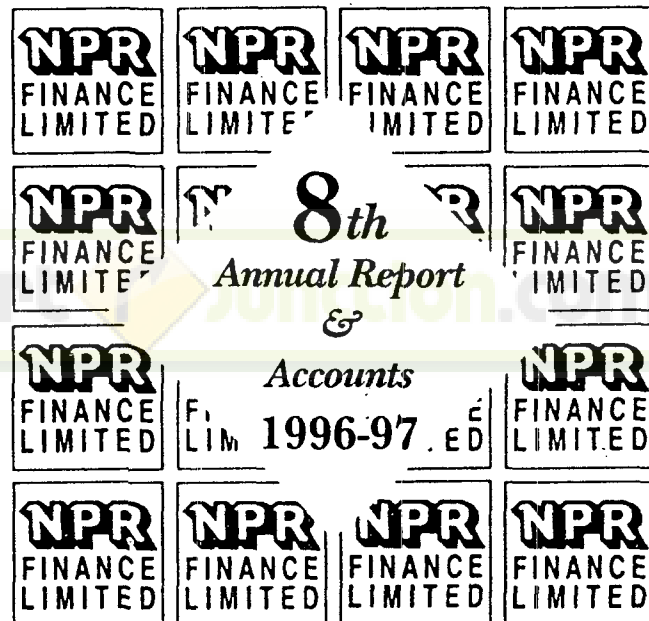


MD	/		BKC	/
CS	/		DPY	ch
RO	/		DIV	/
TRA	/		AC	/
AGM	/	/	SH	/
YE	/	/		/



NPR Finance Limited



NPR Finance Limited

BOARD OF DIRECTORS

Chairman :

Nand Lal Todi

Managing Director :

Pawan Kumar Todi

Directors :

Ramesh Chand Jain
 Debi Prasad Ganguly
 Suresh Chandra Lakhotia
 Arun Charan Mukherji
 Nand Gopal Khaitan
 Narendra Kumar Bajoria

Company Secretary :

Tarun Kumar Srivastava

Auditors :

L. N. Todi & Co.
 Chartered Accountants

Bankers :

Allahabad Bank
 Bank of Madura
 State Bank of India

Registered Office :

19, R. N. Mukherjee Road, 1st Floor
 Main Building, Calcutta - 700 001
 Phone : 248-8824, 248-9902, 248-4788
 Fax : 243-0151, Telex : 21-4463 TODI IN

Branches :

8C/6, W. E. A. Abdul Aziz Road
 Karol Bagh (Opp. Shastri Park) 2nd Floor
 New Delhi - 110 005
 Phone : 5748542, 5748545, Fax : 5750672

1, Bheemasena Garden Street, 3rd Floor
 Mylapore, Chennai - 600 004
 Phone : 499-1590, 497-0501, Fax : 499-2246

"Seema", 41/363, Rajaji Road, Ernakulam
 Cochin - 682 035, Phone : 0484-364948

218, Majestic Shopping Centre Co-op Society
 144, Jaganath Shankar Seth Road
 (J.S.S. Road), Girgaun, Mumbai - 400 004
 Phone : 3801507 (3 Lines)

201, 2nd Floor
 Samedh Complex, C. G. Road
 Ahmedabad - 380 006

GNB House, G. T. Road, P.O. Ninga - 713 370
 Dist. Burdwan, Asansol, Phone : 202810

