

8th
Annual
Report

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1998 - 1999

Indocount Finance Limited

Board of Directors	Shri ANIL KUMAR JAIN	Chairman
	Shri PARMOD JAIN	Director
	Shri SUNIL JAIN	Director
	Shri O.P. SHROFF	Director
	Shri G.P. AGRAWAL	Director
	Shri S.R. BANSAL	Director

Company Secretary Shri ANIL KAUSHAL

Auditors M/s. ANIL RAI ASSOCIATES

Bankers KARNATAKA BANK LTD.

Registered Office D-1, MIDC Industrial Area,
Gokul Shirgaon,
Kolhapur - 416 234
Maharashtra.

Head Office 301, "ARCADIA"
Nariman Point,
Mumbai - 400 021.

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

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NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the shareholders of INDOCOUNT FINANCE LIMITED will be held on Wednesday, the 29th day of September, 1999 at 3.30 p.m. at Hotel Shalini Palace, Rankala, Kolhapur - 416010, Maharashtra to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999, 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 Sunil Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri O.P. Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT M/s. Anil Rai Associates, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors plus out of pocket expenses incurred in the performance of their duties."

Report

By Order of the Board
For INDOCOUNT FINANCE LIMITED

Place : Mumbai
Dated : 28th May, 1999

ANIL KAUSHAL
Manager Finance &
Company Secretary

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 CORPORATE 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 16.09.1999 to 29.09.1999 (both days inclusive).
3. Members are requested to :
 - i) intimate, change, if any, in their Registered Addresses.
 - ii) quote Ledger Folio No. in all their correspondence.
 - iii) intimate about consolidation of Folios if shareholdings are under multiple folios.
 - iv) intimate for non receipt of Dividend for the years 1994-1995 and 1995-1996, in case not received, as the Unpaid Dividend for these years will be transferred with Central Government in due course of time.
 - v) Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
 - vi) Members are requested to send their queries, if any, atleast-14 days in advance of the meeting, addressed to the "Company Secretary, Indocount Finance Limited at 705, Pragati Tower, 26, Rajendra Place, New Delhi - 110008" so that information can be made available at the meeting.



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DIRECTORS' REPORT

Your Directors present their EIGHTH ANNUAL REPORT alongwith the Audited Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

The Financial Results for the year ended on 31st March, 1999 are as under :

	1998-99 (Rs. in lacs)	1997-98 (Rs. in lacs)
Total Income	145.96	159.75
Gross Profit Before Depreciation	29.32	38.03
Less : Depreciation	55.30	70.83
Loss Before Tax	25.98	32.80
Less : Provision for Taxation	14.91	9.00
Loss After Tax	40.89	41.80
Add : Profit brought forward from Previous Year	44.20	86.00
Balance carried to Balance Sheet	3.31	44.20

PERFORMANCE REVIEW

The business of Non Banking Finance Companies continued to be depressed during the year under review. The industrial sector and in particular automobile segment faced with demand recession and thus the Company's operations were restricted to financing automobiles and acting as the Direct Marketing Associate of American Express Bank for providing personal financial services on its behalf. The Company's effort to start manufacturing activities could not take off due to the sluggish demand conditions. However, the Company has plans to get into this activity as and when things look up.

The recently published economic data indicates towards a fundamentally strong health of the country and the revival in the industrial production which could lead to more business in the coming months. Your Company will be able to take advantage of the incremental business that would be generated in the process.

During the year your Company received Certificate of Registration from Reserve Bank of India, Mumbai.

DIVIDEND

In absence of profits, your Directors do not recommend any dividend.

DEPOSITS

Except for one unclaimed deposit amounting to Rs. 18,000 for which no disposal instructions were received, there was no deposit due for repayment at the close of the year.

DIRECTORS

In terms of the provisions of the Companies Act, 1956 read with the Articles of Association, Shri Sunil Jain and Shri O.P. Shroff, 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 Anil Rai Associates, Chartered Accountants retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

Information and explanations on items contained in the Auditors' Report which may be considered to be "Reservations, Qualifications or Adverse Remarks" are dealt with in the Notes to the Accounts and are self explanatory.

PERSONNEL

Provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable as none of the employees was in receipt of remuneration of Rs. 50,000 per month or Rs. 6,00,000 per annum or more.

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 Board of Directors) Rules, 1988 is not required.

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.

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 28th May, 1999

ANIL KUMAR JAIN
Chairman

**INDOCOUNT
FINANCE
LIMITED**

AUDITORS' REPORT

To the Members,
Indocount Finance Limited,

We have audited the attached Balance Sheet of INDOCOUNT FINANCE LIMITED as at March 31, 1999 and the Profit & Loss Account for the year ended on that date annexed thereto and report that :

1. As required by Manufacturing and other Companies (Auditors' 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 the said order.
2. 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 and the Profit & Loss Account dealt with in this report are in agreement with the books of account.
 - iv) In our opinion the Profit & Loss Account and Balance Sheet comply with the Accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v) 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 19, 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, 1999.
 - b) In the case of Profit & Loss Account, of the loss of the Company for the year ended on that date.

