


Annual Report 2012

Suryoday 
Enabling Dreams. Empowering Lives.



Annual Report 2012

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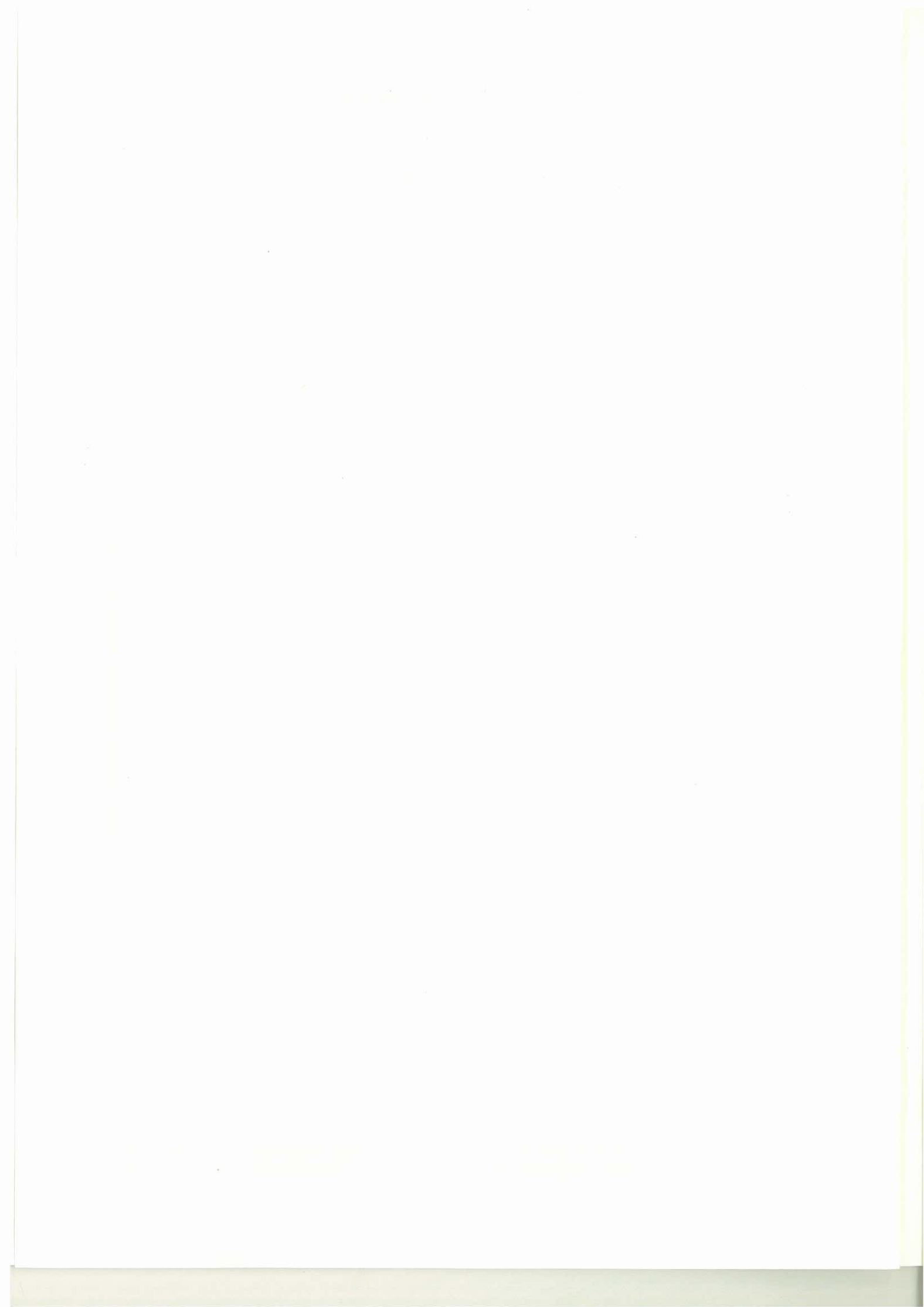
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Corporate Information

BOARD OF DIRECTORS

Non-Executive Directors

Chairman
Mr. R. Sankaran

Directors
Mr. John Arun Kumar Diaz
Mr. Venkatesh Natarajan
Dr. (Mrs.) Sheela Bhide

Executive Directors

Chief Executive Officer
Mr. R Baskar Babu

Business Head
Mr. Ganesh Rao

CFO & Company Secretary
Mr. V L Ramakrishnan

CORPORATE OFFICE

1101, Sharda Terraces
Plot 65, Sector 11, CBD Belapur
Navi Mumbai 400 614
Tel: +91 22 41227210
www.suryodaymf.com

REGISTERED OFFICE

3rd Floor, Park View Apartments, 9-6/16,
Park View Road, United India Colony
Kodambakkam, Chennai 600 024
Tamil Nadu, INDIA.
www.suryodaymf.com

AUDITORS

S.R.BATLIBOI & ASSOCIATES
6th & 7th Floor, "A" Block
Tidel Park, (Module 601, 701 & 702)
No. 4, Rajiv Gandhi Salai, Taramani
Chennai 600 113
Tel: +91 44 6654 8100
Fax: +91 44 2254 0120

Bankers

HDFC Bank
ICICI Bank
State Bank of India
Corporation Bank of India
Axis Bank
Development Credit Bank
IndusInd Bank

Financial Institution

Small Industries Development Bank of India (SIDBI)

NBFC Partners

IFMR Capital Finance Private Limited
Ananya Finance for Inclusive Growth Private Limited
MAS Financial Services Limited
Reliance Capital Limited
Maanaveeya Development & Finance Private Limited
M V Microfin Private Limited

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DIRECTORS' REPORT TO MEMBERS

Your directors have pleasure in presenting the Fourth annual report together with the audited accounts of your company for the financial year ended 31st March 2012.

