

Annual Report 1998-99



Moongipa Capital Finance Limited

ENDURING VALUES. NEW AGE THINKING.

**Moongipa Capital Finance Limited**

12th Annual Report 1998-99

Board of Directors

Sh. S. C. Jain

Sh. N. S. Sobti

Sh. R. L. Tiwari

Sh. Sanjay Jain

Registered Office

18/12, W.E.A., Pusa Lane

Karol Bagh

New Delhi-110 005

Corporate Office

18/14, W.E.A., Pusa Lane

Karol Bagh

New Delhi-110 005

Bankers

The Jammu & Kashmir Bank Ltd.

UCO Bank

Auditors

M/s Ashutosh & Co.

Chartered Accountants

New Delhi

Corporate Advisors

M/s Saxena & Saxena

Chartered Accountants

New Delhi

Share Transfer Agent

M/s Fintech Compu Systems Ltd.

WZ-1390/4, 3rd Floor, Pankha Road,

Nangal Raya, New Delhi-110 046.

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Moongipa Capital Finance Limited

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the members of MOONGIPA CAPITAL FINANCE LIMITED will be held on Monday, the 27th day of September, 1999 at 10.30 A.M. at Gupta Farms, Alipur Road, Village Hollambi, Delhi 110 036 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt Balance Sheet as at 31st March, 1999 and Profit & Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Jain who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Statutory Auditors of the company and to fix their remuneration.

By order of the Board

Place : New Delhi
Dated : August 26, 1999

Sanjay Jain
Director

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 AND THE PROXY NEED NOT TO BE THE MEMBER OF THE COMPANY, PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. All documents referred to in the accompanying Notice & Explanatory Statement are open for inspection at the Registered office of the company during the office hours on all working days between 11.00 A.M. to 1.00 P.M. before the date of Annual General Meeting.
3. Members /Proxies should bring the attendance slip duly filled in for attending the meeting.
4. The Register of Members shall remain closed from Thursday, 16th Sept., 1999 to Thursday, 30th Sept. 1999.
5. Shareholder seeking any information and having any query with regard to accounts are requested to write the company early so as to enable the Management to keep the information ready.

By order of the Board

Place : New Delhi
Dated : August 26, 1999

Sanjay Jain
Director

**DIRECTOR'S REPORT**

To the Members,

Your Directors have great pleasure in presenting the 12th Annual Report together with Audited Statement of Account of your Company for the year ended 31st March, 1999.

FINANCIAL RESULTS

| | Year Ended 31.03.99 | (Rs. in Lacs) Year Ended 31.03.98 |
|--|------------------------|---|
| Gross Income | 245.11 | 225.65 |
| Less : Interest & Finance Charges | 41.90 | 36.61 |
| Less : Personnel & Admn. Expenses | 19.18 | 23.45 |
| Depreciation | 171.21 | 152.79 |
| Provision for Taxation | 1.35 | 1.40 |
| Net Profit for the year | 11.47 | 11.40 |
| Profit brought forward from the previous year | 181.58 | 170.18 |
| Carried to Balance Sheet | 193.05 | 181.58 |

DIVIDEND

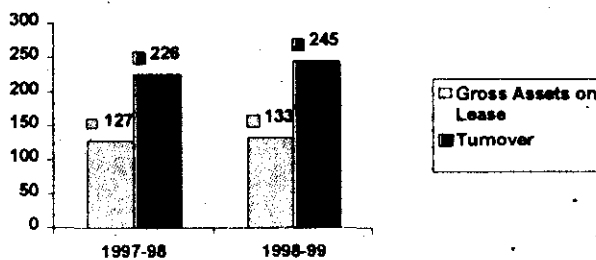
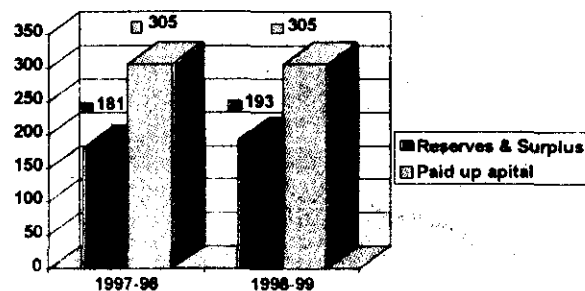
Considering the need to conserve resources, notwithstanding that the distributable surplus available, the Directors are of the view that if the same is ploughed back into the business will yield higher returns & capital appreciation as well and hence do not recommend any dividend for the year. Your Directors feel that their views are in the best interest of the company.

OPERATION AND FUTURE PROSPECTS

The performance of several key sectors of the economy has been affected due to economic downturn since 1997-98. Industries like cement, steel, commercial vehicles, crude oil, food products, textiles etc., have either registered a low or negative growth during the year. The industrial sector has recorded a growth of only 4% during the year. The production & sale of cars, medium & commercial vehicles has also declined during 1998-99.

The overall decline as such is attributed to severe East Asian Crisis as also the unfavourable economic environment in the world economy. In addition, our country was also confronted with economic sanctions in the wake of the Pokhran Nuclear test.

