



25<sup>TH</sup>

**ANNUAL  
REPORT**

2011-12



**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 25<sup>th</sup> Annual General Meeting of the members of MOONGIPA CAPITAL FINANCE LIMITED will be held on Thursday, the 19<sup>th</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 work-

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 16<sup>th</sup> July to 19<sup>th</sup> 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 <sup>st</sup> 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 1<sup>st</sup> 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. 1<sup>st</sup> 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. 1<sup>st</sup> 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

**DIRECTORS' REPORT**

To the members,

Your directors have the pleasure in presenting the 25<sup>th</sup> Annual Report together with Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> 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:

- 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 & loss 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 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

Chairman

Date: 24/05/2012

**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:

- a) 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:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) 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.
- b) 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.
- c) 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.
- d) i) There has not been any significant change in internal control over financial reporting during the year under reference;
- ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- iii) 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:-

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

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

Director	Category/ Date of Ap- pointment	No. of Board Meetings Attended	Atten- dance At the AGM Held on 14/07/2011	No. of Outside Direc- tor- ship(*)	No. of Out- side 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-Ex- ecutive/In- dependent 12/12/2005	05	No	Nil	Nil
Mohd. Nasir	Non-Ex- ecutive/In- dependent 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:

30<sup>th</sup> May 2011, 28<sup>th</sup> July 2011, 20<sup>th</sup> October 2011 and 30<sup>th</sup> 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



# MOONGIPA CAPITAL FINANCE LIMITED

## (b) SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

The Share Transfer & Investors Grievance Committee consists of two directors – Mr. Sanjay Jain and Mr. Shyam Sharma and is chaired by Mr. Sanjay 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.

*Committee meets twice in the year.*

**Name and designation of Compliance Officer:**

Mr. Sanjay Jain, Director

Investor's service:

No. of Complaints / Correspondence received during the year ended March 31, 2012: Nil

No. of Complaints resolved to the Satisfaction of shareholders during the year: Nil

No. of pending Share transfers as on 31<sup>st</sup> March 2012 Nil

## (C) REMUNERATION AND COMPENSATION COMMITTEE

Remuneration Committee consists of two directors – Mr. Sanjay Jain and Mr. Sanjeev Jain is chaired by Mr. Sanjay Jain

The functions of the Remuneration Committee include recommendation of appointments to the Board, evaluation of the performance of the staff and also remuneration to the staff.

*Committee meets once in the year.*

## 4. DISCLOSURES

a) There are no materially significant transactions made by the Company with its promoters, directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

b) No penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

## 5. MEANS OF COMMUNICATION

The Board of Directors of the Company approved and has taken on record the unaudited financial results within one month of close of quarter / half year and has communicated these and annual results to all the Stock Exchanges where the shares of the Company are listed and also published the same in the Dainik Mahalaxmi Bhagyodaya.

## 6. GENERAL SHAREHOLDER INFORMATION

25<sup>th</sup> Annual General Meeting

Date 19<sup>th</sup> July, 2012  
Time 10.00 A.M.  
Venue C-81, Sector-1, Bawana, Delhi-110038.

### FINANCIAL CALANDER: APRIL 2012 TO MARCH 2013

First Quarter results Last week of July 2012  
Half Yearly Results Last week of October 2012  
Third Quarter results Last week of January 2013  
Results for the year  
Ending March 2013 Last week of May 2013  
Dates of Book Closure 18<sup>th</sup> July to 19<sup>th</sup> July, 2012. (Both days inclusive)

## 7. SHARE DETAILS

Listed at: Bombay Stock Exchange Ltd.

Stock Code:

Stock Exchange Stock Code  
BSE 530167

8. **Market Price Data:** The High and Low prices of the shares of the company at Bombay Stock Exchange Ltd., (BSE) for the year ended March 31, 2012 is as under.

Month	High (Rs.)	Low (Rs.)
April, 2011	–	–
May, 2011	34.85	34.85
June, 2011	–	–
July, 2011	33.15	31.50
August, 2011	29.95	23.30
September, 2011	22.15	20.00
October, 2011	19.05	14.11
November, 2011	13.40	8.50
December, 2011	8.08	3.80
January, 2012	5.05	4.18
February, 2012	5.83	5.30
March, 2012	7.79	6.12

9. **Share Transfer System:** Share Transfer Committee meets and approves share transfers. Sky Line Financial Services Pvt. Ltd, Company's Registrar & Share Transfer Agents process these transfers. Share transfers are registered and returned within 30 days from the date of lodgment if documents are complete in all respect.

## 10. Registrar and Transfer Agents:

M/S Sky Line Financial Services Pvt. Ltd,  
D-153/A, 1<sup>st</sup> Floor, Okhla industrial Area,  
Phase – I, New Delhi-110020.

