



23<sup>RD</sup>

**ANNUAL  
REPORT**

**CERTIFIED TRUE COPY**

2009-10



**MOONGIPA CAPITAL FINANCE LIMITED**

**ENDURING VALUES NEW AGE THINKING**



**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 - 110 005

**REGISTERED OFFICE**

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

**SHARE TRANSFER AGENT**

M/S SKY LINE FINANCIAL SERVICES PVT. LTD.  
246, 1st Floor, Sant Nagar, East of Kailash,  
New Delhi-110065

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**NOTICE**

Notice is hereby given that the 23rd Annual General Meeting of the members of MOONGIPA CAPITAL FINANCE LIMITED will be held on Wednesday, the 15th September, 2010 at 10.00 A.M. at Gupta Farms, Allpur Road, Village Hollambi, Delhi – 110 036 to transact the following business.

**ORDINARY BUSINESS**

- To receive, consider, and adopt Balance Sheet as at 31st March 2010 and Profit & Loss Account for the year ended on that date and Report of the board of Directors and auditors thereon.
- To appoint director in place of Sh. Sanjeev Jain, 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, Director of the company from existing Rs. 8,000/- per month to Rs.12,000/- per month effective from 1st October, 2010 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 form and manner or with such modification as the Board may deem fit and agreed to by Mr. Shyam Sharma.

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 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. 12,000/- per month to Rs.15,000/- per month effective from 1st October, 2010 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 form and manner or with such modification as the Board may deem fit and agreed to by Mrs. Pooja Jain.

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

Place : New Delhi  
Date : 22-07- 2010

Sanjay Jain  
Director

**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.

- The relevant Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item no 4 the Notice set about above, is annexed hereto.
- All documents referred to in the accompanying Notice & Explanatory Statement are open for inspection at the Registered office of the company during the office hours on all working days between 11.00 A.M. to 1.00 P.M. before the date of Annual General Meeting
- Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
- The Register of Members shall remain closed from 13<sup>th</sup> September to 15th September, 2010. (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.
- 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. Sanjeev Jain
Age	32
Qualification	B.Com, L.L.B, A.C.S
Profile/Expertise in Specific functional	Corporate Planning, H.R.D. and legal matters
List of other Companies in which Directorship held as on 31-03-2010	Nil
Chairman/Member of the Committees of the Board of Companies in which he is a Director as on 31-03-2010	Nil
Share holding as on 31st March, 2010	Nil

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

**ITEM 4**

Mr. Shyam Sharma is being reappointed as Whole Time Director of the Company for a period of five years with effect from 1st October, 2010. Since with the increase in volume of business the workload of Mr. Shyam Sharma has considerably increased, the Remuneration Committee reviewed his remuneration and recommended to the Board of Directors to increase the remuneration from Rs. 8,000/- per month to Rs. 12,000/- per month w.e.f. 1st October, 2010. 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. 01/10/2010 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. 12,000/- per month to Rs. 15,000/- per month w.e.f. 1st October, 2010. None of the directors except Mr. Sanjay Jain being relative of her is interested in this resolution.

By order of the Board

Place : New Delhi  
Date : 22-07- 2010

Sanjay Jain  
Director

**DIRECTORS' REPORT**

To the members,

Your directors have the pleasure in presenting the 23<sup>rd</sup> Annual Report together with Audited Statement of Accounts of your Company for the year ended 31 March 2010.

**FINANCIAL RESULTS**

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

	(RS. in Lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Gross Income	45.25	51.48
Less : Interest & Finance Charges	0.34	0.35
Less : Personnel & Admn. Charges	39.49	41.09
Less : Loss on sale of Shares/Mutual Fund	0.00	8.86
Less: Depreciation	1.75	2.66
Less: Provision for Substandard Assets	8.27	1.05
Less : Provision for Taxes	2.05	15.48
Less: Prior Period Items	0.00	1.52
Net Profit/(Loss) for the year	(5.65)	(19.32)

**DIVIDEND**

Since with a view to conserve the resources the Directors have not recommended any dividend for the year ended 31.03.2010.

