



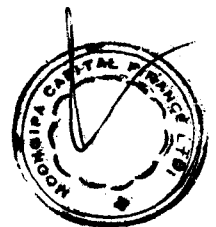
16th
Annual Report
2002-2003



Moongipa Capital Finance Limited

ENDURING VALUES NEW AGE THINKING

Certified to be copy





Moongipa Capital Finance Limited

16th Annual Report 2002-2003

Board of Directors

1. Sh. S. C. Jain
2. Sh. Sanjay Jain
3. Sh. R. L. Tiwari
4. Sh. Rakesh Dodeja

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

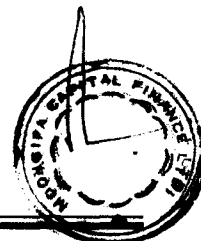
Auditors

M/s 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 16th Annual General Meeting of the members of MOONGIPA CAPITAL FINANCE LIMITED will be held on Saturday, the 27th September, 2003 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, 2003 and Profit & Loss Account for the year ended on that date and Report of the board of Directors and auditors thereon.
2. To appoint director in place of Mr. Rakesh Dodeja who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Statutory Auditors of the company, and to fix their remuneration.

SPECIAL BUSINESS

To appoint Mr. S.C. Jain, a director of the Company, who vacates his office at this Annual General Meeting and if thought fit, to pass the following Ordinary Resolution of which the prescribed notice has been received by the Company, the candidate having filed with the company his consent to act as a director, if appointed:

"RESOLVED that Mr. S.C. Jain be and is hereby appointed a director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation."

Place : New Delhi
Date : August 12, 2003

By order of the Board

Sanjay Jain
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND & VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE INSTEAD OF HIM/HERSELF 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 20th September to 28th September, 2003. (Both days inclusive)
5. Shareholders 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.

Place : New Delhi
Date : August 12, 2003

By order of the Board

Sanjay Jain
Director

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Mr. S.C. Jain was appointed as additional director of the company with effect from 27th September 2002, and vacates his seat at this Annual General Meeting, pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company. A notice under section 257 of the said Act has been received from a member signifying his intention to propose the name of Mr. S.C. Jain for appointment as a director of the Company. Mr. S.C. Jain has filed with the Company his consent to act as a director.

The Directors recommend his appointment as a member of the Board in the interest of the Company.





Moongipa Capital Finance Limited

DIRECTORS' REPORT

To the members,

Your directors have the pleasure in presenting the 16th Annual Report together with Audited Statement of Accounts of your Company for the year ended 31 March 2003.

FINANCIAL RESULTS

Financial results of the company for the year under review are summarized below:

	Year Ended 31.03.2003	(RS. in Lacs) Year Ended 31.03.2002
Gross Income	103.34	128.24
Less : Interest & Finance Charges	19.68	22.93
Less : Personnel & Admn.Charges	10.21	12.08
Less : Loss on sale of assets	59.07	167.92
Depreciation	39.48	41.10
Less : Provision for Income Tax/ W/back	—	0.04
Less : Deferred Tax	(60.85)	3.48
Net Profit/(Loss) for the year	35.55	(119.30)

DIVIDEND

The Directors have not recommended any dividend for the year ended 31.03.2003 in the absence of divisible surplus.

PERFORMANCE REVIEW

During the year under review, revenue account shows Profit of RS. 35.55 lacs. This is a transitory and cleansing phase after a prolonged recessionary economic cycle affecting the quality of assets.

RBI PRUDENTIAL NORMS

Your Company continues to comply with all the prescriptions of Reserve Bank of India, as applicable.

BUSINESS PROSPECTS

As the demand for financial services is a derived demand, developments in industrial sector exert a significant influence on the business of financial sector. Your Company strives to continually understand the implication to its business of the various changes, as also the impact of altered economic policies and international developments.

FIXED DEPOSITS

For the year ending 31 March 2003 your company has not accepted any deposits under section 58a of the Companies Act 1956.

DIRECTOR

Mr. Rakesh Dodeja, Director of your company, retires by rotation and being eligible offers himself for reappointment. Mr. S.C. Jain was appointed as additional director with effect from 27th September 2002. He will hold the office up to the date of ensuing Annual General Meeting and is eligible offered for appointment as director.