## 11. Distribution of the shareholding as on 31<sup>st</sup> March 2012

Range	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
1–5000	3019	82.76	562407	18.41
5001–10000	284	7.79	239100	7.83
10001–20000	128	3.51	204300	6.69
20001–30000	114	3.13	281393	9.21
30001–40000	13	0.36	47000	1.54
40001–50000	48	1.32	224800	7.36
50001–100000	20	0.55	148600	4.88
100001 and above	22	0.60	1347200	44.10
<b>Total</b>	<b>3648</b>	<b>100.00</b>	<b>3054800</b>	<b>100.00</b>

## 12. Categories of Shareholders as on 31<sup>st</sup> March 2012.

Category	No. of Shares Held	% of Shareholding
Promoters	1039250	34.02
Others (Individuals/ Corporate Bodies)	2015550	65.98

## 13. Location and time of General Meetings held in last three years

Year	AGM/EGM	Location	Date	Time
2010–11	AGM	Gupta Farms Village Hollambi	14/07/2011	10.00 A.M
2009–10	AGM	Gupta Farms Village Hollambi	15/09/2010	10.00 A.M.
2008–09	AGM	Gupta Farms Village Hollambi	29/09/2009	11.00 A.M

## 14. ADDRESS FOR CORRESPONDENCE

Registered Office: 18/14, W.E.A., Pusa Lane, Karol Bagh, New Delhi-110005

For & On behalf of the Board

Place: New Delhi

Date 24-05-2012

Chairman



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

We have examined the compliance of conditions of corporate governance by Moongipa Capital Finance Limited for the year ended on 31<sup>st</sup> March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Saxena & Saxena  
Chartered Accountants  
(Firm Regn. No. 006103N)

Place: New Delhi  
Date: 24-05-2012

D.K. Saxena  
Partner  
M. No.82118

**AUDITORS' REPORT**

**TO THE MEMBERS OF MOONGIPA CAPITAL FINANCE LIMITED**

1. We have audited the attached Balance Sheet of Moongipa Capital Finance Ltd. as at March 31, 2012 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Sub Section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph (3) above, we report that: -
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 except AS-15 on Employee Benefits as the company has provided the liability of gratuity on estimated basis in place of actuarial valuation.
  - (e) On the basis of the written representations received from the Directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on

March 31, 2012 from being appointed as a director, in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
  - (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date, and
  - (iii) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date

For Saxena & Saxena  
Chartered Accountants  
(Firm Regn. No. 006103N)

Place: New Delhi  
Date: 24-05-2012

D.K. Saxena  
Partner  
M. No.82118

**Annexure to the Auditors' Report of even date to the members of Moongipa Capital Finance Ltd. for the Financial Year 2011-2012**  
**Referred to in paragraph 3 of our Report of even date**

- (i) a) he Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) The fixed assets disposed off by the company are not substantial affecting going concern assumption.
- (ii) The Company is in the business of financing and hence it does not hold any inventory of finished goods, stores, raw materials. Hence clause (ii) of Para 4 of the order is not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not taken or granted any loans during the year to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanations given to us, during the year the company has not entered into any transaction in pursuance of contracts or arrangements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (viii) The Company is in the business of financing therefore maintenance of Cost Records under Section 209 (1)(d) of the Companies Act, 1956 is not applicable.
- (ix) (a) According to the records, information and explanations provided to us, the company is generally regular in depositing with appropriate authorities undisputed amount of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at March 31, 2012 for a period of more than six month from the date they became payable.
  - (b) As per the information and explanations given to us there are no disputed statutory dues.



## MOONGIPA CAPITAL FINANCE LIMITED

- (x) The company does not have any accumulated losses at the end of the financial year and the company has not incurred any cash losses during the financial year covered by our audit, however it has incurred cash losses in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) The company does not have any term loans, therefore clause 4(xvi) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on overall examination of the Balances Sheet of the Company, we are of the opinion that the Company has not utilized any amount from short term sources towards long-term investment.
- (xviii) According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures. Therefore clause (xix) of the order is not applicable to the Company.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Saxena & Saxena  
Chartered Accountants  
(Firm Regn. No. 006103N)

Place: New Delhi  
Date: 24-05-2012

D,K. Saxena  
Partner  
M. No.82118



# MOONGIPA CAPITAL FINANCE LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	30,548,000.00	30,548,000.00
(b) Reserves and surplus	4	5,446,756.76	5,396,515.29
		<u>35,994,756.76</u>	<u>35,944,515.29</u>
<b>Non Current liabilities</b>			
(a) Long-Term Provisions		4,509.00	4,509.00
<b>2 Current liabilities</b>			
(a) Short-term borrowings	5	4,188,437.15	728,372.90
(b) Other current liabilities	6	28,090.00	60,470.00
(c) Short-term provisions	7	77,714.00	106,323.00
		<u>4,294,241.15</u>	<u>895,165.90</u>
<b>TOTAL</b>		<u>40,293,506.91</u>	<u>36,844,190.19</u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
<b>(a) Fixed assets</b>			
Tangible assets	8.A	486,749.00	588,639.00
(b) Non-current investments	9	8,909,243.00	8,945,359.00
(c) Deferred tax Asset (Net)		46,575.00	-
(c) Long-term loans and advances	10	1,803,625.00	1,803,625.00
		<u>11,246,192.00</u>	<u>11,337,623.00</u>
<b>2 Current assets</b>			
(a) Trade receivables	11	17,085,654.00	14,332,490.00
(b) Cash and cash equivalents	12	10,642,781.91	10,594,068.91
(c) Short-term loans and advances	13	44,214.00	169,052.00
(d) Other current assets	14	1,274,665.00	410,956.28
		<u>29,047,314.91</u>	<u>25,506,567.19</u>
<b>TOTAL</b>		<u>40,293,506.91</u>	<u>36,844,190.19</u>

Notes 1 to 22 are integral part of the financial statements

As per our report of even date attached.