**PERFORMANCE REVIEW**

The financial year 2009-10 began on a positive note with the economies world over showing signs of recovery from the serious recessionary effects which had crippled it for greater part of financial year 2008-09 with each sector of the economy getting seriously affected. During the year under review, the Company has incurred a loss of Rs. 5.65 lakhs as against the loss of Rs. 19.32 in the last financial year. However the directors are confident that the company shall revive back, considering the present market conditions and economic revival of the country.

The overall risks to the outlook however remain slated to the downside. There are also looming concerns over a second round of convulsion in the advanced economies. If this was to happen, the recovery process is bound to be impacted.

**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 2010 your company has not accepted any deposits under section 58A of the Companies Act 1956.

**DIRECTOR**

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

Mr. Rakesh Ram has resigned from the Board of Directors. The Board expresses deep gratitude and appreciation for the co-operation and contribution extended by him during his tenure as director of the Company.

**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.

**TRADING IN EQUITY SHARES OF OUR COMPANY**

The Company equity shares are being traded at Bombay Stock Exchange Ltd., Mumbai (BSE) W.e.f. July 06, 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 certificates pursuant to Section 224(1)(B) of the Companies Act 1956 have been obtained from the Auditors.

**AUDITORS REPORT**

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/outflow.

**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

Chairman

Place: New Delhi

Date: 22/07/2010

**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 duty 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, 2010 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 law and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2010 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,  
22-07-2010

Sanjay Jain  
Director

Shyam Sharma  
Director

**CORPORATE GOVERNANCE REPORT – 2009-10**

**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 five Members. During the year under review, Nine Board Meetings were held on:-

30th April 2009, 08th July 2009, 31st July 2009, 06th August 2009, 31st October 2009, 28th December 2009, 31st January 2010, 03rd February 2010 and 29th March 2010.

The composition of Board of Directors during the year 2009-10 and related Informations:

Director	Category/ Date of Appointment	No. of Board Meetings Attended	Attendance At the AGM Held on 29/09/09	No. of Outside Directorship(*)	No. of Outside Committee(s) On which Member Chairman
Sanjay Jain	Promoter / Executive / 16/07/1989	9	Yes	1	1
Shyam Sharma	Executive Independent / 28/06/2004	9	Yes	NII	NII
Sanjeev Jain	Non-Executive/ Independent / 12/12/2005	8	Yes	NII	NII
Mohd. Nasir	Non-Executive/ Independent / 29/09/2009	4	Yes	NII	NII
Rakesh Ram	Non-Executive/ Independent / 29/09/2009	4	Yes	NII	NII

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

\* Retired on 22-07-2010

**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 5 meetings of the Committee during the year.

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

**Date of meeting:**

30<sup>th</sup> April 2009, 31<sup>st</sup> July 2009, 06<sup>th</sup> August 2009, 31<sup>st</sup> October 2009 and 30<sup>th</sup> January 2010.

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	5

**(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:



# MOONGIPA CAPITAL FINANCE LIMITED

No. of Complaints / Correspondence received during the year ended March 31, 2010:	Nil
No. of Complaints resolved to the Satisfaction of shareholders during the year:	Nil
No. of pending Share transfers as on 31st March 2010	Nil

## (C) REMUNERATION AND COMPENSATION COMMITTEE

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

23rd Annual General Meeting

Date 15th September 2010  
Time 10.00 A.M.  
Venue Gupta Farms, Alipur Road, Village Hollambi, Delhi-110036.

## FINANCIAL CALENDER: APRIL 2010 TO MARCH 2011

First Quarter results Last week of July 2010  
Half Yearly Results Last week of October 2010  
Third Quarter results Last week of January 2011  
*Results for the year*  
Ending March 2011 Last week of April 2011  
Dates of Book Closure 13<sup>th</sup> September to 15<sup>th</sup> September 2010. (Both days inclusive)

## 7. SHARE DETAILS

Listed at : The Stock Exchange, Mumbai, Delhi and Ahmedabad.

Stock Code:

Stock Exchange	Stock Code
BSE	530167
DSE	7894
ASE	37969

8. **Market Price Data:** During April 2009 to March 2010 the data were not available as there were no trading of shares in the Delhi Stock Exchange, Bombay Stock Exchange and Ahmedabad Stock Exchange. The last traded price was Rs. 7.50.