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of the Company will be held on Friday the 26th day of September, 1997 at the Conference Hall of the Academy of Fine Arts, 2 Cathedral Road, Calcutta - 700 071 at 11 a.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 1997, the Audited Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To declare a dividend for the financial year ended 31st March, 1997.
3. To appoint a Director in place of Sri S. C. Lakhota who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri N. K. Bajoria who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Sri R. C. Jain who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration :
 - a) M/s. L. N. Todi & Co., Chartered Accountants of 14, Princep Street, Calcutta-700 072 retires from the office of the Auditors and being eligible offer themselves for reappointment.
 - b) M/s. B. Srinivasan & Co., Chartered Accountants of 318, Mount Road, Chennai - 600 018 retires from the office of the Auditors of Chennai & Cochin Branch and being eligible offer themselves for reappointment.
 - c) M/s. Sunit K. Mittal, Chartered Accountants of LG-1, Ashoka Palace, 877, Green Park Road, Karol Bag, New Delhi - 110 005 retires from the office of the Auditors of Delhi Branch and being eligible offer themselves for reappointment.
 - d) The Board to be authorised by members to appoint auditors for Mumbai and Ahmedabad branches and further branches opened/ to be opened and to fix remuneration for the financial year 1997-98 by passing the following resolution as Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Section 226 and Section 228 and any other applicable provisions, if any, of The Companies Act, 1956 the Board of Directors be and is hereby authorised to appoint the Company's Auditors and/or in consultation with the Company's Auditors any person or persons qualified for appointment as Auditors of the Company for Mumbai and Ahmedabad branches and further new branches opened/ to be opened for the financial year 1997-98 and to fix their remuneration".

Special Business :

7. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution :

"RESOLVED that the consent of the Company be and is hereby accorded pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of The Companies Act, 1956, to the Board of Directors of the Company (the Board) for creating such mortgages of and/or charging on such terms and conditions and at such time or times and in such form or manner as it may think fit the whole or substantially the whole or any one or more of the Company's undertakings, including the present and/or future properties, whether moveable or immovable comprised in any and/or existing and/or new undertakings of the company, as the case may be, to or in favour of the Trustees or Agent and Trustees to be appointed by the Board for the holders of Debentures/Bonds upto the value not exceeding Rs. 15 Crores proposed to be issued by the Company (the Debentures/Bonds) as security for the Debentures/Bonds together with interest thereon, and further/compound interest, if any thereon, commitment charges, liquidated damages, remuneration of the Trustees/Agents and Trustees costs, charges, expenses and other moneys payable in the above connection in terms of the agreement to be entered into between the Company and the Trustees/Agents and Trustees in respect of the Debentures/Bonds, such security to rank pari passu with or second or subservient to the mortgages and/or charges already created or to be created in future by the Company or in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board and further that the Board be and is hereby authorised to finalise and execute the documents and other deeds, papers and writing for creating the aforesaid mortgages and/or charges and to do all such acts deeds and things as may be necessary or expedient for implementing this Resolution."

8. To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution :

"RESOLVED that pursuant to the provisions of Section 370, and other applicable provisions, if any, of The Companies Act, 1956 the Board of Directors be and is hereby authorised, on such terms and conditions as the Board may think fit, to give any guarantee or provide any security, in connection with any business of the Company up to a limit of Rs. 5 Crores outstanding at any time provided that such giving of guarantee or providing of security is in the opinion of the Board made only for furthering the business interest of the company."

NOTES :

Regd. Office :
19, R. N. Mukherjee Road
Main Building, 1st Floor
Calcutta - 700 001
Dated : 1st August, 1997

BY ORDER OF THE BOARD

TARUN KUMAR SRIVASTAVA
Company Secretary

1. Explanatory Statement as required under Section 173(2) of The Companies Act, 1956 is annexed hereto.
2. 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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares shall remain closed from 19th September, 1997 to 26th September, 1997 (both days inclusive).
4. The Dividend, if approved, will be payable only to such Shareholders whose names appear in the Register of Members of the Company on 26th September, 1997 or to their mandates, subject, however to the provisions of Section 206A of The Companies Act, 1956 or any amendment or modification thereof. The dividend, if declared, will be exempt from Income Tax in the hands of the members in terms of the relevant provisions of the Finance Act, 1997.
5. Members are requested to notify immediately changes, if any, in their respective addresses to the Company at its Registered Office, 19, R. N. Mukherjee Road, 1st Floor, Main Building, Calcutta - 700 001, quoting their folio numbers so that dividend warrants are correctly despatched.
6. A Member or his Proxy is requested to produce at the entrance of the Meeting Hall Attendance Slip forwarded to the member duly completed and signed.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)
OF THE COMPANIES ACT, 1956**

ITEM NO. 6 (d) :

The Company has opened two new branches at Mumbai and Ahmedabad in the financial year 1997-98. The branch at Mumbai has started its operations while the branch at Ahmedabad will commence its operations very soon. Moreover as it is the intention of the Company to increase its operations network by opening new branches, it is advisable to authorise the Board to appoint Auditors for the new branches opened/to be opened and to fix their remuneration.