For Saxena & Saxena Chartered Accountants (Firm Regn No 006103N) For and on behalf of the Board of Directors

CA. D.K. Saxena Partner (Mem No. 082118) Sanjay Jain Director Shyam Kumar Sharma Whole-Time Director

Place : New Delhi Date : 24.05.2012

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
1 Revenue from operations	15	3,572,515.00	3,189,262.55
2 Other income	16	1,099,070.05	1,019,020.24
3 Total revenue (1+2)		<u>4,671,585.05</u>	<u>4,208,282.79</u>
<b>4 Expenses</b>			
(d) Employee benefits expense	17	2,578,651.00	2,505,023.00
(e) Finance costs	18	102,939.00	9,391.00
(f) Depreciation and amortisation expense	8.C	145,190.00	175,405.00
(g) Other expenses	19	1,770,981.08	1,475,089.00
Total expenses		<u>4,597,761.08</u>	<u>4,164,908.00</u>
5 Profit/(Loss) before exceptional and extraordinary items and tax (3-4)		73,823.97	43,374.79
6 Exceptional items	20	-	226,554.00
7 Profit/(Loss) before extraordinary items and tax (5 + 6)		73,823.97	269,928.79
8 Extraordinary items		-	-
9 Profit/(Loss) before tax (7 + 8)		73,823.97	269,928.79
<b>10 Tax expense:</b>			
(a) Current tax expense		70,157.00	122,287.00
(b) Deferred tax		-46,575.00	24,767.00
		<u>23,582.00</u>	<u>147,054.00</u>
11 Profit/(Loss) for the year (9 + 10)		<u>50,241.97</u>	<u>122,874.79</u>
<b>12 Earnings per share (of 10/- each):</b>			
(a) Basic		0.02	0.04
(b) Diluted		0.02	0.04

Notes 1 to 22 are integral part of the financial statements

As per our report of even date attached.

For Saxena & Saxena Chartered Accountants (Firm Regn No 006103N)

For and on behalf of the Board of Directors

CA. D.K. Saxena Partner (Mem No. 082118)

Sanjay Jain Director

Shyam Kumar Sharma Whole-Time Director

Place : New Delhi Date : 24.05.2012



# MOONGIPA CAPITAL FINANCE LIMITED

## Notes forming part of the financial statements

### Note 3 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹ Rs.	Number of shares	₹ Rs.
(a) Authorised Equity shares of Rs. 10 each with voting rights	4,000,000	40,000,000.00	4,000,000	40,000,000.00
(b) Issued, Subscribed and fully paid up Equity shares of Rs. 10 each with voting rights	3,054,800	30,548,000.00	3,054,800	30,548,000.00
<b>Total</b>	<b>3,054,800</b>	<b>30,548,000.00</b>	<b>3,054,800</b>	<b>30,548,000.00</b>

Refer Notes (i) to (ii) below

#### Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Con- ver- sion	Buy back	Other chang- es (give details)	Closing Balance
Equity shares with voting rights								
-Number of shares	3,054,800	-	-	-	-	-	-	3,054,800
-Amount (Rs.)	30,548,000.00	-	-	-	-	-	-	30,548,000.00
Year ended 31 March, 2011								
-Number of shares	3,054,800	-	-	-	-	-	-	3,054,800
-Amount (Rs.)	30,548,000.00	-	-	-	-	-	-	30,548,000.00

class of shares/ name of share- holder	As at 31 March, 2012		As at 31 March, 2011	
	Number of share held	% holding in that class of shares	number of shares held	% holding in that class of shares
Sanjay Jain	257450	8.43%	257450	8.43%

### Note 4 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	5,396,514.79	5,273,640.00
Add: Profit / (Loss) for the year	50,241.97	122,874.79
Closing balance	5,446,756.76	5,396,514.79
<b>Total</b>	<b>5,446,756.76</b>	<b>5,396,514.79</b>

### Note 6 Fixed assets

A.	Tangible assets	Gross block									
		Balance as at 1 April, 2011	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Re- valuation increase	Effect of foreign currency exchange differences	Borrowing cost capi- talised	Other adjust- ments	Balance as at 31 March, 2012
	(a) Furniture and Fixtures	162,463.00	6,000.00	-	-	-	-	-	-	-	168,463.00
	(b) Vehicles	1,339,750.00	-	-	-	-	-	-	-	-	1,339,750.00
	(c) Computers	417,716.00	-	-	-	-	-	-	-	-	417,716.00
	(d) Office equip- ment	345,430.00	37,300.00	-	-	-	-	-	-	-	382,730.00
	<b>Total</b>	<b>2,265,359.00</b>	<b>43,300.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,308,659.00</b>
	Previous year	3,705,926.00	380,150.00	1,820,717.00	-	-	-	-	-	-	2,285,359.00

