

9th Annual Report & Accounts
1997-98

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
: YE	✓	✓		✓

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NPR
 FINANCE
 LIMITED

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 Lakhota
Arun Charan Mukherjee
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, E-mail : npr@cal.vsnl.net.in

Branches :

8C/6, W. E. A. Abdul Aziz Road
Karol Bagh (Opp. Shastri Park) 2nd Floor
New Delhi - 110 005
Phone : 574-8542, 574-8545, Fax : 575-0672

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

2B, 2nd Floor, Central Zone Apartment
CC-41/194, G. Ammankovil Road
Near K. S. R. T. C. Bus Stand
Cochin - 682 035, Phone : 36-6490

218, Majestic Shopping Centre Co-op Society
144, Jaganath Shankar Seth Road
(J.S.S. Road), Girgaun, Mumbai - 400 004
Phone : 380-1507 (3 Lines)

201, 2nd Floor, Samedh Complex
Above Global Trust Bank
C. G. Road, Ahmedabad - 380 006
Phone : 401482, 401483, 6425655

23, G. T. Road (East)
Usha Gram, Asansol
Phone : 20-4774



NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of the Company will be held on Saturday, the 26th day of September, 1998 at the Conference Hall of the Academy of Fine Arts, 2 Cathedral Road, Calcutta - 700 071 at 11.00 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, 1998, the Audited Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sri N. L. Todi who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri D. P. Ganguly who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri N. G. Khaitan who retires by rotation and being eligible, offers himself for reappointment.
5. 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, Teynampet, L.R. Swami Bldg., Chennai - 600 018 retires from the office of the Auditors of Chennai and Cochin Branch and being eligible offer themselves for reappointment.
 - c) M/s. Sunit K. Mittal, Chartered Accountants of 8-D, Hansalya, 15, Barakhamba Road, Connaught Place, New Delhi retires from the office of the Auditors of Delhi Branch and being eligible offer themselves for reappointment.
 - d) M/s. P. P. Jayaraman & Co., Chartered Accountants of No. 5 Rameshwar Building, Ram Maruti Road, Naupada, Thane (W) - 400 602 retires from the office of the Auditors of Mumbai Branch and being eligible offer themselves for reappointment.
 - e) M/s. Jain Kedia & Sharma, Chartered Accountants of 13, Mill Officers Colony, 2nd Floor, Behind La Gajjar Chambers, Ashram Road, Ahmedabad - 380 009 retires from the office of the Auditors of Ahmedabad Branch and being eligible offer themselves for reappointment.
 - f) The Board to be authorised by members to appoint auditors for Jaipur Branch and further branches opened/to be opened and to fix their remuneration for the financial year 1998-99 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 Jaipur Branch and further new branches opened/to be opened for the financial year 1998-99 and to fix their remuneration."

Special Business :

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

"RESOLVED that pursuant to the provisions of Sections 198, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Article 145(1) and Article 173 of the Articles of Association of the Company, Shri Pawan Kumar Todi, Managing Director of the Company be paid, with effect from 1st February, 1998 till the period of his continuance in the Office of Managing Director, the revised higher remuneration and perquisites as mentioned below :-

A Salary Rs. 18,000/- (Rupees Eighteen Thousand only) per month.

Annual increment (upto a maximum of Rs. 2,000/- per month) will be effective from 1st April of each year which will be decided by the Board.

B Perquisites (i) Housing / House Rent Allowance

The expenditure incurred by the Company will be subject to a ceiling of 60% of salary.

(ii) Medical reimbursement

The expenses incurred by him and his family including Premium for Mediclaim Insurance policy for himself and his family.

Major hospitalisation expenses for him and his family which are not payable under Mediclaim Insurance policies. The Managing Director will also be entitled to medical benefit after retirement or his resignation.

The Managing Director is entitled to actual expenditure incurred by him on medical treatment or by any member of his family outside India. The expenditure incurred for travel and stay abroad including for one attendant, subject to the condition that the expenditure on medical treatment and stay abroad will be allowed only to the extent permitted by the Reserve Bank of India and also subject to the permission, if any required, of any authority as per Companies Act.

(iii) Leave and Leave Travel Concession

Leave as per Rules of the Company including encashment of leave as per Rules of the Company.



Leave in a year :

- (a) Total 45 days Annual and Casual leave including sickness in addition to -
- (b) Hospitalisation leave for the days remained hospitalised.
- (c) Leave Travel Concession for self and family once in a year.
- (iv) Club Fees :

Fees of Clubs subject to a maximum of two Clubs, excluding admission and life membership fee.

