



24<sup>TH</sup>

# ANNUAL REPORT

2010-11



**MOONGIPA CAPITAL FINANCE LIMITED**

**ENDURING VALUES NEW AGE THINKING**



## MOONGIPA CAPITAL FINANCE LIMITED

### BOARD OF DIRECTORS

1. SH. SANJAY JAIN
2. SH. SHYAM SHARMA
3. SH. SANJEEV JAIN
4. SH. MOHD. NASIR
5. SH. RAKESH RAM

### AUDITORS

M/S SAXENA & SAXENA  
Chartered Accountants  
New Delhi - 110 001

### 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.  
D-153/A, 1st Floor Okhla Industrial Area, Phase-I  
New Delhi-110020

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## MOONGIPA CAPITAL FINANCE LIMITED

### NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of MOONGIPA CAPITAL FINANCE LIMITED will be held on Thursday, the 14<sup>th</sup> July, 2011 at 10.00 A.M. at Gupta Farms, Alipur Road, Village Holiambi, Delhi – 110 036 to transact the following business.

#### ORDINARY BUSINESS

- 1 To Receive, Consider, and Adopt Balance Sheet as at 31<sup>st</sup> March 2011 and Profit & Loss Account for the year ended on that date and Audited Report of the Board of Directors and auditors thereon.
- 2 To appoint director in place of Sh. Mohd. Nasir, 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.

By order of the Board

Place : New Delhi

(Sanjay Jain)

Date : 30-05-2011

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. All documents referred to in the accompanying Notice 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 07<sup>th</sup> July to 14<sup>th</sup> July, 2011. (Both days inclusive)
5. 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.
6. Members are requested to bring their own copies of Annual Report; no spare copies will be available at the venue of meeting.
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. Mohd. Nasir
Age	24
Qualification	U. Graduate
Profile/Expertise in Specific functional	Experience in Automobile & Consumer Finance
List of other Companies in which Directorship held as on 31-3-2011	Nil
Chairman/Member of the Committees of the Board of Companies in which he is a Director as on 31-03-2011.	Nil
Share holding as on 31 <sup>st</sup> March, 2011	Nil

By order of the Board

Place : New Delhi

(Sanjay Jain)

Date : 30-05-2011

Director

### DIRECTORS' REPORT

To the members,

Your directors have the pleasure in presenting the 24<sup>th</sup> Annual Report together with Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March 2011.

### FINANCIAL RESULTS

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

	(Rs. In Lacs)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
Gross Income	42.08	45.25
Less : Interest & Finance Charges	0.19	0.34
Less : Personnel & Admn. Charges	36.63	38.49
Less : Loss on sale of Shares/Mutual Fund	2.67	0.00
Less : Depreciation	1.76	1.75
Less: Provision for Substandard Assets	0.00	8.27
Less: Provision for Standard Assets	0.40	0.00
Add : Provision no longer required	2.27	0.00
Less : Provision for Taxes	1.47	2.05
Net Profit/(Loss) for the year	1.23	(5.65)

### DIVIDEND

Since with a view to conserve the resources the Directors have not recommended any dividend for the year ended 31.03.2011.

### PERFORMANCE REVIEW

During the year under review, revenue account shows Profit of Rs. 1.23 lacs as against the loss of Rs. 5.65 lacs in the last financial 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 to the Company.

### BUSINESS PROSPECTS

As the demand for financial services is a derived demand, developments in economic conditions 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 2011 your company has not accepted any deposits under section 58A of the Companies Act 1956.

### DIRECTOR

Mr. Mohd. Nasir, 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:

- 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 and of the profit & loss of the company for that 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.

### VOLUNTARY DELISTING

Voluntary delisting of securities under SEBI (Delisting of Equity Shares) Regulation 2009, in compliance to clause 7 (1) (d) of above SEBI (Delisting of Shares) Regulations 2009.

Thus Companies equity shares have been delisted from the Delhi Stock Exchange Ltd. W.E.F. 15.12.2010 & delisted from the Ahmedabad Stock Exchange Ltd. W.E.F. 30.11.2010.



## 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 certificate pursuant to Section 224(1) (B) of the Companies Act 1956 have been obtained from the Auditors.

### AUDITORS REPORT

The company has only few employees and the provision for gratuity has been made on the estimated basis but not on actuarial valuation as required by AS-15 on employee benefits.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory & therefore do not call for any further comments.

### 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: 30/05/2011

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, Threats & 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.

## CEO AND CFO CERTIFICATION

We, Sanjay Jain and Shyam Sharma, Directors, responsible for the finance function certify that:

- We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2011 and to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2011 are fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- There has not been any significant change in internal control over financial reporting during the year under reference,
  - There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

New Delhi,  
30-05-2011

Sanjay Jain  
Director

Shyam Sharma  
Whole-Time Director

## CORPORATE GOVERNANCE REPORT – 2010-11

### 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 aimed 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.