### Note 5 Short-term borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Loans repayable on demand		
From banks		
Unsecured	4,188,437.15	728,372.90
<b>Total</b>	<b>4,188,437.15</b>	<b>728,372.90</b>

#### Notes:

(i) Details of unsecured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2012	As at 31 March, 2011
Loans repayable on demand			
from banks:			
Karur Vysya Bank Ltd.	N.A.	3,618,752.79	-
J&K Bank Ltd		-	728,372.90
Lakshmi Vilas Bank Ltd.		569,684.36	-
<b>Total</b>		<b>4,188,437.15</b>	<b>728,372.90</b>

### Note 6 Other current liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
Audit Fees Payable	28,090.00	27,575.00
Other Expenses Payable	-	32,895.00
<b>Total</b>	<b>28,090.00</b>	<b>60,470.00</b>

### Note 7 Short-term provisions

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision for employee benefits:		
Provision for gratuity (ad-hoc)	35,000.00	30,000.00
(b) Provision for Income Tax	-	40,492.00
(c) Provision for Standard Assets	42,714.00	35,831.00
Assets	42,714.00	76,323.00
<b>Total</b>	<b>77,714.00</b>	<b>106,323.00</b>



MOONGIPA CAPITAL FINANCE LIMITED

Note 8 Fixed assets (contd.)

A	Tangible assets	Accumulated depreciation and impairment							Net block		
		Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	(a) Furniture and Fixtures	154,422.00	1,764.00	-	-	-	-	-	156,186.00	12,277.00	8,041.00
	(b) Vehicles	986,833.00	96,548.00	-	-	-	-	-	1,063,381.00	276,369.00	372,917.00
	(c) Computers	363,477.00	21,696.00	-	-	-	-	-	385,173.00	32,543.00	54,239.00
	(d) Office equipment	191,988.00	25,182.00	-	-	-	-	-	217,170.00	165,560.00	153,442.00
	<b>Total</b>	<b>1,676,720.00</b>	<b>145,190.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,821,910.00</b>	<b>486,749.00</b>	<b>588,639.00</b>
	<b>Previous year</b>	<b>2,987,040.00</b>	<b>175,405.00</b>	<b>1,485,725.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,876,720.00</b>	<b>588,639.00</b>	<b>718,886.00</b>

B.	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Depreciation and amortisation for the year on tangible assets as per Note	1,821,910.00	1,676,720.00
	Depreciation and amortisation for the year on Intangible assets	-	-
	Less: Utilised from revaluation reserve	-	-
	Depreciation and amortisation relating to discontinuing operations	-	-
	Depreciation and amortisation relating to continuing operations	1,821,910.00	1,676,720.00

Note 9 Non-current investments

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
A. Investments (At cost):						
Trade	-	-	-	-	-	-
<b>Total - Trade (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
B. Other investments						
Investment in equity instruments	-	-	-	-	-	-
Moongipa Securities Limited						
8,16,300 Equity Shares Of Rs. 10/- Each Fully Paid Up	8,173,472.00	-	8,173,472.00	8,173,472.00	-	8,173,472.00
Smc Global Securities Ltd						
3,900 Equity Shares Of Rs. 10/- Each Fully Paid Up	39,000.00	-	39,000.00	39,000.00	-	39,000.00
Noida Toll Bridge Co. Ltd.						
10,009 Equity Shares Of Rs. 10/- Each Fully Paid Up	384,991.00	-	384,991.00	384,991.00	-	384,991.00
Gtn Industries Ltd.						
10,009 Equity Shares Of Rs. 10/- Each Fully Paid Up	168,010.00	-	168,010.00	168,010.00	-	168,010.00
Ang Auto Ltd.						
3,009 Equity Shares Of Rs. 10/- Each Fully Paid Up	143,770.00	-	143,770.00	143,770.00	-	143,770.00
Arvind Mills Ltd.						
1,009 Equity Shares Of Rs. 10/- Each Fully Paid Up	-	-	-	36,116.00	-	36,116.00
<b>Total - Other investments (B)</b>	<b>8,909,243.00</b>	<b>-</b>	<b>8,909,243.00</b>	<b>8,945,359.00</b>	<b>-</b>	<b>8,945,359.00</b>
<b>Total (A+B)</b>	<b>8,909,243.00</b>	<b>-</b>	<b>8,909,243.00</b>	<b>8,945,359.00</b>	<b>-</b>	<b>8,945,359.00</b>
Less: Provision for diminution in value of investments			-			-
<b>Total</b>			<b>8,909,243.00</b>			<b>8,945,359.00</b>
Aggregate amount of quoted investments			<b>8,909,243.00</b>			<b>8,945,359.00</b>



