



**21ST  
ANNUAL REPORT  
2007-08**

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**MOONGIPA CAPITAL FINANCE LIMITED**

**ENDURING VALUES. NEW AGE THINKING**



MOONGIPA CAPITAL FINANCE LIMITED

**BOARD OF DIRECTORS**

1. SH. SANJAY JAIN
2. SH. SANJEEV JAIN
3. SH. SHYAM SHARMA
4. SH. VIKAS SHARMA

**AUDITORS**

M/S SAXENA & SAXENA  
Chartered Accountants  
New Delhi - 110 005

**REGISTERED OFFICE**

18/14, W.E.A. Pusa Lane,  
Karol Bagh  
New Delhi - 110 005

**SHARE TRANSFER AGENT**

M/S SKY LINE FINANCIAL SERVICES PVT. LTD.  
123, Vinoba Puri, Lajpat Nagar-II  
New Delhi - 110 024

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**CONTENTS****PAGE NO.**

a	Notice	2
a	Director's Report	2-3
a	Corporate Governance Report	3-5
a	Auditor's Report	5-6
a	Balance Sheet	7
a	Profit & Loss Account	7
a	Schedules	7-11
a	Balance Sheet Abstract	11
a	Cash Flow Statement	12



## MOONGIPA CAPITAL FINANCE LIMITED

### NOTICE

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the members of MOONGIPA CAPITAL FINANCE LIMITED will be held on Thursday, the 25<sup>th</sup> September, 2008 at 11.00 A.M. at Gupta Farms, Alipur Road, Village Holambi, Delhi - 110 036 to transact the following business.

#### ORDINARY BUSINESS

1. To receive, consider, and adopt Balance Sheet as at 31st March 2008 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 Sh. Shyam Sharma, 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

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

*Resolved that subject to the provisions of the companies Act, 1956, Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, listing agreement, SEBI (Delisting of Securities) Guidelines, 2003, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, the Board of directors of the company be and is hereby authorised to seek voluntarily delisting of its securities from The Delhi Stock Exchange Association Ltd & Ahmedabad Stock Exchange Ltd stock exchanges.*

*Resolved Further that the securities of the company shall continue to be listed on the stock exchange having nation wide trading terminals viz The Bombay Stock Exchange Ltd. and therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the company.*

*Resolved further that the Board of directors of the company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution.*

By order of the Board

Place : New Delhi  
Date : 07-08-2008

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. CONSENT OF 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. The relevant Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item no 4 the Notice set about above, is annexed hereto.
3. 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
4. Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
5. The Register of Members shall remain closed from 19th September to 25th September, 2008. (Both days inclusive)
6. Shareholders seeking any information and having any query with regard to accounts are requested to write the company early to enable the Management to keep the information ready.
7. Details of Directors seeking re-appointment in the ensuing Annual General Meeting pursuant to Clause 49 of the Listing agreement.

Name of the Director	Mr. Shyam Sharma
Age	25
Qualification	Matriculation
Profile/Expertise in Specific functional	Expert in Finance, Administration,
List of other Companies in which Directorship held as on 31-3-2008	Nil
Chairman/Member of the Committees of the Board of Companies in which he is a Director as on 31-03-2008	Nil
Share holding as on 31st March 2008	2.10%

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

#### ITEM 4

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchange. As per clause 5.2 of SEBI (Delisting of Securities) Guidelines, 2003. An exit opportunity to the shareholders need not be given where securities of the company remain listed on the stock exchange having nation wide trading terminal, i.e., The Bombay Stock Exchange Ltd. and any other stock exchange that may be specified by SEBI in this regard.

At present the equity shares of the company are listed at Bombay Stock Exchange Ltd., The Delhi Stock Exchange Association Ltd. and Ahmedabad Stock Exchange Ltd. Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from The Delhi Stock Exchange Association Ltd. and Ahmedabad Stock Exchange Ltd. as proposed in the special resolution. The securities of the company shall continue to be listed on The Bombay Stock Exchange Ltd.

The Board recommends the resolution for approval of members.

None of the directors is, in way, concerned or interested in the said resolution.

By order of the Board

Place : New Delhi  
Date : 07-08-2008

Sanjay Jain  
Director

#### DIRECTORS' REPORT

To the members,

Your directors have the pleasure in presenting the 21<sup>st</sup> Annual Report together with Audited Statement of Accounts of your Company for the year ended 31 March 2008.

#### FINANCIAL RESULTS

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

	(RS. In Lacs)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
Gross Income	63.09	54.82
Less : Interest & Finance Charges	0.16	0.11
Less : Personnel & Admn. Charges	35.61	33.74
Less : Loss on sale of assets	0.00	1.55
Less: Depreciation	3.89	2.65
Less: Provision for Substandard Assets	0.00	0.00
Less : Provision for Taxes	7.67	6.51
Net Profit/(Loss) for the year	15.75	10.26

#### DIVIDEND

Since with a view to conserve the resources the Directors have not recommended any dividend for the year ended 31.03.2008.



## MOONGIPA CAPITAL FINANCE LIMITED

### PERFORMANCE REVIEW

During the year under review, revenue account shows Profit of Rs. 15.75 lacs as compared to Rs. 10.28 lacs during previous year. Directors are hopeful to earn more revenue in current year.

### RBI PRUDENTIAL NORMS

Your Company continues to comply with all the guidelines issued by Reserve Bank of India, to the extent as applicable with the Company.

### 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 2008 your company has not accepted any deposits under section 58A of the Companies Act 1956.

### DIRECTOR

Mr. Shyam Sharma, director of your company, retires by rotation and being eligible offers himself for reappointment.

### DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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 and of the profit of the company for that period.
- iii) 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;
- iv) 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: 07-08-2008

Chairman

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Industry Trends and Business Analysis

The activities of Finance and investment Companies in India have undergone qualitative changes over the years. They have become prominent in a wide range of activities. By now, their role as effective financial intermediaries has been well recognized as they have inherent ability to take inherent decisions, assume greater risks, apply innovative marketing strategies and customize their products and services according to the needs of the clients. In order to have a healthy financial and investment sectors in a country like ours, there has to be a sustainable marriage between the primary lending institutions (Banks and FIs) and the intermediaries so that both of them stick to their core competencies and not to compete with other unnecessarily.

#### 2. Opportunities, Treats & Outlook

As the demand for financial services is a derived demand, developments in the 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 effect of altered economic policies and international developments.

#### 3. Risk and Concerns

There are a lot of uncertainties on the interest front in the economy and there is the likelihood of the hardening of interest and the said situation may create a lot of turmoil in the market.

#### 4. Internal control system and their adequacy

The company has adequate internal control systems commensurate with the size of the business duly supplemented with an internal audit to ensure against any unauthorized use or disposition of assets.

The internal controls are periodically reviewed by the Audit Committee to ensure their adequacy and effectiveness.

#### 5. Human Resources

Your Company has required manpower to manage its activities keeping in view its emphasis on cost reduction. The Company recognizes the importance of human resources in achieving success in its commercial pursuits and follows a good man management policy.

#### 6. Cautionary statement

Statements in this "Management Discussion and Analysis Report" describing the Company objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and India demand supply conditions, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, and economic developments within India.

### CORPORATE GOVERNANCE REPORT - 2007-08

#### 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.