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,  
246, 1st Floor, Sant Nagar, East of Kailash,  
New Delhi-110065.

## 11. Distribution of the shareholding as on 31<sup>st</sup> March 2010

Range	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
1-500	3059	82.36	570300	18.87
501-1000	292	7.86	246900	8.08
1001-2000	135	3.64	214500	7.02
2001-3000	116	3.12	285900	9.36
3001-4000	12	0.32	43100	1.41
4001-5000	46	1.24	216600	7.09
5001-10000	23	0.62	174950	5.73
10001 and above	31	0.84	1302550	42.84
<b>Total</b>	<b>3714</b>	<b>100.00</b>	<b>3054800</b>	<b>100.00</b>

## 12. Categories of Shareholders as on 31<sup>st</sup> March 2010.

Category	No. of Shares Held	% of Share holding
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
2008-09	AGM	Gupta Farms Village Hollambi	29/09/2009	11.00 A.M
2007-08	AGM	Gupta Farms Village Hollambi	25/09/2008	11.00 A.M.
2006-07	AGM	Gupta Farms Village Hollambi	28/09/2007	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

Chairman

Place: New Delhi  
Date 22-07-2010

## 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, 2010 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 the conditions of corporate governance as stipulated in the above mentioned Listing Agreement except the company has not created any website for hosting of code of conduct.

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)

D.K. Saxena  
(Partner)  
M. No. 82118

Place: New Delhi  
Date: 20 July 2010



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, 2010 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 provides 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 not provided the liability of gratuity since no employee has put in the qualified period of service.
  - (e) On the basis of the written representations received from the Directors, as on March 31, 2010, 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, 2010 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, 2010;
    - (ii) In the case of the Profit and Loss Account, of the loss 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)

D.K. Saxena  
(Partner)  
M. No. 82118

Place: New Delhi  
Date: 20 July 2010

Annexure to the Auditors' Report of even date to the members of  
Moongipa Capital Finance Ltd. for the Financial Year 2009-2010  
Referred to in paragraph 3 of our Report of even date

- (i) (a) The 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) In our opinion and according to the information and explanation given to us the company has not disposed off a substantial part of its fixed assets during the year.

- (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 undeposited 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 undeposited amounts payable were outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.  
(b) As per the information and explanations given to us there are no disputed statutory dues.
- (x) The company does not have any accumulated losses at the end of the financial year. The company has incurred cash losses during the financial year covered by our audit however it has not 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) There were no term loans outstanding at the beginning of the year.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance 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)

D.K. Saxena  
(Partner)  
M. No. 82118

Place: New Delhi  
Date: 20 July 2010



# MOONGIPA CAPITAL FINANCE LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE	AS AT 31-03-2010 (Rs.)	AS AT 31-03-2009 (Rs.)	
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUNDS</b>			
SHARE CAPITAL	I	30,548,000	30,548,000
RESERVES & SURPLUS	II	5,273,640	5,838,735
		<u>35,821,640</u>	<u>36,386,735</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	III	3,705,926	3,705,926
LESS: DEPRECIATION		2,887,040	2,812,552
NET BLOCK		<u>718,886</u>	<u>893,374</u>
INVESTMENTS	IV	14,729,284	9,487,805
DEFERRED TAX (ASSETS)		24,767	12,624
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
FINANCIAL ASSETS	V	12,583,084	18,541,277
CASH AND BANK BALANCES	VI	8,609,723	7,201,038
LOANS AND ADVANCES	VII	397,503	475,877
		<u>21,590,310</u>	<u>26,218,192</u>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
CURRENT LIABILITIES	VIII	284,311	118,490
PROVISIONS		957,296	106,770
		<u>1,241,607</u>	<u>225,260</u>
NETT CURRENT ASSETS		<u>20,348,703</u>	<u>25,992,932</u>
TOTAL		<u>3,58,21,640</u>	<u>36,386,735</u>
Significant Accounting Policies and Notes to the Accounts	XIV		