**Note 10 Long-term loans and advances**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(i) Loans and Advances recoverable in Cash or kind		
Unsecured, considered good	1,803,625.00	1,803,625.00
<b>Total</b>	<b>1,803,625.00</b>	<b>1,803,625.00</b>

**Note 11 Trade receivables**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	15,040,566.00	12,225,664.00
Doubtful	822,657.00	705,742.00
Less: Provision for doubtful trade receivables	822,657.00	705,742.00
	15,040,566.00	12,225,664.00
Other Trade Receivables		
Unsecured, considered good	2,045,088.00	2,106,826.00
	2,045,088.00	2,106,826.00
<b>Total</b>	<b>17,085,654.00</b>	<b>14,332,490.00</b>

**Note 12 Cash and cash equivalents**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Cash in hand	109,401.00	101,538.00
(b) Balances with banks		
(i) In current accounts	68,380.91	63,835.91
(iii) In deposit accounts (Refer Note (i) below)	10,465,000.00	10,428,695.00
<b>Total</b>	<b>10,642,781.91</b>	<b>10,594,068.91</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	177,781.91	165,373.91
Notes:		
(i) Balances with banks include deposits amounting to 10,465,000.00 (As at 31 March, 2011 10,428,695.00) which have an original maturity of more than 12 months.		

**Note 13 Short-term loans and advances**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Income Tax / TDS		
Unsecured, considered good	44,214.00	169,052.00
Less: Provision for other doubtful loans and advances	-	-
	44,214.00	169,052.00
<b>Total</b>	<b>44,214.00</b>	<b>169,052.00</b>

**Note 14 Other current assets**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Interest accrued on deposits	1,274,665.00	410,956.28
<b>Total</b>	<b>1,274,665.00</b>	<b>410,956.28</b>

**Note 15 Revenue from operations**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(a) Interest income (Refer Note (i) below)	3,572,515.00	3,057,760.55
(b) Hypothecation Charges	-	131,502.00
<b>Total</b>	<b>3,572,515.00</b>	<b>3,189,262.55</b>

Note	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(i)	Interest income		
	Interest on consumer loans	3,336,379.00	2,787,798.55
	Interest on other loans	236,136.00	269,962.00
	<b>Total - Interest Income</b>	<b>3,572,515.00</b>	<b>3,057,760.55</b>

**Note 16 Other income**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(a) Rent Received	-	128,000.00
(b) Profit On Sale Of Shares	48,576.56	-
(c) Interest On F.D.R	1,027,744.56	695,153.28
(d) Dividend income	5,005.00	6,055.00
(e) Interest On Income Tax Refund	10,228.00	11,429.00
(f) Profit On Sale Of Fixed Assets	-	8,118.00
(g) Profit On Sale Of Mutual Funds	7,515.93	170,264.96
<b>Total</b>	<b>1,099,070.05</b>	<b>1,019,020.24</b>

**Note 17 Employee benefits expense**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Salaries and wages	2,436,215.00	2,442,807.00
Provision for Gratuity	5,000.00	-
Staff welfare expenses	137,436.00	62,216.00
<b>Total</b>	<b>2,578,651.00</b>	<b>2,505,023.00</b>

**Note 18 Finance costs**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Bank interest on Short term borrowings	102,939.00	9,391.00
<b>Total</b>	<b>102,939.00</b>	<b>9,391.00</b>

**Note 19 Other expenses**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Rates and taxes	26,733.00	26,733.00
Communication	17,230.00	26,839.00
Travelling and conveyance	172,922.00	123,163.00
Insurance - Vehicle	13,498.00	23,998.00
Printing and stationery	138,631.00	170,746.00
Business promotion	161,158.00	111,806.00
Legal and professional	132,354.00	264,190.00
Payments to auditors (Refer Note (i) below)	28,090.00	27,575.00
Bad trade and other receivables, loans and advances written off	233,217.00	-
Car running and maintenance	139,043.00	52,260.00
Loss on sale of shares	-	267,238.00
Provision for doubtful trade and other receivables	123,798.00	40,340.00
Sundry repairs and maintenance	384,506.00	167,221.00
Miscellaneous expenses	199,801.08	173,180.00
<b>Total</b>	<b>1,770,981.08</b>	<b>1,475,089.00</b>



Notes:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	28,090.00	27,575.00
For taxation matters	-	-
For company law matters	-	-
For management services	-	-
For other services	-	-
Reimbursement of expenses	-	-
<b>Total</b>	<b>28,090.00</b>	<b>27,575.00</b>

Note 20 Exceptional items

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Provisions no longer required written back	-	226,554.00
<b>Total</b>	<b>-</b>	<b>226,554.00</b>

**SCHEDULES FORMING PART OF ACCOUNTS AS ON 31.03.2012**

**SCHEDULE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

1. The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and they comply with the relevant provisions of the Companies Act, 1956 and the Accounting Standards verified under the Companies Act 1956. The Company follows the directions prescribed by the Reserve bank of India for Non Banking Financial Companies.