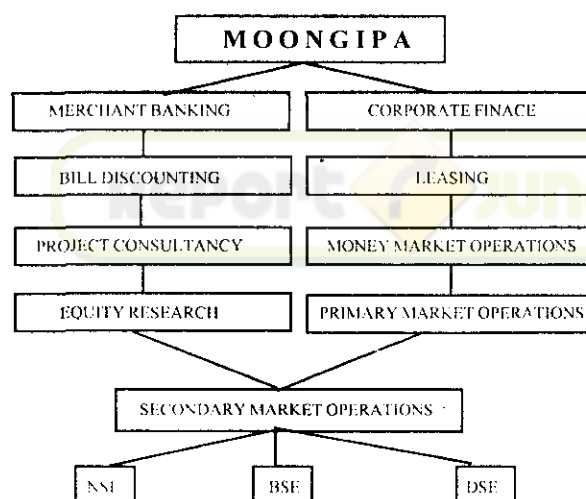
Your Company's performance is felt satisfactory being reviewed keeping in mind these backdrops in the economy as a whole. The gross value of assets on lease on 31.03.99 was Rs. 1324.07 lacs (previous year Rs. 1273.93 lacs) showing an upward trend. Your company's continuing thrust in the area of leasing enabled it to register income at a growing rate of 10% in terms of lease rentals. With the corporate sector feeling the adverse effect of the economic downswing, the credit risk in NBFC have increased considerably. The tightening of the lending norms & painstaking efforts put in by your company on its affairs, have resulted in a significant improvement in the assets financed during the year.

Turn Over & Gross Assets on Lease**Paid Up Capital & Reserves**

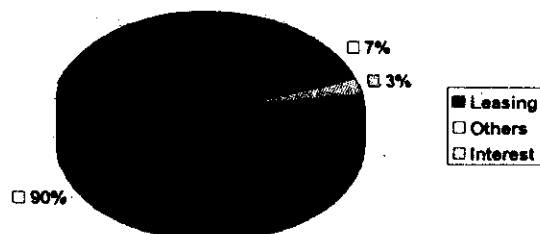


Moongipa Capital Finance Limited

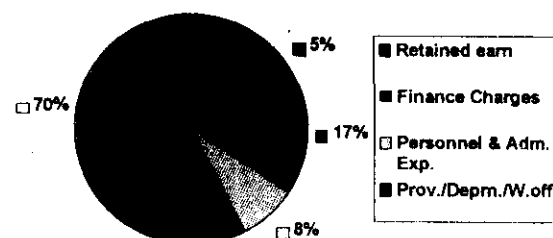
Your Company continued to enjoy support from its Bankers and is availing a Cash credit Limit upto Rs. 250 Lacs in total. Your Company enjoys credit limit upto 175 Lacs from Jammu and Kashmir Bank and UCO Bank has allowed a credit limit of Rs. 75 Lacs. Your Company is approaching their bankers to further enhance the existing credit limit in view of the expected increase in business of the Company. Notwithstanding the growing competition and the depressed capital market conditions, your company is well placed, geared and motivated to scale new heights in the Financial services sector. The year 1999 will certainly see increased industrial activity with fast economic growth based on a positive and growth oriented budget. Your company through its high quality of services and an excellent team of professionals and employees is poised to take advantage of the current scenario and is confident of a better growth rate in the current year.



Source of Income 1998-99
Total Income 245.11 Lacs



Distribution of Income 1998-99
Rs. 245.11 Lacs



**DIRECTORS**

Mr. Sanjay Jain Director of your company retires by rotation and being eligible offers himself for reappointment.

AUDITORS

M/S Ashutosh & Company, Chartered Accountants, the Statutory Auditors of the Company will retire at the conclusion of the Annual General Meeting and being eligible for re-appointment consented to be reappointed for another term. Necessary certificates pursuant to Section 224(1B) of the Companies Act, 1956 have been obtained from auditors.

CONSERVATION OF ENERGY

Since your company is not engaged in manufacturing activities, there is no information to submit in respect of Conservation of energy.

TECHNOLOGY ABSORPTION

No comment is necessary considering the nature of activities under review.

FOREIGN EXCHANGE INCOME/OUTFLOW

There has been no Foreign Exchange income/outflow during the year under review.

PERSONNEL

There is no employee in the company whose particulars are required to be given under Section 217 (2A) of the Companies Act, 1956.

YEAR 2000 READINESS

In September 1998, your company initiated steps to achieve Y2K readiness. Through detailed planning and a dedicated team of professionals, all business applications covering, leasing, corporate finance, investment banking and financial accounting have been made Y2K compliant. The hardware/software systems have been certified by the vendors as Y2K ready.

The Company has not incurred any material amount towards Y2K preparedness.

The Board is of the opinion that consequent to the steps implemented, the company carries a minimum risk of Y2K.

AUDITORS' REPORT

The auditors report is self explanatory.

ACKNOWLEDGMENT

Your Director would like to express their appreciation and gratitude to the Company's Bankers, valued clients, investors, Government Agencies as well as the Shareholders.

Your Directors also take the opportunity to place on record, their deep sense of appreciation of the devoted and dedicated services provided by the employees at all levels, and also their contribution towards company's continuing success.

for and on behalf of the board

Place : New Delhi

Dated : August 26, 1999

Chairman