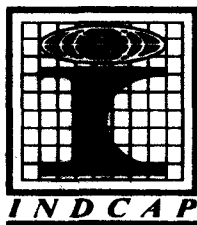


12th
Annual Report
2003-2004

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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 Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata - 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 Thursday, the 30th day of September, 2004 at 9.30 A.M at B-129, Anand Vihar, Delhi - 110 092 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 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. T.Veerabathran, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Suresh Bohra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

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

Date : 24.07.2004
Place : New Delhi

Director

NOTES :

1. 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.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 28th September, 2004 to 30th September, 2004 (both days inclusive).
3. Members are requested to notify the change in their address, if any, quoting their folio Number.

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

Date : 24.07.2004
Place : New Delhi

Director



INDCAP FINANCIAL LIMITED

DIRECTORS' REPORT AND 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, 2004.

PERFORMANCE HIGHLIGHTS

Performance of the company, during the year under review has been improved with the overall betterment in the financial conditions.

FINANCIAL RESULTS

	Amount (Rs. in Lacs)
Total Income	140.41
Profit before Depreciation & Taxation	2.78
Less : Depreciation	(-) 1.71
Profit before tax	1.07
Less : Provision for Taxation	—
Add : Adjustment for deferred taxation	0.97
Profit after Tax Adjustment	2.04
Balance carried over to Balance Sheet	2.04

PERFORMANCE REVIEW

Total income for the year was Rs.140.41 lacs (previous year Rs. 40.93 lacs) After provision of depreciation of Rs. 1.71 lacs (previous year Rs. 1.02 lacs) with no income tax liability (previous year Rs. – Nil) but after making adjustment for the deferred tax the net profit was Rs.2.04 lacs against a net loss of Rs. 39.01 lacs in the previous year. During the year your company had earned a net profit against loss in the previous year.

OPERATIONAL PROSPECTS

The company during the year has focused in providing advisory services in Financial sector. The company will continue the same in the following year and will also make efforts for some international assignment. Your directors are confident that the company will do well in future.

DIVIDEND

Your directors are not recommending any dividend for the year ended on March 31, 2004.

PARTICULARS OF EMPLOYEES

None of the employees of your company were drawing emoluments exceeding the limits as specified in section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employee) Rules, 1975 during the year.

DEPOSITS

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

VOLUNTARY DELISTING OF EQUITY SHARES OF YOUR COMPANY

Consequent upon the approval of the shareholders at the Extra Ordinary General Meeting held on March 24, 2004 convened for the purpose and in pursuance of the SEBI (Delisting of Securities) Guidelines, 2003, the company had applied for Delisting from the Delhi Stock Exchange, Madras Stock Exchange and Calcutta Stock Exchange. The Equity shares of the company delisted from the official list of Madras Stock Exchange and Delhi Stock Exchange. The application for delisting is in process at Calcutta Stock Exchange. However such Delisting will not affect the interest of shareholders of the company as the equity shares continue to be listed on the Stock Exchange, Mumbai that has nationwide terminals.

DEMATERIALIZATION 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.



INDCAP FINANCIAL LIMITED

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. Your company strives for excellence with the objective of enhancing the shareholders' value. We ensure the practice of principles of Corporate Governance in your esteemed company. All functions are discharged in a professionally sound, competent and transparent manner.

A detailed report on the Company's efforts at adopting principles of Corporate Governance as prescribed under the Clause 49 of the Listing Agreement 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 for the financial year ended on 31st March, 2004 and of the profit or loss of the company for the year ended on 31st March, 2004.
- 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 going concern.

DIRECTOR

In accordance with Articles of Association of the Company Mr. T. Veerabathran and Mr. Suresh Bohra retire by rotation at this Annual General meeting and being eligible offer themselves for reappointment.

AUDITORS

M/s Vinod Sahni & Associates, Chartered Accountants Delhi, statutory auditor of the Company retire at the ensuring Annual General Meeting and being eligible, offer themselves for reappointment.