- (v) Personal Accident Insurance :

Personal Accident Insurance of an amount the annual premium of which does not exceed Rs. 4000/-.

For the purpose of calculating the above ceiling, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.

C. Other Payments and Provisions :

- i. Contribution towards Provident Fund will be subject to a ceiling of 10% / 12% of the salary or at increased rate as per rules of the Govt. Contribution to Pension / Superannuation Fund together with Provident Fund shall not exceed such percentage of the salary as laid down in the Income Tax Rules, 1962. Contribution to Provident Fund, Superannuation Fund and Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

- ii. Car

Provision of car for use on Company's business purpose. Use of car for private purpose shall be billed by the Company. The use of Company's car for business purpose will not be considered as a perquisite.

- iii. Gratuity

Gratuity shall not exceed one half month's salary for each completed year of service.

- iv. Telephone

Provision of telephone at residence will not be considered as perquisite but personal long distance calls shall be billed by the Company."



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 to the Board of Directors of the Company in terms of Section 293 (1)(a) and other applicable provisions of the Companies Act, 1956 for creation of Mortgage(s), Pledge(s), Hypothecation(s), Charge(s) and Security(ies) in such manner and in such form as may be necessary upon all or such of the assets of the Company, both present and future for securing the loans/financial assistance or other forms of credit availed or to be availed from time to time from Bank(s), Financial institution(s), Statutory Authority(ies), Body(ies) Corporate, Person(s) etc., as may be agreed to by the Board of Directors of the Company and the said Bank(s), Financial Institution(s), Statutory Authority(ies), Body(ies) Corporate, Person(s) etc."

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 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by inserting after Article 13, the following new Article 13A :-

Purchase / Buy Back of Shares	13A.	Notwithstanding anything contained in Article 12, Article 13 and any other Article of those Articles, in the event it is permitted by law for a Company to purchase/buy back its own shares or securities, the Board of Directors may, if and when thought fit, purchase/buy back such of the Company's own shares or securities as it may think necessary or proper, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by law.
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9. To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution :

"RESOLVED that if and when permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions under any Statute or by the Central Govt. or any Regulatory Authority as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), the consent of the Company be and is hereby accorded to the Board, to purchase/buy back in one or more tranches, such number of Equity Shares or other Securities of the Company as may be permissible by Law or Central Govt. or any Regulatory Authority and considered appropriate by the Board, from the holders of Equity Shares or other Securities and/or from open Market and/or through Brokers, intermediaries etc. in such proportion and manner as may be permitted by law and out of such funds of the Company as may be permitted to be utilised for the purpose or out of the proceeds of any issue made by the Company or from such other sources as may be permitted by law provided that the aggregate of Equity Shares or other Securities so purchased/ brought back shall not exceed such percentage thereof as may be stipulated by law."



"RESOLVED FURTHER that for the purpose of giving effect to this Resolution the Board be and is hereby authorised to do all such acts, deeds and things and to give such directions as may be considered desirable, necessary or expedient and to settle all questions or difficulties whatsoever that may arise relating to the aforesaid purchase/buy back of Equity Shares or Securities and all matters connected therewith and/or incidental thereto including raising of such funds through Public issue/Private Placement of such form of Shares/Securities, or from Banks/financial institutions, or in any other manner as may be permitted for the aforementioned purpose."

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

"RESOLVED that pursuant to section 370 of the Companies Act, 1956 the consent of the Members be and is hereby given to the Board of Directors of the Company to the making of loans to bodies Corporate irrespective of whether they are under the same management or not subject, however, to the condition that the total amount of such loans to the bodies Corporate under the same management of the Company and to others does not exceed the limits prescribed by the Central Government in this regard."



Regd. Office :

19, R. N. Mukherjee Road
Main Building, 1st Floor
Calcutta - 700 001

Dated : 26th August, 1998

BY ORDER OF THE BOARD

TARUN KUMAR SRIVASTAVA

Company Secretary

NOTES :

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 21st September, 1998 to 26th September, 1998 (both days inclusive).
4. 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. 5 (f)

The Company has planned to open a branch at Jaipur very soon during the current financial year 1998-99. Further, the Company may also open up further new branches at suitable places if found amicable during the current financial year. So it is advisable to authorise the Board to appoint Auditors for the new branch at Jaipur and further new branches that might be opened and to fix their remuneration.