For **ANIL RAI ASSOCIATES**
Chartered Accountants

Place : Mumbai
Dated : 28th May, 1999

ANIL JAIN
Proprietor

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 1999

1. The company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets. Leased assets of the company have been physically verified by the management in a phased manner. Other assets have been verified at the end of the year and no discrepancies between the book records and physical assets have reportedly been noticed by them.
2. None of the fixed assets have been revalued during the year.
3. There is no opening & closing stock of shares. The shares purchased during the year were also sold during the year and hence clause 3, 4 & 5 are not applicable.
4. The company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
5. The company has not granted any loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 except an interest bearing loan of Rs. 48,912 to its subsidiary Indocount Securities Limited which is prima facie not prejudicial to the interest of the company.
6. The parties to whom loans or advances in the nature of loans have been given by the company are repaying the principal amounts as stipulated and are also regular in the payment of interest, wherever applicable.
7. In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of plant and machinery, equipment and other assets.
8. During the year, there were no purchases of goods and materials, and sale of goods, materials or services exceeding Rs. 50,000 from or to firms, companies, or other parties in pursuance of a contract entered into with them as maintained under Section 301 of the Companies Act, 1956.
9. The company carries no stock of materials, stores and finished goods and hence there are no unserviceable or damaged goods.
10. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 with regard to the deposits accepted from the public.
11. There is no generation of scrap or by products from the company's activities.
12. In our opinion, the company has an internal audit system which is commensurate with the size and nature of its business.

13. The provisions of Section 209(1)(d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the company.
14. The company is generally regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities.
15. As per information and explanations given to us there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as at 31st March, 1999 for a period of more than six months from the date they became payable.
16. In our opinion and to the best of our information, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with the generally accepted business practice.
17. The company is not a sick industrial company within the meaning of Clause (i) of sub-section (1) Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
18. In our opinion, the company has kept proper records of the transactions and contract for the dealing in shares and other investments. The shares and debentures held as investments are in the company's name.
19. The provisions of any special statute applicable to Chit Funds, Nidhi or Mutual Benefit Society are not applicable to the company.
20. In our opinion, adequate records and documents have been maintained in respect of secured loans and advances granted by the company on the basis of security obtained by way of pledge of shares, debentures and similar securities.

Report**junction****For ANIL RAI ASSOCIATES**
Chartered Accountants

Place : Mumbai
Dated : 28th May, 1999

ANIL JAIN
Proprietor

BALANCE SHEET

as at 31st March, 1999

	Schedules		As at 31.03.1999 (Rs.)	As at 31.03.1998 (Rs.)
SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Share Capital	1	45,700,000	45,700,000	
b) Reserves & Surplus	2	5,461,115	51,161,115	55,249,918
2. Loan Funds				
a) Secured Loans	3	1,005,427	5,814,690	
b) Unsecured Loans	4	1,588,065	2,593,492	8,185,159
			<u>53,754,607</u>	<u>63,435,077</u>
APPLICATION OF FUNDS				
1. Fixed Assets	5			
a) Gross Block		37,440,648	51,498,308	
b) Less : Depreciation		12,563,322	12,501,215	
c) Net Block		24,877,326	38,997,093	
d) Less : Lease Equalisation Adjustment		7,079,314	17,798,012	31,132,424
2. Investments	6		16,622,360	2,487,508
3. Current Assets, Loans & Advances				
a) Current Assets	7	17,588,985	21,046,028	
b) Loans and Advances	8	12,999,809	22,420,114	
		30,588,794	43,466,142	
Less : Current Liabilities and Provisions				
a) Current Liabilities	9	9,774,015	13,834,698	
b) Provisions	10	2,663,085	1,238,715	
		12,437,100	15,073,413	
Net Current Assets			18,151,694	28,392,729
4. Miscellaneous Expenditure	11		1,182,541	1,422,416
(To the extent not written off or adjusted)			<u>53,754,607</u>	<u>63,435,077</u>

**NOTES TO THE ACCOUNTS AND
SIGNIFICANT ACCOUNTING POLICIES 19**

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

In terms of our report of even date annexed
For ANIL RAI ASSOCIATES
Chartered Accountants

Place : Mumbai
Dated : 28th May, 1999

ANIL JAIN
Proprietor

ANIL KAUSHAL
Mgr. Finance & Co-Secretary

ANIL KUMAR JAIN
G.P. AGRAWAL
Directors