**2. INCOME RECOGNITION**

Revenue is being recognized in accordance with the generally accepted accounting principles in India on accrual basis. Accordingly, wherever there are uncertainties in the realization of income, the same is not accounted for till such time the uncertainty is resolved. Subject to the above, specific incomes have been accounted for as under:

- (i) Lease rental are accounted for on accrual basis
- (ii) Interest on loans & advances and income from service charges are accounted for on accrual basis except on NPA accounts where income has been realized on realization basis as per RBI guidelines.
- (iii) Dividends are accounted for as and when received.

**3. FIXED ASSETS & DEPRECIATION**

- (i) Leased out assets are stated at cost less depreciation. Depreciation on plant & machinery is provided as per straight line method and on other leased assets as per written down value method at the rates and in the manner specified in schedule XVI of the Companies Act, 1956.
- (ii) Assets other than leased out assets are also stated at cost less depreciation. Depreciation on these assets has been calculated in the same manner as stated above for leased out assets.
- (iii) The leased assets whose lease period expired during the year have been written off.

**4. INVESTMENTS**

Investments are stated at cost. Profit /Loss on sale of long term investments is provided at the time of Sale / transfer of Investments. Any diminution in the value other than temporary is recognized in the accounts.

**5. NON PERFORMING ASSETS**

Income recognition, assets classification, and provisioning in respect of non-performing assets have been done in accordance of RBI directives.

**6. RETIREMENT BENEFIT**

- a) Leave encashment benefit are charged to Profit & Loss Account on each year on the basis of actual payment made to employee. There are no rules for carried forward leave.

- b) The Company has only few employees and the provision for gratuity has been made on the estimated basis as per the payment of Gratuity Act, 1971 but not on actuarial valuation.

**7. ACCOUNTING FOR TAXES ON INCOME**

- 1. Tax expenses comprise Income Tax & Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the Tax authorities in accordance with the provisions of Income Tax Act 1961.
- 2. The Deferred Tax resulting from timing difference between book and taxable profit is accounted for using tax rates and tax law that have been enacted or subsequently enacted as at the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent there is reasonable certainty that the asset will be realized in the future.

**8. IMPAIRMENT OF ASSETS**

The carrying amount of assets is reviewed at each balance sheet date to ascertain impairment based on internal/ external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets' net selling price and value in use.

**9. CONTINGENT LIABILITIES**

Contingent Liabilities are not provided and are disclosed in notes to the accounts

**NOTES TO THE ACCOUNTS**

- 1. Contingent liability not provided for- Rs. Nil (Previous Year - Rs. Nil)
- 2. Claim against the company not acknowledged as debts- Nil (Previous Year - Rs. Nil)
- 3. Estimated amount of contract remaining to be executed on capital accounts- Nil (Previous Year - Rs. Nil)

**4. AUDITORS REMUNERATION**

S. NO.	PARTICULARS	YEAR ENDED 31.03.2012 (Rs.)	YEAR ENDED 31.03.2011 (Rs.)
1	AUDIT FEES	28,090.00	27,575.00
2	OTHER SERVICES	-	-
	<b>TOTAL</b>	<b>28,090.00</b>	<b>27,575.00</b>

- 5. Remuneration to Directors 1,44,000/- 1,20,000/-
- 6. Earning and Expenditure in foreign currency Nil Nil
- 7. Balances grouped under loans & advances and current liabilities are subject to confirmation.
- 8. The company does not owe any amount to micro small and medium enterprises.
- 9. The shares of Moongipa Securities Ltd and SMC Global Securities Ltd. being held by the company has not been traded during the year, as such the market value of such investment as on 31-03-2012 is not available.
- 10. The Company is involved in the business of financing activity only as such there is only one reportable segment. Further the Company is operating in India only. Therefore the reporting requirements as prescribed under AS-17 are not applicable to the company.
- 11. Deferred Tax Assets / (Liabilities):

Particulars	Deferred Tax at 01.04.11	Current Year Credit/(Change)	Deferred tax at 31.03.12
Depreciation & Gratuity Provisions	-	(48,575)	48,575

**12. Earning Per Share:**

S. No.	Particulars	Current Year	Previous Year
a)	Net Profit available for Equity Share Holders		
	Net Profit after tax available for Equity Share Holders	50,242	122,875
b)	Calculation of Weighted Average No. of Equity Share @ 10/- each.	30,54,800	30,54,800
c)	Basic & Diluted Earning Per Share	0.02	0.04



13. Related Party Disclosure

Name	Nature of Relationship
Moongipa Securities Ltd	Enterprise over which key management personnel is able to exercise significant influence.

