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Seventh Annual Report
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SURICAPITAL & LEASING LIMITED



SURI CAPITAL & LEASING LTD.

BOARD OF DIRECTORS

Lt. Gen. P. R. Puri
PVSM (Retd.)

Chairman

Maj. Gen. A. L. Suri
AVSM (Retd.)

Managing Director

R. K. Pandey

Sonya Suri

Executive Director

Indra Suri

COMPANY SECRETARY

S. R. Sharma

BANKERS

Oriental Bank of Commerce
E- Block, Connaught Place
New Delhi-110 001

Dena Bank
M-36, Connaught Circus
New Delhi-110 001

Punjab & Sind Bank
48, Janpath
New Delhi-110 001

AUDITORS

M/s. S. N. Wahal & Co.

Chartered Accountants

C-39, Panchsheel Enclave
New Delhi-110 017

REGISTERED OFFICE

C-485, Defence Colony
New Delhi-110 024

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SURI CAPITAL & LEASING LTD.**NOTICE**

Notice is hereby given that the Seventh Annual General Meeting of the Members of SURI CAPITAL & LEASING LTD. will be held on Friday, the ~~28th August~~ 1998 at 9.30 A.M. at SSM Campus, Sarbani, Mehrauli, New Delhi-110 030 to transact the following business : *14th Sept*

ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account for the period ended 31st March, 1998, the Balance Sheet as at that date and the Directors and Auditors Reports thereon.
2. To declare Dividend for the period.
3. To appoint a Director in place of Mr. R. K Pandey, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s S. N. Wahal & Co., Chartered Accountants, New Delhi, as Auditors of the Company for the year 1998-99 who vacates this office on the conclusion of this Meeting. They have expressed their willingness to be re-appointed as Auditors of the Company from the conclusion of this Meeting to the conclusion of the next Annual General Meeting at a mutually agreed remuneration. They have also confirmed that their appointment, if made, would be within the limits laid down under Section 224 (1B) of the Companies Act, 1956. The following resolution may be moved with or without modification as an Ordinary Resolution :

"RESOLVED THAT pursuant to provision of Section 224 of the Companies Act, 1956, M/s S. N. Wahal & Co., New Delhi be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting at the remuneration to be decided mutually."

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- b) The form of Proxy is separately annexed. To be effective, the proxy form duly completed in all respects must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- c) The Dividend, if declared at the Meeting, will be made payable on and after ~~28th August~~ 1998 to those Members whose names are on the Register of Members on ~~28th August~~ 1998. *14th Sept*
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from ~~Tuesday, 18th August, 1998 to Friday, 20th August, 1998~~ (both days inclusive). *14th Sept*
- e) Members are requested to notify immediately any change in their address to the Registered Office at C-485, Defence Colony, New Delhi-110 024.
- f) Members intending to seek any information on the Annual Accounts at the Meeting are requested to inform the Company well in advance.
- g) Members/Proxies are requested to fill up and sign the Attendance Slip for attending the Meeting.
- h) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.
- i) Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and handover the slip at the entrance to the place of the Meeting.

By order of the Board

Place : New Delhi
Date : 14th May, 1998

S. R. Sharma
Company Secretary



SURI CAPITAL & LEASING LTD.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Seventh Annual Report** of your Company together with the Audited Accounts for the period of 12 months ending 31st March, 1998.

1. FINANCIAL RESULTS

The Financial performance of the Company for the year under review is summarised as under :

(Rs. in Lacs)

	Year Ended 31.03.1998 (12 Months)	Year Ended 31.03.1997 (12 Months)	(% Difference)
Total Income	264.80	193.98	36.51
Gross Profit	111.90	69.37	61.31
Depreciation	50.96	43.58	16.93
Profit Before Tax	60.94	25.79	136.29
Provision for Tax	6.40	2.18	193.58
Net Profit After Tax	54.54	23.60	131.10
Income Tax Refund	Nil	0.05	—
Balance Brought Forward from Previous Year.	98.60	98.49	0.11
Amount Available for Appropriation	153.14	122.14	25.38
Proposed Dividend (%)	5	5	—

2. BUSINESS AND OPERATIONS OF THE COMPANY

The Indian Economy during the year 1997-98 was at low ebb which was due to changing Government Policies. The NBFCs as a whole had limited scope for increasing business volume as the inflow of funds to this sector is very limited. On 31st January, 1998, the RBI announced a new stringent regulatory framework for NBFCs which effected this Industry. However, during this period, your Company could undertake better business than the previous year inspite of financial constraints. Your Company has a sound business plan for its steady growth in its core business area i.e. Hiring & Leasing Purchase. We hope that the new Government would give due weight to this vital sector of economy.

3. DIVIDEND

As a consequence of the moderate profits, your Directors are constrained to recommend a tax free dividend of 5% of the Paid-up Share Capital which is the same as for F.Y. 1996-97.

4. RE-REGISTRATION WITH R.B.I.

In a major tightening of norms for NBFCs the RBI directed during May, 1997, even the registered NBFCs to seek a fresh registration before 08th July, 1997. Your Company have since applied to RBI for re-registration before the specified date. In terms of the Powers vested with RBI under Section 45 MA(3) of the RBI Amendment 1997, the RBI ordered special audit of your Company in January, 1998 from M/s M. Mittal & Aggarwal, Chartered Accountants, 13, Daryaganj, New Delhi in order to issue a fresh Registration Certificate to the Company. The special audit of your Company has since been conducted by the auditors and they have furnished their Report to the RBI. Some of the observations made by the auditors are as :

- The Company has adequate capital in terms of the regulatory capital standard i.e. overall CRAR of 59.23% as on 3.09.97 as against minimum prescribed 8% in terms of Paragraph No. 6 of the guidelines to Non-Banking Finance Companies on Capital Adequacy as amended upto 24.07.1996.
- The financial health of the Company is sound and is reflected in the Annexure - 3 to this report giving the position as on 31st March, 1997. Position continues to be same as on 30.09.1997.
- Company has comfortable liquidity.
- Company could be deemed to be solvent.
- Company has complied with NBFC Directions & Prudential Norms.



SURI CAPITAL & LEASING LTD.

- vi) The Company has no claims on it in respect of matured, claimed and unpaid deposits. The Company has not defaulted in the payment of interest to depositors and meeting obligations to other creditors.
- vii) They have suggested to award Supervisory Rating 'B' (from a range of 'A to D' in a descending order) to the Company on the basis of their inspection.

5. DIRECTORS

Mr. R. K. Pandey, Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

6. AUDITORS

M/s. S. N. Wahal & Co., Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

7. PARTICULARS OF EMPLOYEES

Information, as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219 (1) (b) (IV) of the Companies Act, 1956, the report is being sent excluding the statement of particular of Employees, as this provision is not applicable to any of its employees.

8. STATUTORY INFORMATION

The Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 require the disclosure of particulars regarding Conservation of Energy in the Form-A and Technology Absorption in Form-B prescribed by the Rules. Since the Company is not a manufacturing Company, the requirements of Form-A and Form-B are not applicable. The Company has had no earning in Foreign Currency.

9. ACKNOWLEDGEMENTS

Your Directors wish to acknowledge their gratitude to Business Associates, Clients, Bankers, Employees, Shareholders and others for the co-operation extended to the Company and look forward to the same in future.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 14th May, 1998

Lt. Gen. P. R. Puri, PVSM (Retd.)
Chairman