Your Directors recommend to pass the resolution as an Ordinary Resolution.

None of the Directors are interested in the said resolution.

ITEM NO. 7 :

The Members of the Company had at their Extra Ordinary General Meeting held on 1st July, 1997 approved the Resolution conferring power to the Board of Directors for meeting present and future needs of funds through issue of Fully Convertible / Non Convertible Debenture / Bonds with or without warrants in Domestic/International markets, to be offered to as per the decision of the Board to Members, Promoters, Employees, Resident Indians, Bodies Corporate private or public, Non Resident Indians / Overseas Corporate Bodies, Foreign Institutional Investors, Financial Institutions, Mutual Funds or any other persons/parties through Prospectus and/or Offer Letter or Circular and/or Private Placement basis from time to time at such price or prices, in consultation with merchant bankers, in one or more tranches as may be deemed appropriate by the Board for an amount up to Rs. 15 Crores on such terms and conditions as decided by the Board.

As per SEBI Guidelines and applicable provisions of The Companies Act, 1956 and the Listing Agreement for issue of Debentures, Debenture Trustees have to be appointed and the issue of Debentures have to be secured by charging/mortgaging Company's assets. As such for giving effect to the authority conferred by members for the said issue, permission of members is required under Section 293(1)(a) of The Companies Act, 1956 for securing such Debentures/Bonds and appointing Trustees.

Yours Directors recommend the passing of the said resolution as an Ordinary Resolution.

None of the Directors are interested in the said resolution.

ITEM NO. 8 :

The Company ever since its incorporation has been progressively increasing its scale of operation and incomes in the areas of leasing, hire purchase, bill discounting and its allied business. Further the members of the Company had at their Extra Ordinary General Meeting held on 1st July, 1997 approved the Company's plan to take up new business of Full Fledged Money Changers and dealing in foreign currencies and its related/allied activities. By such approval Company will be able to tap avenues for augmenting its incomes in the new proposed activity. With the increase in scale of operations in the existing and proposed activities, your Directors feel that at times in the interest of the Company, it may be required to execute guarantees/securities. As such for executing such guarantees/securities the permission of members is required under section 370 of The Companies Act, 1956.

Your Directors recommend for passing the said resolution as Special Resolution.

None of the Directors are interested in the said resolution.

Regd. Office :

19, R. N. Mukherjee Road

Main Building, 1st Floor

Calcutta - 700 001

Dated : 1st August, 1997

BY ORDER OF THE BOARD

TARUN KUMAR SRIVASTAVA

Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in submitting the Eighth Annual Report with audited accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS :

	(Rs. in lacs)	
	1996-97	1995-96
Gross Income from Operations	953.72	640.75
Gross Profit (PBDIT)	840.00	531.32
Depreciation	458.91	217.97
Interest	151.08	83.86
Provision for Tax	29.67	—
Net Profit after Tax	200.34	229.50

Add : Brought forward from previous year	51.31	36.31
Profit available for Appropriation	251.65	265.81