As per our report of even date attached  
For Saxena & Saxena  
Chartered Accountants

D.K. Saxena  
Partner  
M. NO. 82118  
Place : New Delhi  
Date : 20-07-2010

For and on behalf of the Board

Sanjay Jain  
Director  
Shyam Sharma  
Director

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

SCHEDULE	YEAR ENDED 31-03-2010 (Rs.)	YEAR ENDED 31-03-2009 (Rs.)	
<b>INCOME</b>			
INCOME FROM OPERATIONS	IX	2,928,306	4,783,929
OTHER INCOME	X	1,596,348	363,715
	(A)	<u>4,524,654</u>	<u>5,147,644</u>
<b>EXPENDITURE</b>			
INTEREST & FINANCE CHARGES	XI	34,296	34,609
PERSONNEL EXPENSES	XII	2,349,073	2,440,751
ADMINISTRATIVE AND OTHER EXPENSES	XIII	1,500,243	1,668,740
LOSS ON SALE OF SHARES/MUTUAL FUND		-	865,520
DEPRECIATION		174,489	266,044
PROVISION FOR NON PERFORMING SHARES		826,847	105,449
	(B)	<u>4,884,948</u>	<u>5,381,113</u>
PROFIT/(LOSS) BEFORE TAXATION (A-B)		(360,294)	(233,469)
PRIOR PERIOD ITEMS		-	152,209
PROFIT/(LOSS) BEFORE TAXATION		(360,294)	(385,678)
<b>LESS: PROVISION FOR TAXES</b>			
CURRENT TAX		67,252	237,164
FRINGE BENEFIT TAX		-	42,321
DEFERRED TAX EARLIER YEARS		12,143	1,269,946
		<u>149,693</u>	<u>6,567</u>
PROFIT/(LOSS) AFTER TAXATION		<u>(509,946)</u>	<u>(1,931,678)</u>
Add: Profit Brought Forward From Previous Year		5,838,735	7,770,411
BALANCE CARRIED TO BALANCE SHEET		<u>5,273,640</u>	<u>5,838,735</u>
BASIC & DILUTED EARNING PER SHARE		(0.16)	(0.63)
Significant Accounting Policies and Notes to the Accounts	XIV		

As per our report of even date attached  
For Saxena & Saxena  
Chartered Accountants

D.K. Saxena  
Partner  
M. NO. 82118  
Place : New Delhi  
Date : 20-07-2010

For and on behalf of the Board

Sanjay Jain  
Director  
Shyam Sharma  
Director

### SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31-03-2010 (Rs.)	AS AT 31-03-2009 (Rs.)
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
40,00,000 Equity Shares of Rs. 10/-each.	40,000,000	40,000,000
<b>ISSUED SUBSCRIBED AND PAID UP</b>		
30,54,800 Equity Shares of Rs. 10/- each fully paid up.	30,548,000	30,548,000
	<u>30,548,000</u>	<u>30,548,000</u>

### SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31-03-2010 (Rs.)	AS AT 31-03-2009 (Rs.)
<b>SCHEDULE - II</b>		
<b>RESERVES &amp; SURPLUS</b>		
Profit & Loss A/C	5,273,640	5,838,735
	<u>5,273,640</u>	<u>5,838,735</u>


**MOONGIPA CAPITAL FINANCE LIMITED**
**SCHEDULE-III**
**SCHEDULE OF FIXED ASSETS**

FIXED ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS AT 01.04.2009	ADD. DURING THE YEAR	DEL. DURING THE YEAR	AS AT 31.03.2010	AS AT 01.04.2009	PRO. DURING THE YEAR	W.D.V DURING THE YEAR	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
OTHER ASSETS										
LAND & BUILDING	161860			161860					161860	161860
COMPUTERS	855374			855374	700872	61801		762673	62701	154602
FURNITURE & FIXTURE	748490			748490	703183	8204		711387	37123	45327
PLANT & MACHINERY	213485			213485	147339	10141		157480	56015	66156
VEHICLES	1232500			1232500	965625	63942		1049487	183033	246975
OFFICE EQUIPMENTS	494207	-		494207	275662	30401		308053	188154	218565
TOTAL	3785926	0	0	3785926	2612551	174489	0	2987040	718886	893375
PREVIOUS YEAR	4905218	64700	1263990	3705826	3645271	268044	1096763	2612552	893374	1259645

