

9th
Annual Report
1999-2000

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
	Shri K. MURALIDHARAN	Additional Director

Manager Finance & 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 - 400 021.

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NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the shareholders of INDOCOUNT FINANCE LIMITED will be held on Thursday, the 14th day of September, 2000 at 3.00 p.m. at Hotel Shalini Palace, Rankala, Kohlapur - 416 010, Maharashtra to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000, the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditor's thereon.
2. To appoint a Director in place of Shri G.P. Agrawal who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Shri S.R. Bansal who retires by rotation and being eligible, offer 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 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."

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by adding the following new sub clauses Nos. 12A, 33A, 43A and also by replacing the existing clauses 126A & 126B by new clauses.

I. 12A Dematerialisation of Securities:**(i) Dematerialisation of securities:**

Either on the Company or the investors exercising an option to hold his securities with a depository in the dematerialised form the Company shall enter into an agreement with a depository to enable the investor to dematerialise the securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act, 1996.

(ii) Option to receive security certificates or hold securities with depository:

Every person subscribing to securities offered by the Company shall have an option to receive security certificates or to hold the securities with a depository, where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of security, and on receipt of such intimation the depository shall enter in their record the name of the allottee as the beneficial owner of that security.

(iii) Securities in depositories to be in fungible form:

All securities held by a depository shall be dematerialised and be in fungible form.

Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(iv) Rights of the depositories and beneficial owner:

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a depository.
- (v) Depository to furnish information:**
Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manners as may be specified by the bye-laws and the Company in that behalf.
- (vi) Provision to opt out in respect of any security:**
If the beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository accordingly.
The depository shall, on receipt of information as above make appropriate entries in its records and shall inform the Company.
The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue a certificate of securities to the beneficial owner or the transferee as the case may be.
- (vii) Mode of keeping record:**
Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (viii) Section 83 and 108 of the Act not to apply:**
Notwithstanding anything to the contrary contained in the Articles.
(a) Section 83 of the Act shall not apply to the shares held with the depository.
(b) Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the record of a depository.
- (ix) Register and Index of beneficial owners:**
The Register and Index of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of members and security holders for the purposes of this Act.
- (x) Distinctive numbers of securities held in a Depository:**
Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
- (xi) No share certificate(s) shall be issued for shares held in a Depository:**
- (xii) Other matters:**
Notwithstanding anything contained in these Articles, the provisions of Depositories Act, relating to dematerialisation/rematerialisation of securities, (including any modification or re-enactment thereof and rules/regulations made thereunder) shall prevail and apply accordingly.
- II. 33A Nomination of Securities**
- (i) Every holder of shares or debentures of the Company, may at any time, nominate a person to whom his shares or debentures of the Company shall vest in the event of his death and in such manner as may be prescribed under the Act.

- (ii) Where the shares or debentures of the Company are held by more than one person jointly, the joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be, shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares or debentures of the Company, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures of the company, the nominee shall, on the death of the shareholder or debenture holder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, of all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to make the nomination to appoint any person to become entitled to shares, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.
- (v) The provisions of this Article shall apply mutatis mutandis to a depositor of money with company as per the provision of section 58A of the Act.

III 43A Transmission of Securities in case of nomination

- (i) Any person who becomes a nominee by the virtue of Article 33A, upon production of such, evidence as may be required by the Board and subject as hereinafter provided, elect, either.
 - (a) to be registered himself as holder of the share or debenture, as the case may be, or
 - (b) to make such transfer of the share or debenture, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (ii) If the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased holder, as the case may be.
- (iii) Subject to the provisions of the Companies Act, 1956 and these articles, the relevant shares or debentures may be registered in the name of the nominee or the transferee as if the death of the holder of shares or debentures had not occurred and the notice and transfer were signed by the registered holder.
- (iv) A nominee on becoming entitled to any shares or debentures of the Company by a reason of death of the holder, shall be entitled to the same dividends and other advantages to which he would have been entitled if he was the registered holder of the shares or debentures, except that he shall not, before being registered as a member of such shares or debentures be entitled to exercise any right conferred by membership in relation to meetings of the Company.
The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable in respect of the relevant share or debenture, until the requirements of the notice have been complied with.
- (v) The provisions of this Article shall apply mutatis mutandis to a depositor of money with company as per the provisions of section 58A of the Act.

IV. Unpaid or unclaimed dividend, share application refund money etc.

126A: No unclaimed or unpaid dividend shall be forfeited and the Company shall comply with the provisions of section 205A and 205B read with section 205C of the Act or rules made thereunder in respect of any dividend remaining unpaid or unclaimed with the company.

126B: The Company shall comply with the provisions of Section 205C of the Act, in respect of any money remaining unpaid with the Company in the nature of (i) application moneys received by the Company for allotment of any securities and due for refund, (ii) deposit received by the Company and due for repayment; (iii) debentures issued by the Company and matured for redemption; and (iv) the interest, if any, accrued on the amounts referred at items (i) to (iii) respectively.

6. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 255, 260 and other applicable provisions, if any, of the Companies Act, 1956, Mr. K. Muralidharan, be and is hereby appointed as a Director of the Company, whose term of office shall be liable to determination by retirement of Directors by rotation."