INTERNAL CONTROL SYSTEM

The company has a reasonable control system commensurate with its size and the nature of services provided by the company, which is being reviewed, periodically for more effectiveness. The company has an Audit Committee, which regularly reviews the internal audit observations and put corrective measures through justified actions.

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 services rendered by all personnel of your company.

For and on behalf of the Board

Date : 24.07.2004

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 meets 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 12th April, 2003, 27th June, 2003, 30th July, 2003, 30th October 2003, 29th January 2004, 9th Feb, 2004, 28th Feb, 2004.

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

Name	Category	No. of board meetings	Last AGM attended
Sh K.S.Bhutoria	Non Executive & Promoter	6	Yes
Sh P.R. Latey	Non Executive & Independent	—	—
Sh T. Veerabathran	Non Executive & Independent	3	—
Sh Suresh Bohra	Non Executive & Independent	6	Yes
Sh. Sunil Kala	Non Executive & Independent	—	—
Sh. Anil Bafna	Non Executive & Independent	1	—

None of the Directors of the company is a Director of more than 15 companies and member of more than 10 committees or chairman of more than five committees across all companies in which he is a Director.

COMMITTEE OF DIRECTORS

AUDIT COMMITTEE :

The Audit Committee formed in pursuance of Clause 49 of the Listing agreement. The 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. It provides assistance to the Board of Directors in fulfilling the Board's oversight responsibilities.

Composition and Meetings of Audit Committee

As per the provisions of Clause 49 of the Listing Agreement, the Audit Committee met three times during the year 2003-2004 as 30th July, 2003, 30th October 2003, 29th January 2004.

Name of Director	Designation	Category	No. of Meetings attended
Sh. Suresh Bohra	Chairman	Independent	3
S. K.S.Bhutoria	Member	Non-independent	3
Sh.. P.R.Latey	Member	Independent	—
Sh. T.Veerabathran	Member	Independent	3

ROLE AND RESPONSIBILITIES

The role of the Audit Committee include the review of the following:

- Financial Reporting Process
- Draft Financial Results (Quarterly & Annual)
- Internal Audit Reports
- Records of Related Party transactions.
- Reviewing the company's financial and risk management policies.
- Management discussion and analysis of Financial condition and results of operations.
- Compliance with Stock Exchange and Legal requirements concerning Financial Statements.
- Any other powers which are specifically delegated by the Board from time to time.



INDCAP FINANCIAL LIMITED

The role of the Audit Committee includes recommending the appointment and removal of Statutory Auditor, discussion of Audit plan, fixation of Audit fees and also approval for payment of any other service.

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.

SHAREHOLDERS'/ INVESTORS' GRIEVANCES COMMITTEE :

As a measure of good corporate Governance, the shareholders'/Investors Grievance Committee is functioning under the chairmanship of Mr. Suresh Bohra.

Share Transfers are processed and duly approved by the Committee. Investor grievances are placed before the Committee. There were no pending investor complaints at the end of the financial year ended on 31.03.2004. The company received only one investor complaint during the year which was duly resolved.

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

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.
- To monitor and review from time to time the systems/procedures relating to processing of transfer of shares, dematerialization/ re-materialization 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.

Compliance Officer of the Company :

Ms. Meenu Singhal, Company Secretary

SUB-DELEGATION

In order to expedite the process of shares transfers, the Board has appointed the BEETAL COMPUTER & FINANCIAL SERVICES PVT LTD, 321-S, Chirag Delhi, (Near Shaheed Bhagat Singh College), New Delhi- 110 017, as Share Transfer Agent and Registrar of the company. 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, in every six months, the Share Transfer System is audited by a practicing Company Secretary and a certificate to that effect is issued by them.

ANNUAL GENERAL BODY MEETINGS :-

Year	Date	Venue	Time
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.
2003	30.09.2003	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.

The company had passed a Special Resolution in the Annual General Meeting held on 28.09.2001 to insert a new Article 13A immediately after existing Article 13 in the Articles of Association of the company for Dematerialization of Securities.

None of the resolution was passed neither proposed to be passed through Postal Ballot last year.

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 neither 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 :-

- 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 : N.A.