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	AS AT 31-03-2010 (Rs.)	AS AT 31-03-2009 (Rs.)
<b>SCHEDULE - IV</b>		
<b>INVESTMENT (LONG TERM)</b>		
<b>INVESTMENT IN SHARES</b>		
<b>LONG TERM INVESTMENTS (QUOTED)</b>		
MOONGIPA SECURITIES LIMITED 8,16,300 Equity Shares of Rs. 10/- Each Fully Paid Up	8,173,472	8,173,472
SMC GLOBAL SECURITIES LTD 3,900 Equity Shares of Rs. 10/- Each Fully Paid Up	39,000	39,000
NOIDA TOLL BRIDGE CO. LTD. 10,009 Equity Shares	384,991	-
GTN INDUSTRIES LTD. 10,009 Equity Shares	168,010	-
ANG AUTO LTD. 3,009 Equity Shares	143,770	-
ARVIND MILLS LTD. 1,009 Equity Shares	36,116	-
<b>INVESTMENT IN MUTUAL FUND (LONG TERM UNQUOTED)</b>		
KOTAK SECURITIES LIMITED-II RELIANCE LIQUID FUND. (UNITS: 323565.125)	5,783,925	1,225,449 49,884
	<u>14,729,284</u>	<u>9,487,805</u>
<b>SCHEDULE - V</b>		
<b>FINANCIAL ASSETS</b>		
ASSETS FINANCED	2,510,986	1,054,489
CONSUMER LOANS	8,268,473	14,001,391
OTHER LOANS	1,803,625	3,485,397
	<u>12,583,084</u>	<u>18,541,277</u>
<b>SCHEDULE - VI</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in Hand	158,639	231,068
<b>BALANCE WITH SCHEDULED BANKS:</b>		
IN CURRENT ACCOUNTS	51,614	312,729
IN FIXED DEPOSIT ACCOUNTS	7,500,000	6,500,000
INTEREST ACCRUED ON FDR'S	899,470	157,241
	<u>8,609,723</u>	<u>7,204,038</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	AS AT 31-03-2010 (Rs.)	AS AT 31-03-2009 (Rs.)
<b>SCHEDULE - VII</b>		
<b>LOANS AND ADVANCES (Unsecured, considered good)</b>		
INCOME TAX (APPEAL) T.D.S. (FY 2009-2010)	-	149,693 97,733
INCOME TAX REFUND (A. Year 2009-10)	128,451	128,451
SECURITY DEPOSIT	100,000	100,000
INCOME TAX REFUND (A. Year 2010-2011)	169,052	-
	<u>397,503</u>	<u>476,877</u>
<b>SCHEDULE-VIII</b>		
<b>CURRENT LIABILITIES</b>		
EXPENSES PAYABLE	252,311	88,490
RENT SECURITY	32,000	30,000
	<u>284,311</u>	<u>118,490</u>
<b>PROVISIONS</b>		
PROVISION FOR FRINGE BENEFIT TAX (NET OF ADVANCE TAX)	-	1,321
PROVISION FOR GRATUITY	25,000	-
PROVISION FOR NON PERFORMING ASSETS	932,296	105,449
	<u>957,296</u>	<u>106,770</u>
<b>SCHEDULE - IX</b>		
<b>INCOME</b>		
HYPOTHECATION CHARGES	733,664	867,672
INTEREST ON CONSUMER LOANS	1,948,757	3,578,033
INTEREST ON OTHER LOANS	245,885	338,224
	<u>2,928,306</u>	<u>4,783,929</u>
<b>SCHEDULE - X</b>		
<b>OTHER INCOME</b>		
RENT RECEIVED (TDS-29170, Previous Year 19,214)	163,000	177,489
PROFIT ON SALE OF SHARES	311,708	-
INTEREST RECD ON F.D.R (TDS-142509, Previous Year-Nil)	885,314	158,128
DIVIDEND	1,500	10,827
INTEREST RECD ON INCOME TAX REFUND	30,785	17,271
PROFIT ON SALE OF MUTUAL FUNDS	184,041	-
	<u>1,596,348</u>	<u>363,715</u>