1. Vision

The vision of your Company is to be a world-class financial services organisation that provides products and value-added services to the economically challenged, helping them generate higher incomes, build an asset base and achieve a sustainably better standard of living.

2. Financial Results

The summarized financial results of your Company are given hereunder:

| Particulars | Year ended 31 st March 2012 Rs. In Crores | Year ended 31 st March 2011 Rs. In Crores |
|----------------------------------|---|---|
| Income from Operations | 15.35 | 14.60 |
| Other Income | 1.13 | 0.50 |
| Total Income | 16.47 | 15.10 |
| Total Expenditure | 14.71 | 12.78 |
| Net Profit/(Loss) after Taxation | 0.43 | 1.04 |

3. Dividend

Your Directors do not recommend any dividend for the year considering the need to conserve resources.

4. Sources of funds

Your company raised about Rs. 31.5 Crores by way of debt facilities from various lenders and Rs. 83.25 Crores by way of loan portfolio buyouts/securitization. The company mobilized Rs. 0.38 Crores of capital funds during the year ended 31st March 2012 from its promoters. The company proposes to raise fresh capital funds during the financial year ending 2012-13, from existing and/or other investors.

5. Compliance with RBI Guidelines

Your Company has complied with all applicable regulations of the Reserve Bank of India. As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

6. Capital Adequacy

The capital adequacy ratio was 38% as on 31st March 2012. The Net Owned Funds (NOF) as on that date was about Rs.28.64 crores approx. The minimum capital adequacy requirement stipulated for the company by RBI is 15.00%.

7. Employees Stock Option Scheme (ESOS)

On June 10, 2010, your company established an Employees Stock Option Scheme (ESOS). Under the plan the company is authorized to issue upto 600600 Equity shares of Rs. 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the company subject to requirement of vesting. The number of options granted as on 31st March 2012 are 3,96,000 out of which 36000 options have lapsed/have been forfeited during the year. The number of options vested as at 31st March 2012 are 1,44,000 and 2,16,000 options are yet to vest.

8. Directors' Responsibility Statement

The Directors' Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956 reporting the compliance with the accounting standards, is attached and forms part of the directors' report.

9. Directors

During the financial year ended 31st March 2012, the following changes took place in the Board:
At the 3rd Annual General Meeting held on 29th September 2011,

- a. Mr. Baskar Babu, Director retired by rotation and was re-appointed.
- b. Dr. (Ms) Kala Pant retired by rotation and opted not to be re-appointed
- c. Dr. (Mrs) Sheela Bhide was appointed as a Director liable to retire by rotation.

Mr. R Sankaran and Mr. Ganesh Rao, Directors retire at the ensuing fourth Annual General Meeting and being eligible have offered themselves for re-appointment.

The accounts for the Financial Year ended 31st March 2012 which are appended to this report have been signed on behalf of the Board by Mr. R. Baskar Babu, Director & CEO and by Mr. V. L. Ramakrishnan, Director, CFO & Company Secretary.

10. Auditors

S R Batliboi & Associates, Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

11. Information as per Section 217(1) (e) of the Companies Act, 1956.

The company has no activity relating to consumption of energy or technology absorption. The company does not have any foreign currency earnings or outflow during the year.

12. Personnel

During the year, there were no employees who were in receipt of remuneration as per the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

13. Material Changes after the Balance Sheet date (31st March 2012)

There are no material changes and commitments between 31st March 2012 and the date of this report having an adverse bearing on the financial position of the Company.

14. Committees Of The Board

The following are the committees constituted by the Board:

A. Audit Committee

The Audit Committee of the Board consists of the following members, namely,

- Mr. R Sankaran, Chairman & Independent Director
- Mr. Ganesh Rao, Executive Director
- Dr. (Mrs.) Sheela Bhide, Independent Director
- Mr. Venkatesh Natarajan, Nominee Director

B. Resourcing Committee

The Resourcing Committee of the Board consists of the following members, namely,

- Mr. Baskar Babu, Executive Director
- Mr. Ganesh Rao, Executive Director
- Mr. V L Ramakrishnan, Executive Director
- Mr. John Arunkumar Diaz, Nominee Director
- Mr. Venkatesh Natarajan, Nominee Director

C. Remuneration Committee

The Remuneration Committee of the Board consists of the following members, namely,

- Dr. (Mrs) Sheela Bhide, Chairman & Independent Director
- Mr. John Arunkumar Diaz, Nominee Director
- Mr. Venkatesh Natarajan, Nominee Director

The aforesaid committees function in accordance with the terms of reference as laid down by the Board from time to time.

Acknowledgement

The Directors wish to thank the customers, bankers, shareholders and other service agencies for their support. The directors especially thank our employees for their substantial contribution to the company during the period under review.

For and on behalf of the Board of Directors

R. Sankaran
Chairman

28th August 2012

ANNEXURE TO THE DIRECTORS' REPORT

Directors' Responsibility Statement

To the best of their knowledge and belief, and according to the information and explanations obtained by them, your Directors confirm the following in terms of Section 217(2AA) of the Companies Act, 1956:

- That in preparation of the financial statements the generally accepted accounting principles (GAAP) of India and applicable accounting standards issued by Institute of Chartered Accountants of India have been followed.
- That appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. To ensure this, the company has established internal control systems, consistent with its size and nature of operations, subject to the inherent limitations that should be recognized in weighing the assurance provided by any such system of internal controls. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems.
- That they have prepared the annual accounts on a going concern basis.

For and on behalf of the Board of Directors

R. Sankaran
Chairman

28th August 2012