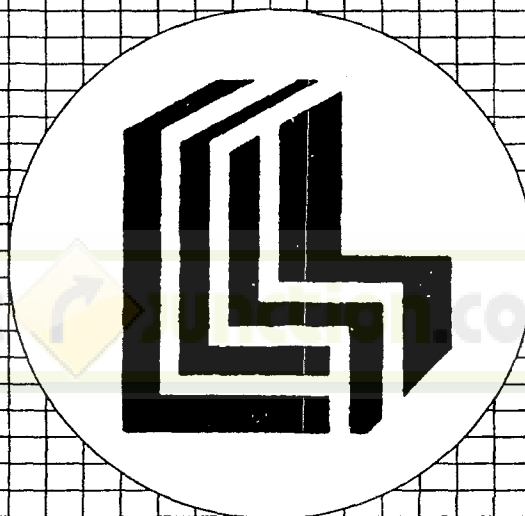


4th ANNUAL REPORT 1996-97



Certified to be true copy

For LYONS CORPORATE MARKET LTD.

Caru Sab

Managing Director

LYONS CORPORATE MARKET LIMITED

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LYONS CORPORATE MARKET LIMITED

4TH
Annual Report
& Accounts 1996-97


LYONS CORPORATE MARKET LIMITED
BOARD OF DIRECTORS :

SRI LALIT MEHTA, Chairman
SRI S. K. DASGUPTA
SRI R. K. VYAS
SRI D. R. AGARWAL
SHRI A. K. MAHESWARI
SRI C. R. CHANDAK, Managing Director

Directors

AUDITORS :

THAKUR VAIDYANATH AIYAR & CO.
Chartered Accountants

BANKERS :

VIJAYA BANK
THE BANK OF RAJASTHAN LTD.
THE VYSYA BANK LTD.
STATE BANK OF TRAVANCORE

SOLICITORS :

KHAITAN & CO.
Advocates & Solicitors

REGISTERED OFFICE :

CHATTERJEE INTERNATIONAL CENTRE
33A, JAWAHARLAL NEHRU ROAD
18TH FLOOR, SUIT NO. A-3
CALCUTTA-700 071

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NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of **LYONS CORPORATE MARKET LTD.** will be held on Friday, the 26th September, 1997 at 11:30 a.m. at The Calcutta Chamber of Commerce Hall, 18-H Park Street, Calcutta-700 071, to transact the following business :—

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 1997 and the Profit & Loss Account of the Company for the year ended on March 31, 1997 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri D.R. Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri L.P. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

CALCUTTA-700 071

Dated : 31st July, 1997

By Order of the Board

C. R. CHANDAK

Managing Director

NOTES :

1. A member entitled to attend and vote at the meeting is also entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company. In order to be effective the Proxy Form must be lodged at least 48 hours before the meeting at the Registered Office of the Company.
2. Attendance Slips duly filled in should be brought in the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September to 26th September, 1997 (both days inclusive).
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the company to keep the information ready.
5. Members are requested to notify immediately any change in their address to the Company.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Fourth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1997.

FINANCIAL RESULTS :

(Rs. in lakhs)

	For the year ended 31-3-97	For the year ended 31-3-96
Gross Income	89.87	145.63
Gross Profit	40.81	22.08
Less : Depreciation	31.01	9.62
Profit before Tax	9.80	12.46
Provision for Taxation	1.27	1.80
Profit after Tax	8.53	10.66
Add : Balance brought forward from previous years	6.01	1.88
Excess Provision for Lease Equalisation		
Adjustment in previous year written back	NIL	1.75
Profit available for Appropriation :	14.54	14.29
Add/(Less) : Lease Equalisation Adjustment	12.26	(0.65)
Less : Proposed Dividend (Subject to Tax)	NIL	7.63
Less : Dividend for 1995-96	0.002	NIL
Balance Carried Forward	26.80	6.01

DIVIDEND :

Due to insufficient profits, no dividend is recommended.

YEAR IN RETROSPECT :

Gross profit increased by 85% to Rs. 40.81 lakhs (previous year Rs. 22.08 lakhs). After making a provision for depreciation of Rs. 31.01 lakhs (previous year Rs. 9.62 lakhs) and provision for taxation Rs. 1.27 lakh (previous year Rs. 1.80 lakh) net profit was Rs. 9.80 lakhs against Rs. 12.46 lakhs in the previous year.

Growth in the leasing business was maintained, with income from leasing operations increasing from Rs. 12.87



DIRECTORS' REPORT TO THE MEMBERS (Contd.)

lakhs to Rs. 22.67 lakhs last year and interest income from Rs. 18.64 lakhs to Rs. 38.97 lakhs. The other fee based activities remained low due to depressed market condition.

MERCHANT BANKING :

Your company is a SEBI Registered Category-II Merchant Banker. The Company has acted as Co-Managers to the Issue of 5 Companies. No underwriting business was done during the year due to the sluggishness in the capital market. In spite of a very hard time for merchant banking operation presently, the future outlook is good and the Company expects to do better.

PROJECTION vs. PERFORMANCE :

The projections as reported in the company's prospectus dated 24th October, 1995 and the corresponding figure of actuals as per audited accounts for the year ended 31st March, 1997 are as under.

		Projections	Actual
Total Income	(Rs. in lakhs)	244.22	40.81
Profit after Tax	(Rs. in lakhs)	151.43	8.53
Earning per share	(Rs.)	3.03	0.20
Dividend	(%)	15	NIL

The variation between the projected and actual figure is attributable to liquidity crunch and overall sluggishness in the capital market.

The proceeds of the public issue has been utilised for the purposes as stated in the prospectus dated 24-10-1995.

FUTURE PROSPECTS :

Despite short term uncertainties, growth opportunities are expected to abound in the coming years in infrastructural areas as well as industries. Your company with its strong professional base expects to see a period of sustained growth in the project consultancy, loan syndication and other Merchant Banking activities apart from the fund based activities e.g. Leasing, Hire-purchase, Corporate Financing, etc.

DIRECTORS :

Sri N. K. Sengupta and Sri R. K. Somani resigned from the office of Director of the Company. Sri D. R. Agarwal and Sri L. P. Mehta, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS' AND AUDITORS' REPORT :

M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, Auditors of the Company retire at the conclusion



DIRECTORS' REPORT TO THE MEMBERS (Contd.)

of the Fourth Annual General Meeting and being eligible offer themselves for re-appointment. The notes to accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comment.

DISCLOSURE OF PARTICULARS :

The Company has no employee in the Category as specified in the provisions of Section 217(2A) of the Companies Act, 1956. Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 :—

1. Part A and B pertaining to conservation and technology absorption are not applicable to the company.
2. Foreign Exchange outgo Rs. 54,871 towards travelling expenses.

ACKNOWLEDGEMENTS :

Your Directors would like to express their appreciation of the co-operation and assistance received from the shareholders, bankers, and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance during the year.

On behalf of the Board

L. P. MEHTA, *Chairman*

C.R. CHANDAK, *Managing Director*

R.K. VYAS, *Director*

Calcutta, 24th June, 1997.