# MOONGIPA CAPITAL FINANCE LIMITED

## SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	AS AT 31-03-2010 (Rs.)	AS AT 31-03-2009 (Rs.)
<b>SCHEDULE - XI</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
BANK CHARGES	12,932	5,190
BANK INTEREST	21,364	29,419
	<b>34,296</b>	<b>34,609</b>
<b>SCHEDULE - XII</b>		
<b>PERSONNEL EXPENSES</b>		
SALARIES AND ALLOWANCES	2,183,916	2,152,965
STAFF WELFARE & TRAINING EXPENSES	29,157	95,766
DIRECTOR'S REMUNERATION	136,000	192,000
	<b>2,349,073</b>	<b>2,440,731</b>
<b>SCHEDULE - XIII</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
ADVERTISEMENT	5,694	5,140
AUDIT FEES	27,575	16,545
NEWSPAPER & PERIODICALS	1,214	7,905
BUSINESS PROMOTION	31,673	348,857
CAR RUNNING & MAINTENANCE	23,920	13,353
CONVEYANCE EXPENSES	114,448	100,926
DEMAT CHARGES	720	449
ELECTRICITY EXPENSES	54,210	78,700
FEES & SUBSCRIPTION	3,600	1,500
INSURANCE- VEHICLE	23,102	16,245
LEGAL & PROFESSIONAL CHARGES	171,676	197,633
LISTING FEES	422,872	299,803
MEETING EXP.	61,000	57,500
MISCELLANEOUS EXPENSES	11,310	39,720
POSTAGE & TELEGRAM	51,861	39,777
PRINTING & STATIONERY	156,129	135,676
RATES & TAXES	22,277	22,277
RENT	57,000	57,000
SCOOTER/ MOTOR CYCLE RUNNING & MAINTENANCE	36,690	37,742
SUNDRY REPAIRS AND MAINTENANCE	123,165	155,902
TELEPHONE EXPENSES	25,107	35,891
UNDER WRITING CHARGES	75,000	-
	<b>1,500,243</b>	<b>1,668,740</b>

## SCHEDULES FORMING PART OF ACCOUNTS AS ON 31.03.2010

### SCHEDULE XV : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

- 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 issued by the Institute of chartered Accountants of India (ICAI), as applicable. The Company follows the directions prescribed by the Reserve bank of India for Non Banking Financial Companies.
- 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:

- Lease rental are accounted for on accrual basis
- 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..
- Dividends are accounted for as and when received.

#### 3. FIXED ASSETS & DEPRECIATION

- 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 XIV of the Companies Act, 1956.
- 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.
- 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

No provision has been made for the retirement benefits payable to the employees since no employee has yet put in the qualifying period of services. The same will be provided when it becomes due.

#### 7. ACCOUNTING FOR TAXES ON INCOME

- Tax expenses comprise Income Tax, Deferred Tax & Fringe Benefit Tax. Current Income Tax and Fringe Benefit Tax is measured at the amount expected to be paid to the Tax authorities in accordance with the provisions of Income Tax Act 1961.
- 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 substantially 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

#### 10. HYPOTHECATED STOCK

Hypothecated stock has been stated at the total amount of instalments recoverable as reduced by the interest element pertaining to the following financial year

#### B. 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

	YEAR ENDED Rs. 31.03.2010	YEAR ENDED Rs. 31.03.2009
(i) Audit Fee	27,575.00	16,854.00
(ii) Other Services	-	-
Total	27,575.00	16,854.00



# MOONGIPA CAPITAL FINANCE LIMITED

5. Earning and Expenditure in foreign currency Nil - Nil
6. Balances grouped under loans & advances and current liabilities are subject to confirmation.
7. The company does not owe any amount to a Small Scale Industrial Undertaking or small and medium enterprises.
8. 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 31-03-2010 is not available.
9. 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 issued by the ICAI are not applicable to the company.
10. Deferred Tax Assets / (Liabilities)::