APPROPRIATIONS

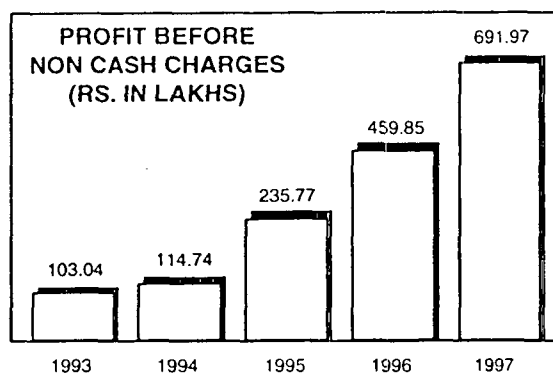
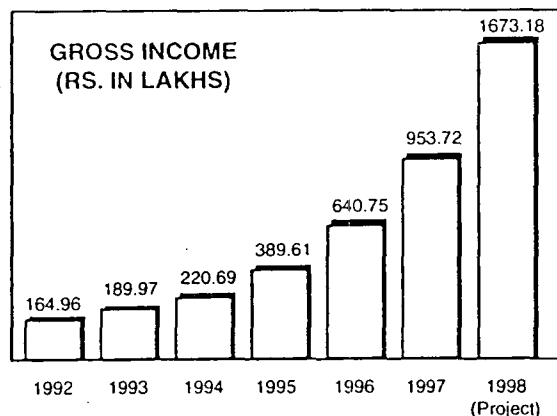
Dividends	90.00	114.53
Provision for I.T. on Proposed Dividend	9.00	—
Statutory Reserve	40.07	—
Transfer to General Reserves	20.00	100.00
Surplus carried to Balance Sheet	92.58	51.28
	251.65	265.81

OPERATIONS :

During the year under review, there was general liquidity crunch in the market and resource availability was scarce and expensive. As a result of these adverse conditions industrial investments slowed down thereby hindering the progress of service and financial sector. The proposed Finance Bill of 1997 does however, makes all efforts possible to boost up the investment in industrial sector and this should do well for NBFCs. Your Company welcomes the proposed changes by the RBI with regard to the registering of NBFCs and reinforcing of the directions for ensuring compliance of prudential norms which will help in a significant way to enhance the image of the obedient NBFCs such as that of your Company.

Despite the adverse conditions and challenges faced by the NBFCs your Company successfully withstood the pressures through prudent business policy and was able to make disbursement of Rs. 2410 lacs in hire purchase and leasing as against Rs. 2160 lacs in the previous year. The leased assets were valued at Rs. 1713 lacs as compared to Rs. 1508 lacs as on 31st March, 1996. The stock on hire also grew to Rs. 2171 lacs as compared to Rs. 1539 lacs in the previous year.

The gross income increased during the year and stood at Rs. 953.72 lacs as compared to Rs. 640.75 lacs in the previous year. The net Profit after tax stood at Rs. 200.34 lacs even after making provision for tax for Rs. 29.67 lacs.



OPENING OF NEW BRANCHES :

The Company, in its continued efforts for expanding its scale of operation and appreciation of income and to make a greater national presence for tapping the demand for financial services, leasing, hire purchase, bill discounting and its allied activities, has opened up branch at Asansol during the year under review and the said branch is under full-fledged operations. Further a branch was setup in the current financial year i.e 1997-98 at Mumbai which has begun its operations. A new branch has been setup at Ahmedabad and its operations will start very soon. With the setting-up of branches at Asansol, the Company consolidates its holding in the Eastern Region, further with the help of branches at Mumbai and Ahmedabad, the Company endeavours to capture and consolidate its position in its lines of activities in the Western Region.

BUSINESS OUTLOOK AND FUTURE PLANS :

Your Company is currently engaged in activities of leasing, hire purchase, bill discounting and its allied activities. The core activities of the Company being financing of automobiles, it is expected that with the growth in the per capita income the demand in the automobile industry will also rise as a result of which avenues for financing of automobiles will increase, which the company with its network of branches expects to capitalise for increasing its income in the near future.

The Company has also planned for diversification of its activities and with this motto it has already undertaken the necessary steps for commencing the business of FULL FLEDGED MONEY CHANGERS after getting the approval of its members at their Extra Ordinary General Meeting held on 1st July, 1997. The said new business will soon be in full fledged operations.