DIRECTOR'S RESPONSIBILITY STATEMENT

According to the best of their knowledge & belief and of the

information and documents collected by them, your Directors report:

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- We have selected such accounting policies and applied them consistently and made judgements and estimates that are responsible and prudent so as to give a true & fair view of the state of affairs of the company at the end of financial year 2002-2003 and of the profit of the company for the period.
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- We have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As per clause 49 of the listing agreement with the Stock Exchanges, a separate section of Corporate Governance report together with the certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this report.

AUDITORS

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

AUDITORS REPORT

The Auditors Report is self-explanatory & does not require any clarification.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE INCOME/OUTFLOW

Additional information on conservation of energy, technology absorption as required under Sec.217 (1)(e) Of the Companies Act, 1956 is not applicable, as the company is a Non-Manufacturing Company. During the year under review there has been no foreign exchange Income/Out flow.

PERSONNEL

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

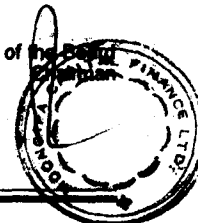
ACKNOWLEDGEMENT

Your directors would like to express their appreciation and gratitude to the company's Business Associates, Bankers, valued clients, Association of Leasing & Finance companies, Government agencies as well as 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 & On behalf of the Board

Place: New Delhi
Date : August 12, 2003





Moongipa Capital Finance Limited

CORPORATE GOVERNANCE REPORT - 2002-03

1. COMPANY'S PHILOSOPHY

Moongipa Capital Finance Ltd's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing agreements with stock exchanges, but also several voluntary practices aims at a superior level of business ethics, effective supervision and enhancement of shareholder's value.

2. BOARD OF DIRECTORS

Composition of the Board

The Board of Directors of the Company consists of four Members.

During the year under review, six Board Meetings were held on :-
30th April 2002, 31st July 2002, 12th August 2002, 27th September 2002, 31st October 2002 and 31st January 2003.

Constitution of Board of Directors as on 31st March 2003 and related informations:

Director	Category/ Date of Appointment	No. of Board Meetings Attended	Attendance At the AGM Held on 27/09/02	No. of Outside Directorship(*)	No. of Outside Committee(s) On which Member Chairman
S.C. Jain	Non-Executive Promoter/ 27/09/2002	6	N. A.	NI	NI
Sanjay Jain	Executive 16/07/1989	6	Yes	1	1
R.L. Tiwari	Non-Executive Independent/ 02.12.1997	5	Yes	NI	NI
Rakesh Doodeja	Non-Executive Independent 21/05/2001	5	Yes	NI	NI

Excluding Directorship in Private, Foreign Companies and Companies which are granted license under section 25 of the Companies Act 1956.

3. COMMITTEES OF THE BOARD

(a) AUDIT COMMITTEE

The role and the functions of the Audit Committee are as per the guidelines set out in the listing agreement with the stock exchanges and as per Companies Act 1956. The Committee acts as a link between the statutory auditors and the Board of Directors.

The responsibility of the Audit Committee include the overseeing of the financial reporting process to ensure fairness, adequate disclosures and credibility of financial statements, recommendation of appointment and removal of statutory auditors, review of the adequacy of internal control systems.

Composition

The Audit Committee comprised three non-executive independent directors. There were 5 meetings of the Committee during the year.

The details of composition of the Committee, dates, and attendance at its meetings are given below:

Date of meeting:

30th April 2002, 31st July 2002, 12th August 2002, 31st October 2002 and 31st January 2003.

The attendance during the current year is as under:

Members	Meetings Attended
S.C. Jain	4
Rakesh Doodeja	5
R.L. Tiwari	3

(b) SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

The Share Transfer & Investors Grievance Committee consists of two directors - Mr. S.C. Jain and Mr. Sanjay Jain and is chaired by Mr. S.C. Jain.

The function and powers of the committee include approval and rejection of transfer and transmission of Shares, issue of duplicate certificates, review and redress of Shareholders and investor complaints relating to transfer of shares, non-receipt of dividends and non-receipt of Annual Report etc.