Particulars	Deferred Tax at 01.04.09	Current Year Credit/(Change)	Deferred tax at 31.03.10
Depreciation & Gratuity Provisions	12,624	12,143	24,767

11. Earning Per Share:

Sl. No.	Particulars	Current Year	Previous Year
a)	Net Profit available for Equity Share Holders		
	Net Profit after tax available for Equity Share Holders	(5,65,096)	(19,31,676)
b)	Calculation of Weighted Average No. of Equity Share @ 10/- each	30,54,800	30,54,800
c)	Basic Earning Per Share	(0.18)	(0.63)

12. 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)

13. Disclosure as required under AS-29 for provisions.

Particulars	Opening Balance	Provided	Paid	Closing Balance
Income Tax	-	67,252	2,36,304	(1,69,052)
FBT	1321	-	1,321	-
Gratuity	-	25,000	-	25,000
NPA	1,05,449	8,26,847	-	9,32,296

14. The amounts have been rounded off to the nearest rupee.
15. Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with the current figures.

As per our report of even date attached

for SAXENA & SAXENA  
Chartered Accountants

For and on behalf of the Board

D.K. Saxena  
Partner  
M. NO. 82118

SANJAY JAIN  
Director

SHYAM SHARMA  
Director

Place : New Delhi  
Dated : 20-07-2010

## SCHEDULE

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

Particulars	Amount Outstanding	Amount Overdue
(Rs. in Lakhs)		
<b>Liabilities side:</b>		
1 Loans and advances availed by the NBFCs		
(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	-	-
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	-	-

Particulars	Amount Outstanding
(Rs. in Lakhs)	
<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)	100.72
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	25.11

Particulars	Cost	Market Value
(Rs. in Lakhs)		
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	89.45	88.39
(ii) Debentures and Bonds	-	-
(iii) Government Securities	-	-
2. Unquoted:		
(i) Equity Shares	-	-
(ii) Government Securities	-	-
(iii) Units of mutual funds	57.84	57.99
Total	147.29	146.38

\* 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
<b>1. Related Parties **</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
<b>2. Other than related parties</b>	25.11	100.72	125.83
<b>Total</b>	25.11	100.72	125.83

**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)
<b>1. Related Parties **</b>		
(a) Subsidiaries	-	-
(b) Companies in the same group	81.73	81.73
(c) Other related parties	-	-
<b>2. Other than related parties</b>	65.56	65.56
<b>Total</b>	147.29	147.29

\*\* As per Accounting Standard

**8. Other Information**

(Rs. in Lakhs)

Particulars	Amount
<b>(i) Gross Non-Performing Assets</b>	
(a) Related Parties	-
(b) Other than related parties	25.11
<b>(ii) Net Non-Performing Assets</b>	
(a) Related Parties	-
(b) Other than related parties	98.47
<b>(iii) Assets acquired in satisfaction of debt (during the year)</b>	-

**SCHEDULE XV**

**BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE AS AT 31ST MARCH 2010**

**I. Registration Details**

Registration No. : 28869	State code : 055
Balance Sheet Date: 31 Month : 03 Year : 2010	

**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 : 35822	Total Assets : 35822
---------------------------	----------------------

**Sources of Funds**

Paid up capital : 30548	Reserves & Surplus : 5274
Secured Loans : NIL	Unsecured Loans : NIL

**Application of Funds**

Net Fixed Asset : 719	Investments : 14729
Net Current Asset : 20349	Misc. Expenditure : NIL
Accumulated Loss : NIL	Deferred Tax Assets : 25

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

Turnover/Income : 4525	Total Expenditure : 4885
Profit Before Tax : (380)	Profit After Tax : (585)
Earning per share : (0.18)	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



