



INDOCOUNT FINANCE LIMITED



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| 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 | Director |

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| Manager Finance & Company Secretary | Shri ANIL KAUSHAL |
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| Auditors | M/s. ANIL RAI ASSOCIATES, Chartered Accountants |
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| Bankers | KARNATAKA BANK LIMITED |
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| Registered Office | D-1, MIDC Industrial Area, Gokul Shirgaon, Kolhapur - 416 234 Maharashtra. |
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| Head Office | 301, "ARCADIA" Nariman Point, Mumbai - 400 021 Maharashtra. |
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| Corporate Office | 705, Pragati Tower, 26, Rajendra Place, New Delhi - 110 008. |
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NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Shareholders of INDOCOUNT FINANCE LIMITED will be held on Wednesday, the 25th day of September, 2002 at 12.30 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, 2002, 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 reappointment.
3. To appoint a Director in place of Shri O.P. Shroff, who retires by rotation and being eligible, offers himself for reappointment.
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."

By Order of the Board
For **INDOCOUNT FINANCE LIMITED**

Place : Mumbai
Dated : 28th June, 2002

ANIL KAUSHAL
Manager (F) & Co. 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 17th September, 2002 to 25th September, 2002 (both days inclusive).
3. 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, in case not received, as the dividends remaining unclaimed shall be transferred to the Investor Education and Protection Fund established by the Central Government under the amended provisions of the Companies Act, 1956 in November, 2002. You shall not be able to claim any unpaid dividend from the said fund or the Company thereafter.
 - 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 the information can be made available at the meeting.
 - vii) Trading in Equity Shares of the Company are in compulsorily De-mat Form w.e.f. 26-03-2001.

By Order of the Board
For **INDOCOUNT FINANCE LIMITED**

Place : Mumbai
Dated : 28th June, 2002

ANIL KAUSHAL
Manager (F) & Co. Secretary



DIRECTORS' REPORT

Your Directors present their ELEVENTH ANNUAL REPORT alongwith the Audited Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

The Financial Results for the year ended on 31st March, 2002 are as under :

| | 2001-2002 (Rs. in lacs) | 2000-2001 (Rs. in lacs) |
|--|----------------------------|----------------------------|
| Total Income | 93.26 | 110.69 |
| Gross Profit Before Depreciation | 38.44 | 51.85 |
| Less : Depreciation | 5.96 | 14.47 |
| Profit Before Tax | 32.48 | 37.38 |
| Less : Provision for Taxation | 11.59 | 13.69 |
| Net Profit After Tax | 20.89 | 23.69 |
| Less : Transferred to Special Reserve | 4.18 | 4.74 |
| Add : Balance brought forward from Previous Year | 32.65 | 13.70 |
| Balance carried to Balance Sheet | 49.36 | 32.65 |

PERFORMANCE REVIEW

The Company is constantly looking the opportunity for diversification in to other areas. This year your Company participated in certain bids floated by Himachal Pradesh Government for development of Mini - Hydro Electric Project at Himachal Pradesh on build, own, operate and maintain basis. Though your company could not get allotment of Site but in the process gained a diverse and rich experience, which will help in its future endeavour.

Due to shift of business from lease transactions to loan / financing transactions coupled with pressure on margin due to lower interest regime etc., the total Income of the Company has reduced from Rs. 110.69 lacs to Rs. 93.26 lacs, resulting into lower profit after tax of Rs. 20.89 lacs as compared to Rs. 23.69 lacs in previous year. The Company is trying to keep control on its overheads and other expenses to maintain the profitability.

DIVIDEND

In order to augment it's Funds requirement, your Directors do not recommend any dividend for the year.

DEPOSITS

The Company has not accepted any fixed deposits from the Public.



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 reappointment.

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

AUDITORS' REPORT

The Observations of the Auditors in their report are explained wherever necessary in the notes to accounts.

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. 2,00,000/- per month or Rs. 24,00,000/- 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, 1988 is not required.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm

- a) that in preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on 31st March, 2002 and of the profit of the Company for that year.
- c) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31st March, 2002 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities.
- d) that the Directors had prepared the Annual Accounts on an ongoing basis.

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 June, 2002

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, 2002 and the Profit & Loss Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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.

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 referred to in this report are in agreement with the books of account.
- iv) In our opinion the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956.
- v) In our opinion, and based on information and explanations given to us none of the directors are disqualified as on 31st March, 2002 from being appointed as director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- vi) 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 17, 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, 2002.
 - 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 : Mumbai
Dated : 28th June, 2002

ANIL JAIN
Proprietor