DIRECTORS :

Sri S. C. Lakhotia, Sri N. K. Bajoria, Sri R. C. Jain retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

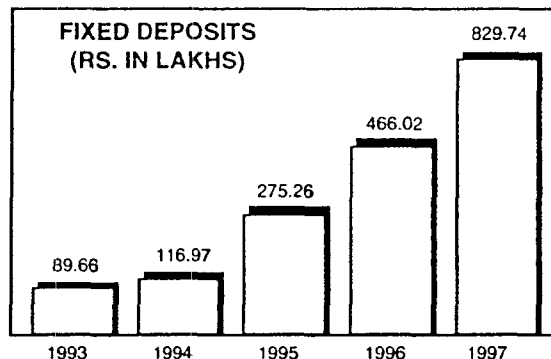
DIVIDEND :

Your Directors are happy to recommend payment

of Dividend @ 15% of Equity Shares of the Company. The said Dividend, if declared at Annual General Meeting will be exempt from Income-tax in the hands of the Members in terms of the relevant provisions of the Finance Act, 1997. The Directors have adopted conservative approach in recommending dividends for the year under review, due to the need of funds for investment in new business of money changers and for expansion of existing activities.

PUBLIC DEPOSITS :

The Company's real asset is the trust reposed by the depositors of the company in its fixed deposit schemes, which is apparent from the fact that the amount of deposits increased by more than 9 times from Rs. 89.66 lacs in 1993 to Rs. 829.74 lacs in 1997. The net accretion to deposits was Rs. 363.71 lacs as compared to Rs. 190.77 lacs in the previous year. The trust of the depositors is further substantiated by 'MA' rating continued further for this year also by ICRA indicating adequate safety. The Directors of the Company take this opportunity to thank the depositors for their continued confidence and support. As on 31st March, 1997 there were 26 deposits aggregating to Rs. 2.45 lacs which matured but remained unclaimed by the depositors. Steps are continuously been taken to arrange for repayment/renewal of these deposits.

**PRUDENTIAL NORMS FOR NBFC'S :**

The Company has followed the Prudential Norms prescribed by the Reserve Bank of India for

NBFC's including the new provisions of the Reserve Bank of India (Amendment) Act, 1997 governing important parameters such as capital adequacy, provision for bad and doubtful debts, provision for reserves etc. The Company is already registered with Reserve Bank of India, and has further applied for re-registration as per RBI guidelines. The Company has also created a statutory reserve as per the Reserve Bank of India (Amendment) Act, 1997. The capital adequacy as on 31st March, 1997 was 37.47% as against the prescribed minimum of 8%.

STATEMENT REQUIRED UNDER CLAUSE 43 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES :

The proceeds of the public issue has already been deployed in the manner so as to attain the projected profitability as detailed in the prospectus dated 30th January, 1995.

(Rs. in Lacs)

Particulars	Projections	Actuals
Gross Income	1248.70	953.72
Net Profit	328.89	200.34
Earning per Share (Rs.) Weighted	5.48	3.34

The variations between projected and actual results is on account of liquidity crisis prevailing in the market.

AUDITORS :

M/s. L. N. Todi & Co., Chartered Accountants of 14, Princep Street, Calcutta-700 072 retires from the office of the Auditors and being eligible offer themselves for reappointment.

M/s. B. Srinivasan & Co., Chartered Accountants of 318, Mount Road, Chennai-600 018 retires

from the office of the Auditors and being eligible offer themselves for reappointment as Auditors of Chennai & Cochin Branch of the Company.

M/s. Sunit K. Mittal, Chartered Accountants of LG-1, Ashoka Palace, 877, Green Park Road, Karol Bag, New Delhi-110 005 retires from the office of the Auditors and being eligible offer themselves for reappointment as Auditors of Delhi Branch of the Company.

The Board to be authorised by members to appoint auditors for Mumbai and Ahmedabad branches and further new branches opened/to be opened in consultation with the statutory auditors and to fix their remuneration for the Financial year 1997-98.

PARTICULARS OF EMPLOYEES :

No employees of the company is covered under section 207 (2A) of The Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company has no activities relating to conservation of energy and technology absorption. Further the Company has no foreign exchange earning and expenses in foreign currencies for the financial year under review.

GRATUITY :

Gratuity is provided on cash basis and notes on accounts are self explanatory.

ACKNOWLEDGEMENT :

Your Directors wish to thank all the Bank and Financial Institutions for their continued support. Your Directors also thank the customers and depositors and wish to place on record their appreciation of the good work done by all the employees of the Company.

ON BEHALF OF THE BOARD OF DIRECTORS

Place : Calcutta
Dated : 1st August, 1997

NAND LAL TODI
Chairman