



25TH

ANNUAL REPORT

2011-12



MOONGIPA CAPITAL FINANCE LIMITED



MOONGIPA CAPITAL FINANCE LIMITED

BOARD OF DIRECTORS

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

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 25th Annual General Meeting of the members of MOONGIPA CAPITAL FINANCE LIMITED will be held on Thursday, the 19th July, 2012 at 10.00 A.M. at C-81, Sector-1, Bawana, Delhi-110038 to transact the following business.

ORDINARY BUSINESS

- To Receive, Consider, and Adopt Balance Sheet as at 31st March 2012 and Profit & Loss Account for the year ended on that date and alongwith Report of the Board of Directors and Auditors thereon.
- To appoint director in place of Sh. Shyam Sharma, who retires by rotation and being eligible offers himself for re-appointment
- To appoint the Statutory Auditors of the company, and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to section 198, 269, 309 read with schedule XIII and all other applicable provisions, if any, of the companies Act 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, consent of the company, be and is hereby accorded for increase in remuneration of Mr. Shyam Sharma, Whole-Time Director of the company from existing Rs. 12,000/- per month to Rs.15,000/- per month effective from 1st August, 2012 as set out in the explanatory statement to resolution with liberty to the Board of Directors (herein after referred to as "Board" which term shall be deemed to include the Remuneration committee constituted by the Board) to alter and vary the said remuneration in such from and manner or with such modification as the Board may deem fit and agreed to by Mr. Shyam Sharma. The Board has also decided to increase the remuneration @ 10% per year from the effective date.

RESOLVED FURTHER THAT the Board of Director be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.

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

Resolved that pursuant to the provision of Section 314 and other applicable provisions if any of the Companies Act 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, consent of the company be and is hereby accorded for increase in remuneration of Mrs. Pooja Jain, a relative of Mr. Sanjay Jain, Director of the company to hold an office or place of profit in the Company from existing Rs.15,000/- per month to Rs. 18,000/- per month effective from 1st August, 2012 as set out in the explanatory statement to resolution with liberty to the Board of Directors (herein after referred to as "Board" which term shall be deemed to include the Remuneration committee constituted by the Board) to alter and vary the said remuneration in such from and manner or with such modification as the Board may deem fit and agreed to by Mrs. Pooja Jain. The Board has also decided to increase the remuneration @ 10% per year from the effective date.

RESOLVED FURTHER THAT the Board of Director be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.

By order of the Board

(Sanjay Jain)
Director

Place : New Delhi
Date : 24-05-2012

NOTES :

- 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.
- 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

ing days between 11.00 A.M. to 1.00 P.M. before the date of Annual General Meeting

- Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
- The Register of Members shall remain closed from 16th July to 19th July, 2012. (Both days inclusive)
- 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.
- Members are requested to bring their own copies of Annual Report; no spare copies will be available at the venue of meeting.
- 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	29
Qualification	Matriculation
Profile/Expertise in Specific functional	Expert in Finance, administration
List of other Companies in which Directorship held as on 31-3-2012	Nil
Chairman/Member of the Committees of the Board of Companies in which he is a Director as on 31-03-2012.	Nil
Share holding as on 31 st March, 2012	2.84%

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

ITEM 4

Mr. Shyam Sharma was reappointed as Director of the Company for a period of five years with effect from 1st August, 2012. Since with the increase in volume of business the workload of Mr. Shyam Sharma has considerably increased, the Remuneration Committee reviewed his remuneration to the Board of Directors the increase in remuneration from Rs. 12,000/- per month to Rs. 15,000/- per month w.e.f. 1st August, 2012. The Board has accordingly decided to increase the remuneration of Mr. Shyam Sharma as recommended by the Remuneration Committee subject to approval of the member of the company.

Minimum Remuneration

In absence or inadequacy of profits in any financial year, the remuneration as set out above may be paid as the minimum remuneration to Mr. Shyam Sharma.

Pursuant to the provisions of Section 269 read with Schedule XIII of the companies Act 1956, the approval of the members is required to be obtained for increase in remuneration of Mr. Shyam Sharma w.e.f. 01/08/2012 as proposed in the resolution.

The Board recommends the resolution for the approval of the members.

Mr. Shyam Sharma may be deemed to be concerned or interested in the resolution.

ITEM 5

Mrs. Pooja Jain is a Post Graduate. She is good in administration and looking after the Human resources also. The remuneration committee reviewed her remuneration and recommended to the Board of Directors to increase the remuneration from Rs. 15,000/- per month to Rs. 18,000/- per month w.e.f. 1st August, 2012. None of the directors except Mr. Sanjay Jain being relative of her is interested in this resolution.

By order of the Board

(Sanjay Jain)
Director

Place : New Delhi
Date : 24-05-2012



MOONGIPA CAPITAL FINANCE LIMITED

DIRECTORS' REPORT

To the members,

Your directors have the pleasure in presenting the 25th Annual Report together with Audited Statement of Accounts of your Company for the year ended 31st March 2012.

FINANCIAL RESULTS

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

	(Rs. in Lacs)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
Gross income	46.72	42.08
Less : Interest & Finance Charges	1.03	0.19
Less : Personnel & Admn.Charges	43.50	36.63
Less : Loss on sale of Shares/Mutual Fund	0.00	2.67
Less: Depreciation	1.45	1.76
Less: Provision for Standard Assets	0.00	0.40
Add : Provision no longer required	0.00	2.27
Less : Provision for Taxes	0.23	1.47
Net Profit/(Loss) for the year	0.50	1.23

DIVIDEND

Since with a view to conserve the resources the Directors have not recommended any dividend for the year ended 31.03.2012.

PERFORMANCE REVIEW

During the year under review, revenue account shows Profit of Rs. 0.50 lacs as against the profit of Rs. 1.23 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 2012 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:

- 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.

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 basis 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: 24/05/2012

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, 2012 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, 2012 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
24-05-2012

Sanjay Jain
Director

Shyam Sharma
Whole-Time Director

CORPORATE GOVERNANCE REPORT – 2011-12

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 May 2011, 28th July 2011, 20th October 2011, 21st October 2011, 09th January 2012 and 30th January 2012.

The composition of Board of Directors during the year 2011-12 and related information:

Director	Category/ Date of Appointment	No. of Board Meetings Attended	Attendance At the AGM Held on 14/07/2011	No. of Outside Directorship(*)	No. of Outside Committee(s) On which Member Chairman
Sanjay Jain	Executive/ 16/07/1989	06	Yes	1	1
Shyam Sharma	Executive 28/08/2004	06	Yes	Nil	Nil
Sanjeev Jain	Non-Executive/Independent 12/12/2005	05	No	Nil	Nil
Mohd. Nasir	Non-Executive/Independent 29/09/2009	03	No	Nil	Nil

- 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 one executive & two non-executive independent directors. There were 4 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 May 2011, 28th July 2011, 20th October 2011 and 30th January 2012.

The attendance during the current year is as under:

Name of Members	Categories of Directorship	Meetings Attended
Mohd. Nasir	Member	2
Sanjeev Jain	Chairman	4
Shyam Sharma	Member	4