed by show of hands.

### STATUTORY DISCLOSURES :-

No transactions of material nature have been entered into by the company with any of the promoters, directors, their related companies, firms, subsidiaries or relatives etc. that may have a potential conflict with interest of the Company.

The Company has not been penalized, nor have any strictures been imposed by the Stock Exchanges, SEBI or any statutory authority, during the last three years, on any matter relating to capital market.

### MEANS OF COMMUNICATION :-

- ❖ Half Yearly report sent to each household of the shareholder No
  - ❖ Quarterly results Which newspaper published in 1) Financial Express  
2) Jansatta
- Any web site, The Company's website is under development.
- ❖ Whether it also displays official news releases and Presentation made to institutional investors/analyst NO
  - ❖ Whether Management Decision and Analysis Report Yes It is a part of Directors Report