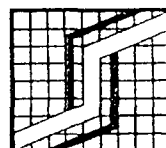




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SWASTIKA

FIN-LEASE LIMITED

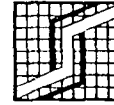
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5th Annual Report
1996 - 97



SWASTIKA

FIN-LEASE LIMITED


Board of Directors

S. N. Maheshwari

Managing Director

Sunil Nyati

Executive Director

Sandesh Ladha

Director

Auditors

M. B. Ladha & Co.

Chartered Accountants

MUMBAI

Bankers

Bank of Baroda

Bank of India

Regd. Office

246, Girgam Road, Mangalwadi, MUMBAI - 400 004

Admn. Office

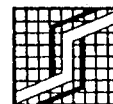
B-104, Silver Mall, R.N.T. Marg, INDORE - 452 001

Share Department

B-104, Silver Mall, R.N.T. Marg, INDORE - 452 001

SWASTIKA

FIN-LEASE LIMITED



NOTICE FOR ANNUAL GENERAL MEETING

Notice is hereby given that the 5th Annual General Meeting of the Members of the Company will be held as per the schedule below :

DAY	:	SATURDAY
DATE	:	20th SEPTEMBER, 1997
TIME	:	10.00 A. M.
PLACE	:	PUNARWAS EDUCATION SOCIETY S.V. ROAD, GOREGAON (W), MUMBAI - 400 062

to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and the Profit & Loss Account for the year ended on the same date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Sunil Nyati who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Special Business

To consider and, if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions :

4. "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, and in terms of Schedule XIII of the Companies Act, 1956 as amended upto date, consent of the Company be and is hereby accorded for increase in remuneration of Shri Sunil Nyati, Executive Director of the Company for the remaining period of his office upto 14th June, 2000, detailed as under, paid and to be paid to him on and with effect from 1st April, 1997.

(a) **Salary** : Rs. 15,000/- (Rupees Fifteen Thousand only) per month.

(b) **Commission** : A commission based on the net profits of the Company as may be determined by the Board, subject to overall ceiling laid down in Section 198 and 309 of the Act, provided however the commission will be paid on prorata basis in the event of earlier cessation or termination of the appointment.

(c) **Perquisites** : Perquisites shall be restricted to an amount equal to Rs. 1,80,000/- per annum as detailed in categories 'A', 'B' and 'C' :

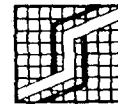
CATEGORY 'A'

1. **Housing** : House rent allowance @ 5% of the salary. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962 which shall be subject to a ceiling of 5% of salary.

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SWASTIKA

FIN-LEASE LIMITED



NOTICE FOR ANNUAL GENERAL MEETING

2. **Medical Reimbursement** : Medical expenses incurred by him and his family shall be reimbursed to him subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
3. **Leave Travel Concession** : For him and his family, once in a year, incurred in accordance with the Rules specified by the Company.
4. **Club Fees** : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
5. **Personal Accident Insurance** : Benefit of a personal accident insurance of an amount, the premium of which does not exceed Rs. 4,000/- per annum.

EXPLANATION : For the purpose of Category 'A' above 'Family' means the spouse, dependent children and dependent parents of the Executive Director.

CATEGORY 'B'

1. **Provident Fund etc.** : Contributions to Provident Fund and Superannuation Fund or Annuity Fund to be in accordance with the practice, Rules and Regulations in force, from time to time. The contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of the perquisites to the extent these, either singly or put together, are not taxable under the Income-Tax Act. 1961.
2. **Gratuity** : Not exceeding half a month's salary for every completed year of services.

CATEGORY 'C'

Provision of car for use on Company's business and telephone at residence :

These will not considered as perquisites. However, personal long distance calls and use of the car for private purpose shall be billed by the Company to the Executive Director.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised with liberty and powers to the Board of Directors increase, reduce, alter or vary the terms of remuneration in such manner as the Board may deem fit within the limits specified in Schedule XIII of the said Act, as existing or as amended, modified or re-enacted from time to time by the Constitution of India.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

SWASTIKA

FIN-LEASE LIMITED



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT :

(Pursuant to Section 173 (2) of the Companies Act, 1956.)