**MOONGIPA CAPITAL FINANCE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

PARTICULARS	31.03.2010 RS.	31.03.2009 RS.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:-</b>		
Net Profit/(Loss) before tax and extraordinary items	(360,294)	(385,676)
<i>Adjustments for:</i>		
1. Depreciation	174,489	268,044
2. Loss on Sale of Assets	-	-
3. Provision for Gratuity	25,000	(25,962)
4. Provision for NPAs	826,847	105,449
5. Interest Expenses	21,364	29,419
<b>Operating profit before working capital changes</b>	<b>687,406</b>	<b>(10,728)</b>
<i>Adjustments for Trade &amp; other receivables</i>		
1. Financial Assets & Loans & Advances	6,205,619	3,688,462
<b>Trade Payable :</b>		
1. Current Liabilities	165,821	(202,074)
<b>Cash generated from operations</b>	<b>7,058,846</b>	<b>3,475,660</b>
Less Payment of Taxes	(387,318)	(492,401)
<b>Cash flow before extraordinary items</b>	<b>6,671,528</b>	<b>2,983,259</b>
Extra ordinary items	-	-
<b>Net Cash generated from operating activities (A)</b>	<b>6,671,528</b>	<b>2,983,259</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :-</b>		
1. Purchase of Fixed Assets	-	(64,700)
2. Sale of Fixed Assets	-	38,697
3. Purchase/Sale of investments	(5,241,479)	2,255,539
<b>Net Cash used for Investing Activities (B)</b>	<b>(5,241,479)</b>	<b>2,229,536</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:-</b>		
1. Interest Paid	(21,364)	(29419)
2. Increase/(Decrease) in Bank Borrowings.	-	(76)
<b>Net Cash generated from financing activities (C)</b>	<b>(21,364)</b>	<b>(29,494)</b>
<b>Net Increase/(Decrease) in cash and cash equivalent (A+B+C)</b>	<b>1,408,685</b>	<b>5,183,301</b>
<b>Cash and cash equivalent as at beginning of the year</b>	<b>7,201,038</b>	<b>2,017,737</b>
<b>Cash and cash equivalent as at end of the year</b>	<b>8,609,723</b>	<b>7,201,038</b>
<i>Cash and cash equivalent consist of</i>		
<b>CASH IN HAND</b>	<b>158,639</b>	<b>231,068</b>
<b>BALANCE WITH SCHEDULED BANKS:</b>		
IN CURRENT ACCOUNTS	51,614	312,729
IN DEPOSIT ACCOUNTS	7,500,000	6,500,000
INTEREST ACCRUED ON FDR'S	899,470	157,241
	<b>8,609,723</b>	<b>7,201,038</b>

**AUDITOR'S CERTIFICATE**

We have verified the annexed Cash Flow Statement of MOONGIPA CAPITAL FINANCE LIMITED derived from the audited annual accounts for the year ended 31st March, 2010, and found the same to be drawn in accordance therewith and also in accordance with the requirements of clause 32 of the Listing Agreements with the Stock Exchanges.

As per our report of even date

**FOR SAXENA & SAXENA**  
Chartered Accountants

D.K. Saxena  
Partner  
M. NO. 82118  
Place : New Delhi  
Date : 20-07-2010

For and on behalf of the Board

SANJAY JAIN  
Director

SHYAM SHARMA  
Director

Place : New Delhi  
Dated : 20-07-2010

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**MOONGIPA CAPITAL FINANCE LIMITED**

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

DP. Id.*
Client Id.*

Folio No.
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**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 **23rd Annual General Meeting** of the company to be held on Wednesday, the 15th September, 2010 at 10.00 A.M. and at any adjournment thereof.

Signed this.....day of.....2010

- 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.

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**MOONGIPA CAPITAL FINANCE LIMITED**

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

DP. Id.*
Client Id.*

Folio No.
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**ATTENDANCE SLIP**

TO BE HANDED AT THE ENTRANCE OF THE MEETING VENUE

Name and Address of Member	
	No. of Shares Held

I hereby record my presence at the 23rd Annual General Meeting held at Gupta Farms, Alipur Road, Village Hollambi, Delhi – 110036 on Wednesday 15th September 2010 at 10.00 A.M.

Signature of the Member/Proxy

**MOONGIPA CAPITAL FINANCE LIMITED**  
REGD. OFFICE 18/14, W.E.A. PUSA LANE, KAROL BAGH  
NEW DELHI - 110 005