By order of the Board
for **INDOCOUNT FINANCE LIMITED**

ANIL KAUSHAL
Manager Finance &
Company Secretary

Place : New Delhi
Dated : 22nd June, 2000

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. The Explanatory Statement as required under section 173(2) of the Companies Act, 1956 in respect of Special Business under item No. 5 and 6 are annexed herewith.
3. Register of members and the share transfer books of the company will remain closed from 08.09.2000 to 14.09.2000 (both days inclusive)
4. Members are requested to:
 - i) intimate, change, if any, in their registered addresses.
 - ii) quote ledger folio. in their correspondence.
 - iii) intimate about consolidation of folios if shareholdings are under multiple folios.
 - iv) Intimate for non receipt of Dividend for the year 1994-95 and 1995-96 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 - 110 008." So that information can be made available at the meeting.
 - vii) Company had entered into an agreement with National Securities Depository Limited (NSDL), of National Stock Exchange and with Central Depository Services (India) Limited (CDSL) of Mumbai Stock Exchange to facilitate the shareholders to hold and trade Company's equity shares in electronic form. Interested shareholders can avail this facility by opening a beneficiary account with the depository participants. For more details shareholders may contact the Company's Depository Transfer Agents for NSDL and CDSL, In-house Share Registry, 3 Community Centre, Naraina, Industrial Area, Phase-I, Near Payal Cinema, New Delhi - 110 028. Presently the Company's securities has been in optionally De-mat form and SEBI has recently announced that Company's securities will have to be compulsorily in De-mat form w.e.f. 26th December, 2000.



EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 5:

With an introduction of Depositories Act, 1996 and Depository system, some of the provisions of the Companies Act, 1956 relating to the issue, holding, transfer and transmission of securities have been amended vis a vis the trading of securities on the stock exchanges, to enable the investors to hold the securities in electronic form than in conventional form. Holding of securities and trading thereof in electronic mode is safer, economical and hassle free.

Trading in company's securities though presently not compulsory in dematerialised form, has been optionally made possible in electronic mode for the convenience of the shareholders and investors.

SEBI has recently announced that the Company's securities will have to be compulsorily in demat form w.e.f. 26th December, 2000.

In order to move towards the demat process, certain amendments are required to be made in the Articles of Association of the company, which requires consent of shareholders.

Further, amendments to the Companies Act, 1956, have provided for nomination by the security holder, transfer of unpaid dividend/ refund application money etc. to Investors' Education and Protection Fund. In order to bring the Articles of Association of the company in line with these changes, the Company is required to incorporate suitable clauses in the Articles of Association, as contained in the resolution.

Articles of Association of the Company as amended, is available for inspection at the Registered Office of the Company between 11 a.m. to 2 p.m. on any working day before the aforesaid meeting.

The Board recommends the resolution set out in item no. 5 of the notice for your approval.

None of the directors of the Company is in any way concerned or interested in the resolution.

ITEM NO. 6:

Mr. K. Muralidharan, was appointed as an additional director by the Board of Directors at their meeting held on 29.10.1999. Pursuant to the provisions section 260 of the Companies Act, 1956 read with provisions of Article 80 of the Articles of Association of the Company, the term of office of Mr. K. Muralidharan will be upto the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. K. Muralidharan as director of the Company, whose term of office shall be liable to determination by retirement of directors by rotation.

Directors feel that his experience and contacts will be highly beneficial to the Company.

The Board recommends the resolution set out in item no. 6 of the notice for your approval.

None of the Directors of the Company is in any way concerned or interested in this resolution.

By order of the Board
for INDOCOUNT FINANCE LIMITED

ANIL KAUSHAL
Manager Finance &
Company Secretary

Place : New Delhi
Dated : 22nd June, 2000

DIRECTORS' REPORT

Your Directors present their NINTH ANNUAL REPORT, alongwith the Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS:

The Financial Results for the year ended on 31st March, 2000 are as under:

	1999-2000 (Rs.in lacs)	1998-99 (Rs.in lacs)
Total Income	124.78	137.86
Gross Profit Before Depreciation	68.96	29.32
Less : Depreciation	42.22	55.30
Profit/Loss before Tax	26.74	(25.98)
Less : Provision for Taxation	13.75	14.91
Net Profit/(Net Loss) After Tax	12.99	(40.89)
Less: Transfer to special reserve	2.60	—
Add : Profit brought forward from previous year	3.31	44.20
Balance carried to Balance Sheet	13.70	3.31

PROFORMANCE REVIEW

During the year your Company had turn around its financial results. As compare to Net Loss of Rs. 40.89 lacs suffered during the last year, your Company earned a Net Profit of Rs. 12.99 lacs during the current year. Better realisation of profit could be achieved by controlling expenses, better deployment of available resources etc.

During the year your Company also started financing of second hand vehicles which also contributed major part of its revenues. The Company is hopeful of getting good revenue from this division in the coming years as the margin in this segment is very good and having Less Competition.

DIVIDEND

In absence of adequate distributable profits, your Directors do not recommend any dividend for the year.

DEPOSITS

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

DIRECTORS

In terms of the provisions of the Companies Act, 1956 read with the Articles of Association, Shri S. R. Bansal and Shri G P. Agrawal, Directors of the Company, retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

Shri K. Muralidharan was appointed as an Additional Director on the Board of the Company with effect from 29.10.1999 and he holds office till the conclusion of this Annual General Meeting. Notice has been received from a member proposing his name for appointment as a Director of the Company.

INDOCOUNT
FINANCE
LIMITED**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. They have furnished a certificate to the effect under Section 224 (1-B) of the Companies Act, 1956.

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 employee 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 Directors) Rules, 1998 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

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Place : New Delhi
Dated : 22nd June 2000

ANIL KUMAR JAIN
Chairman

AUDITORS' REPORT

**To the Members,
Indocount Finance Limited,**

We have audited the attached Balance Sheet of INDOCOUNT FINANCE LIMITED as at March 31, 2000 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 A/c 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 18, 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, 2000.
 - b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.

For **ANIL RAI ASSOCIATES**
Chartered Accountants

Place : New Delhi
Dated : 22nd June, 2000

ANIL JAIN
Proprietor

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS REPORT ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2000

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.