Transaction during the year NIL (Previous year Rs.NIL)

14. Disclosure as required under AS-29 for provisions:

Particulars	Opening Balance	Provided	Paid	Provision	Closing Balance
Income Tax	40,492	70,157	1,10,649	-	-
Provision for Gratuity	30,000	5,000	-	-	35,000
Provision for NPA	7,05,742	1,16,915	-	-	8,22,657
Provision for Standard assets	40,340	6,883	-	-	47,223

15. The amounts have been rounded off to the nearest rupee.

16. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For SAXENA & SAXENA  
Chartered Accountants  
(Firm Regn. No.006103N)

For and on behalf of the Board

D.K. Saxena  
Partner  
M.NO. 82118

Sanjay Jain                      Shyam Sharma  
Director                              Whole-Time Director

Place : New Delhi  
Dated : 24/05/2012

SCHEDULE

As required in terms of Paragraph 9BB of NBFC Prudential Norms (Reserve Bank) Directions, 1998

(Rs. in Lakhs)

Particulars	Amount	
	Outstanding	Overdue
<b>Liabilities side:</b>		
1 Loans and advances availed by the NBFCa		
a Debentures : Secured	-	-
Unsecured (other than falling within the meaning of public deposits)	-	-
b Deferred Credits	-	-
c Term Loans	-	-
d Inter-corporate loans and borrowings	-	-
e Commercial paper	-	-
f Public Deposits	-	-
g Other loans (specify nature) Lease Deposits	-	-
h Bank Borrowing	41.88	-
2 Break-up of 1 (f) above (Outstanding public deposits)		
a In the form of Unsecured debentures	-	-
b In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
c Other public deposits	-	-

(Rs. in Lakhs)

Particulars	Amount	
	Outstanding	
<b>Assets side:</b>		
3 Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :		
a Secured	-	-
b Unsecured (including Advance for Business Assets)	-	189.57
4 Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL / HP activities :		
(i) Lease assets including lease rentals under sundry debtors		
a Financial lease	-	-
b Operating Lease	-	-
(ii) Net Stock on hire including hire charges under sundry debtors		
a Assets on hire	-	-
b Repossessed Assets	-	-
(iii) hypothecation loans counting towards EL / HP activities :		
a Loans where assets have been repossessed	-	-
b Loans other than (a) above	-	7.55

(Rs. in Lakhs)

Particulars	Cost		Market Value
5 Break-up of Investments :			
Current Investments:			
1 Quoted:	-	-	-
2 Unquoted:			
(i) Preference Shares	-	-	-
(ii) Units of mutual funds	-	-	-
Long term Investments:			
1 Quoted:			
(i) Equity Shares	89.09	86.04	-
(ii) Debentures and Bonds	-	-	-
(iii) Government Securities	-	-	-
2 Unquoted:			
(i) Equity Shares	-	-	-
(ii) Government Securities	-	-	-
(iii) Units of mutual funds	-	-	-
<b>Total</b>	<b>89.09</b>	<b>86.04</b>	



\*Unquoted investments disclosed at break up / fair value / NAV

6 Borrower group-wise classification of all assets, stock-on-hire and loans and advances :

Category	Amount net of provisions		
	Secured	Unsecured	Total
1 Related Parties **			
a Subsidiaries	-	-	-
b Companies in the same group	-	-	-
c Other related parties	-	-	-
2 Other than related parties	7.55	189.57	197.12
Total	7.55	189.57	197.12

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

(Rs. in Lakhs)

Category	Market Value Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties **		
a Subsidiaries	-	-
b Companies in the same group	81.83	81.73
c Other related parties	-	-
2 Other than related parties	4.41	7.36
Total	86.04	89.09

\*\* As per Accounting Standard

8 Other Information

(Rs. in Lakhs)

Particulars	Amount
(i) Gross Non-Performing Assets	
a Related Parties	-
b Other than related parties	8.30
(ii) Net Non-Performing Assets	
a Related Parties	-
b Other than related parties	-
(iii) Assets acquired in satisfaction of debt (during the year)	-

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE AS AT 31ST MARCH 2012

I. Registration Details

Registration No. : 28689

State code : 055

Balance Sheet Date: 31 Month : 03 Year : 2012

II. Capital Raised during the year (Rs.)

Public Issue : NIL

Right Issue : NIL

Bonus Issue : NIL

Private Placement : NIL

III. Position of mobilisation & deployment of funds (Amounts in Rs. Thousands)

Total Liabilities : 40294

Total Assets : 40294

Sources of Funds

Paid up capital : 30548

Reserves & Surplus : 5447

Secured Loans : NIL

Current Liabilities : 4294

Non Current Liabilities : 5

Application of Funds

Net Fixed Asset : 487

Non-Current Assets : 10713

Current Asset : 29047

Misc. Expenditure : NIL

Accumulated Loss: NIL

Deferred Tax Assets : 47

IV. Performance of Company (Amounts in Rs. Thousands)

Turnover/Income: 4672

Total Expenditure : 4598

Profit Before Tax: 74

Profit After Tax : 50

Earning per share : 0.02

Dividend : NIL

V. Generic Names of Principal Products of the Company

(As per Monetary terms)

Item Code No (ITC Code)	:	Not Applicable
Product Description	:	Finance, Hypothecation
Item Code No. (ITC Code)	:	Not Applicable
Product Description	:	Investment Banking
Item Code No (ITC Code)	:	Not Applicable
Product Description	:	Advisory services