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

None of the Directors are interested in the said Resolution.

ITEM NO. 6

The members of the Company had at their Extra Ordinary General Meeting held on 24th October, 1994 appointed Shri Pawan Kumar Todi as Managing Director of the Company for a period of five years with effect from 1st November, 1994 and had also approved the remuneration payable to him. Since then the remuneration of the Managing Director was not revised and the Board thought it fit to revise the remuneration payable to him. As such the Board of Directors had at their meeting held on 30th January, 1998 had increased the remuneration payable to Shri Pawan Kumar Todi, Managing Director with effect from 1st February, 1998 to be paid to him during the remainder of the tenure of his office. The increased remuneration is in accordance with the limits specified in Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

The part C (i) of the Remuneration as mentioned in the Resolution under Item No. 6 relating to contribution to Provident Fund, Superannuation and Pension Fund as was originally approved by the Board at their meeting held on 30 January, 1998 had put a ceiling of 25% of salary and the same was as reproduced below :-

C. Other Payments and Provisions :

- (i) Contribution towards Provident Fund will be subject to a ceiling of 10% / 12% of the salary or at increased rate as per rules of the Govt. Contribution to Pension / Superannuation Fund together with Provident Fund shall not exceed 25% of the salary as laid down in the Income Tax Rules, 1962. Contribution to Provident Fund, Superannuation Fund and Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Since changes may be introduced by Government for Employer's contribution to Provident Fund, Superannuation Fund and Pension Funds from time to time, hence in order to avoid repetitive resolutions it has been further decided by the Board at their meeting held on 26th August, 1998 to withdraw the said limit of 25%, and amended the said part C (i) of the remuneration to as it is mentioned in the text of the Resolution.

The above may be considered as an Abstract of the terms and Memorandum of Interest in terms of Section 302 of the Companies Act, 1956, relating to the said amendment made to part C (i) of the remuneration by the Board at their meeting held on 26th August, 1998.

The Abstract of the terms and Memorandum of Interest in terms of Section 302 of the Act had already been sent to the Members on 16th February, 1998 after the said remuneration was raised by the Board at their meeting held on 30th January, 1998.



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

Shri Pawan Kumar Todi and Shri Nand Lal Todi who is related as father of Shri Pawan Kumar Todi are considered to be interested in the said Resolution.

ITEM NO. 7

The Company at times may require to avail loan/financial assistance or other form of Credit from Banks/ financial Institutions / other persons and authorities on the terms and conditions that the same be secured by creating Mortgage and/or Charge on whole or substantially the whole of the assets (movable & immovable) of the Company, both present and future, and since mortgaging, charging by the Company of its whole or substantially the whole of its assets may be considered as disposal of the Company's assets. It is therefore sought to get the consent of the members under Section 293(1)(a) of the Companies Act, 1956.

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

None of the Directors are interested in the said Resolution.

ITEM NO. 8 & 9

The Companies Act, 1956, presently prohibits a Company from purchasing/buying back its own Equity Shares. It is, however anticipated that the law may in future permit a Company to buy back its own Equity Shares/ Securities. The Board of Directors (the "Board") of your Company is of the opinion that after such purchase/ buy back is allowed, the Company should have requisite power to avail the facility, as and when necessary, by altering the Articles of Association by inserting new Article 13A as mentioned under Item No. 8. The Resolution set out under Item No. 9 of the Notice is an enabling Resolution so that the Board may, at the appropriate time, take decisions in accordance with the provisions of law for purchasing/buying back of Equity Shares or other permissible securities subject to such limit, at such rate, out of such funds and on such terms and conditions which may be permissible in accordance with the applicable legal provisions.

Your Directors recommend the passing of the said enabling Resolutions as Special Resolutions.

None of the Directors are concerned or interested in the said Resolutions except to the extent of their holdings in the Equity Share Capital of the Company.

ITEM NO. 10

The Company being a Non Banking Finance Company at times it may place funds with Companies under the same Management for enabling it to get proper returns or for other business considerations. The making of loans to Companies under the same Management requires the approval of Members pursuant to the provisions of Section 370 of the Companies Act, 1956, and as such your Directors recommend to pass the said Resolution as a Special Resolution.

None of the Directors of the Company are interested in the said Resolution.

Regd. Office :

19, R. N. Mukherjee Road
Main Building, 1st Floor
Calcutta - 700 001

Dated : 26th August, 1998

BY ORDER OF THE BOARD

TARUN KUMAR SRIVASTAVA

Company Secretary