ITEM No. 4

Shri Sunil Nyati was appointed as Executive Director of the Company by the Members in their Annual General Meeting held on 5th June, 1995 for a period of 5 years with effect from 15th June, 1995 to 14th June, 2000 at a salary of Rs. 5,500/- P.M. and other benefits as per Schedule XIII of the Companies Act, 1956. keeping in view the contribution made by him in all round progress of the Company it is proposed to increase his remuneration with effect from 1st April, 1997 as detailed in the resolution. The proposed remuneration will be within the limits prescribed for the Managerial personal in Schedule XIII of the Companies Act, 1956.

Except Shri Sunil Nyati & Shri S. N. Maheshwari no other Director is concerned or interested in the proposed resolution. The contents of the resolution alongwith the explanatory statement shall be deemed to be an abstract of the terms and conditions of variation in terms of appointment of Shri Sunil Nyati under Section 302 of the Companies Act, 1956 and the Memorandum of interest in that behalf.

By Order of the Board
FOR SWASTIKA FIN-LEASE LIMITED

(SUNIL NYATI)
Executive Director.

Place : MUMBAI

Date : 30.06.97

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. The Proxies in order to be valid must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Register of Members and Share Transfer Book of the Company will remain closed from 1st August, 1997 to 25th August, 1997 (both days inclusive).
3. Members are requested to send their queries, if any, at least 7 days in advance so that the information can be made available at the Meeting.

By Order of the Board
For SWASTIKA FIN-LEASE LIMITED

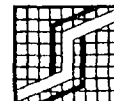
(SUNIL NYATI)
Executive Director.

Place : MUMBAI

Date : 30.06.97

SWASTIKA

FIN-LEASE LIMITED



DIRECTOR'S REPORT

Dear Members.

Your Directors have pleasure in presenting the 5th Annual Report of the Company and the Audited Accounts for the financial year ended 31st March, 1997.

ECONOMIC SCENARIO

Fifty years after Independence we have moved from an isolated, slow growing economy to one that is growing faster and beginning to integrate with the global economy. The transition began with liberalisation which is yet to be completed. The Performance of the Indian Economy during the year under review presents a mixed picture. Although the overall economic growth was high at 6.8 per cent with the agricultural sector recording a growth rate of 3.7 per cent the growth in the manufacturing sector slowed considerably. The rate of inflation once again edged up to average long term levels. Despite a sharp slowdown in exports a combination of sluggish imports and buoyant capital flows led to a build up of foreign exchange reserves.

During the year under review, your company recorded a total income of Rs. 118.48 Lacs as against the previous year's total income of Rs. 70.25 Lacs. This represents an increase of 68.65% over the preceding year's figures. The profit before tax stood at Rs. 12.63 Lacs as against Rs. 9.97 Lacs during the previous year, representing an increase of Rs. 26.68% over previous year's profit. However keeping in view the tight money market and depressed market condition, your Directors deem it fit to conserve resources and as such withhold declaration of Dividend for the year under review.

FINANCIAL HIGHLIGHTS

(Amount in Rupees)

	31.03.1997	31.03.1996
Total Income	1,18,48,196	70,24,673
Gross Profit	15,86,567	11,82,483
Less : Depreciation	3,23,812	1,85,789
Profit before Taxation	12,62,755	9,96,694
Less : Provision for Taxation	3,30,000	95,000
Profit after Taxation	9,32,755	9,01,694
Add : Prior period Adjustment	7,894	
Net Profit	9,40,649	9,01,694
Add : Balance brought forward from Last Year	80,455	30,261
Amount available for appropriation	10,21,104	9,31,955
Less : Appropriations :		
Proposed Dividend		2,51,500
Transfer to General Reserve	9,00,000	6,00,000
Balance carried to Balance Sheet	1,21,104	80,455
	10,21,104	9,31,955