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		73,823.97		269,928.79
Adjustments for:				
Depreciation written off during the year	145,190.00		175,405.00	
Finance costs	102,939.00		9,391.00	
Interest income	(1,037,972.50)		(706,582.00)	
Dividend Income	(5,005.00)		(6,055.00)	
Provision for Gratuity	5,000.00		5,000.00	
(Profit)/Loss on sale of fixed assets	0.00		(8,118.00)	
(Profit)/Loss on sale of investments	(56,092.49)	(845,940.99)	96,973.00	(433,986.00)
Operating profit / (loss) before working capital changes		(772,117.02)		(164,057.21)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Other Current Asset	0.00		100,000.00	
Trade Receivables	(2,753,164.00)		(4,444,987.00)	
Adjustments for increase / (decrease) in operating liabilities:				
Other current liabilities	(25,497.00)	(2,778,661.00)	(223,841.00)	(4,568,828.00)
Cash generated from operations		(3,550,778.02)		(4,732,885.21)
Net income tax (paid) / refunds		24,417.00		58,084.21
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(3,526,361.02)</b>		<b>(4,674,801.00)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(43,300.00)		(380,150.00)	
Sale of Fixed Assets	0.00		343,110.00	
Purchase of Investments / FDR	(36,305.00)		(2,928,695.00)	
Net Proceeds of Short Term Investments	7,515.93		0.00	
Proceeds from sale of long-term investments	84,892.00		5,686,952.00	
Dividend Received	5,005.00		6,055.00	
Interest received	164,035.84	181,643.77	1,183,667.00	3,910,939.00
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>181,643.77</b>		<b>3,910,939.00</b>
<b>C. Cash flow from financing activities</b>				
Interest on short term borrowings	(102,939.00)		(9,391.00)	
Increase / (Decrease) in bank borrowings	3,460,064.25	3,357,125.25	728,373.00	718,982.00
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>3,357,125.25</b>		<b>718,982.00</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>12,408.00</b>		<b>(44,879.00)</b>
Cash and cash equivalents at the beginning of the year		165,373.91		210,253.00
<b>Cash and cash equivalents at the end of the year</b>		<b>177,781.91</b>		<b>165,374.00</b>
Reconciliation of Cash and cash equivalents with the Balance Sheet:				

**MOONGIPA CAPITAL FINANCE LIMITED**

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		10,642,781.91		10,594,069.00
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		10,465,000.00		10,428,695.00
<b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19</b>		<b>177,781.91</b>		<b>165,374.00</b>
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		0.00		0.00
<b>Cash and cash equivalents at the end of the year *</b>		<b>177,781.91</b>		<b>165,374.00</b>
* Comprises:				
(a) Cash in hand		109,401.00		101,538.00
(b) Cheques, drafts on hand		0.00		0.00
(c) Balances with banks				
(i) In current accounts		68,380.91		63,836.00
(ii) in EEFC accounts		0.00		0.00
(iii) In deposit accounts with original maturity of less than 3 months		0.00		0.00
(iv) In earmarked accounts		0.00		0.00
(d) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)		0.00		0.00

Notes 1 to 22 are integral part of the financial statements

As per our report of even date attached.

For Saxena & Saxena  
Chartered Accountants  
(Firm Regn No 006103N)

For and on behalf of the Board of Directors

CA. D.K. Saxena  
Partner  
(Mem No. 082118)

(Sanjay Jain)  
Director

(Shyam Kumar Sharma)  
Whole-Time Director

Place : New Delhi  
Date : 24.05.2012



MOONGIPA CAPITAL FINANCE LIMITED

**MOONGIPA CAPITAL FINANCE LIMITED**

Regd. Office: 18/14, W.E.A. Pusa Lane, Karol Bagh, New Delhi – 110005

**PROXY FORM**

I/We ..... of ..... in the District of ..... being a member/members of Moongipa Capital Finance Limited Company, hereby appoint ..... Miss/Mrs./Mr. .... of ..... in the District of the ..... as my/our proxy to vote for me/us on my/our behalf at the **25th Annual General Meeting** of the company to be held on Thursday, the 19th July, 2012 at 10.00 A.M. and at any adjournment thereof. Signed this ..... day of ..... 2012

- NOTE:**
1. If a member is unable to attend the meeting he/she may sign this form and send it to the Registered Office of the Company so as to reach at least 48 hours before the time for holding the meeting.
  2. In view of the directive of Ministry of Finance, Government of India no gifts or coupons would be given to the shareholders for attending the Annual General Meeting.
  3. The copy of Annual Report may please be brought to the meeting.

**MOONGIPA CAPITAL FINANCE LIMITED**

Regd. Office: 18/14, W.E.A. Pusa Lane, Karol Bagh, New Delhi – 110005

**ATTENDANCE SLIP**

TO BE HANDED AT THE ENTRANCE OF THE MEETING VENUE

Name and Address of Member	Folio No.
	No. of Shares Held

I hereby record my presence at the **25th Annual General Meeting** held at C-81, Sector-1, Bawana, Delhi – 110038 on Thursday 19th July 2012.

Signature of the Member/Proxy