

**ELEVENTH ANNUAL REPORT
1999-2000**



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NPR FINANCE LIMITED



NPR FINANCE LIMITED

BOARD OF DIRECTORS

Chairman :

Nand Lal Todi

Managing Director :

Pawan Kumar Todi

Directors :

Ramesh Chand Jain
Debi Prosad Ganguly
Arun Charan Mukherjee
Nand Gopal Khaitan
Narendra Kumar Bajoria

Company Secretary :

Sarika Mehra

Auditors :

L. N. Todi & Co.
Chartered Accountants

Bankers :

Allahabad Bank
Bank of Madura

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 Appartment
CC-41/194, G. Ammankovil Road
Near K. S. R. T. C. Bus Stand
Cochin - 682 035, Phone : 36-6436/7927
640-1482/83, 656-6228/6243, Fax : 640-5655

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), Fax : 380-2715

201, 2nd Floor Samedh Complex
Above Global Trust Bank
C. G. Road, Ahmedabad - 380 006
Phone : 656-6228/6243, 640-1482
Fax : 640-5655

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

302, 2nd Floor, Salimar Complex Church Road,
Off Mirza Ismail Road, Jaipur - 302 001
Phone : 37-4273, 36-9371



NPR FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of the Company will be held on Friday, the 29th day of September, 2000 at the Conference Hall (Somany) of the Merchants Chamber of Commerce, 15-B, Hemanta Basu Sarani, 2nd Floor, Calcutta - 700 001 at 10.30 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, 2000, the Audited Balance Sheet as on that date and the reports of the Auditors and Directors thereon.
2. To declare a dividend for the financial year ended 31st March, 2000.
3. To appoint a Director in place of Shri N. L. Todi who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri D. P. Ganguly who retires by rotation and being eligible, offers himself for re-appointment.
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 re-appointment.
 - b) M/s. B. Srinivasan & Co., Chartered Accountants of 318, Mount Road, Teynampet, L. R. Swami Building, Chennai - 600 018 retires from the office of the Auditors of Chennai and Cochin Branch and being eligible offer themselves for re-appointment.
 - c) M/s. Sunit K. Mittal, Chartered Accountants of 8-D, Hansalaya, 15, Barakhamba Road, Connaught Place, New Delhi - 110 001 retires from the office of the Auditors of Delhi and Jaipur Branch and being eligible offer themselves for re-appointment.
 - 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 re-appointment.



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- 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 re-appointment.
- f) The Board to be authorised by members to appoint auditors for further branches to be opened and to fix their remuneration for the financial year 2000-2001 by passing the following resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the Provisions of Section 226 and Section 228 and 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 further new branches to be opened for the financial year 2000-2001 and to fix their remuneration."

Regd. Office :

19, R. N. Mukherjee Road

Main Building, 1st. Floor

Calcutta-700 001

Dated : 30th August, 2000

By Order of the Board

SARIKA MEHRA

Company Secretary

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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS 48 HOURS BEFORE THE MEETING.
2. The register of Members and Share Transfer Books of the Company in respect of Equity Shares shall remain closed from 16th September, 2000 to 29th September, 2000 (both days inclusive).



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3. Non- resident Indian Shareholders are requested to inform the Company immediately :
 - a) The change in residential status on return to India for permanent settlement.
 - b) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
4. Members who are holding shares in identical order or names in more than one folio are requested to send the Company, the details of such folios together with the Share Certificates for consolidating their holdings in one such folio. The Share Certificates will be returned to the Members after making requisite changes thereon.
5. As per the provisions of amended Companies Act, 1956, facility for making nominations is now available to individuals holding shares in the Company. The Nomination form-2B prescribed by the Government can be obtained from the Company.
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.

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NPR FINANCE LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eleventh Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS :

	(Rs. in lacs)	
	1999-00	1998-99
Gross Profit before	703.01	803.62
Depreciation, Lease Equalisation, Interest and Tax		
Depreciation including	382.05	490.48
Lease Equalisation		
Interest	176.51	198.28
Provision for Tax	15.00	22.05
Net Profit after Tax	129.45	92.81
Add: Provision written back	—	—
Add: Brought forward from previous year	313.69	239.45
Profit available for Appropriation	443.14	332.26
APPROPRIATIONS		
Statutory Reserve	23.00	18.57
General Reserve	100.00	—
Proposed Dividend	30.00	—
Tax on Proposed Dividend	6.60	—
Surplus Carried to Balance Sheet	283.54	313.69
	443.14	332.26

OPERATIONS

Although, Commercial vehicle industry, after a long spell of demand recession, witnessed, strong growth over previous years level, the key factor which makes the situation difficult for existing Non Banking Financial Companies is that the Financial Institutions, Banks & other large players in the industry have turned their attention to the commercial vehicle segment in addition to cars with a view to improving their asset portfolio. This has impacted the margin of our Company. However, your Company has managed to increase the stock on hire marginally from 3474.31 lacs to 3657.12 lacs.

During the year under review, company has increased its portfolio of assets by leasing out Energy Saving Equipments. This is new area of business which is being developed as your company expects that in the future years there will be more thrust in promoting environmental friendly products. The Company's leased assets increased by Rs. 421.43 lacs and stood at Rs. 3822.61 lacs as compared to Rs. 3401.18 lacs in the previous year.

Money Changing business has made remarkable results with sales turnover of Rs. 2079.52 lacs as compared to 260.18 lacs in the previous financial year registering a growth of almost 700%. Income from money changing operation increased by 520% (approx) to Rs. 19.61 lacs over Rs. 3.16 lacs recorded in the previous year.

The profit after tax for the year under review was Rs. 129.45 lacs as against Rs. 92.81 lacs in the last year. In spite of stiffer competition for business, the company recorded an increase of 39.48% in Profit after tax during the current year as compared to the previous year which shows considerable improvement over previous year's performance. The progress of various branches of the company have been satisfactory during the year.

BUSINESS OUTLOOK & FUTURE PLAN

NBFCs are facing intense Competition from Banks, Financial institutions and other large corporates in retails segment particularly in cars & commercial vehicles, forcing them to accept lower margin besides looking for newer products. In spite of the fact that margins for the coming years are likely to be under strain, your Company with its core strength of branch network, skilled manpower and process capabilities has endeavoured to retain and expand the market share in Hire purchase and lease business during the year. The lessons which have been learnt during the crisis and its immediate aftermath have been extremely educative. Our Company with its policy of changing strategy with the changing business conditions, is amply confident that it will be able to generate satisfactory results in the years to come.

DIRECTORS

Shri Nand Lal Todi & Shri Debi Prosad Ganguly retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment as Directors of the Company.



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YEAR 2000 (Y2K) COMPLIANCE

Your Company has achieved a smooth transition into the new millennium without any claim arising from Y2K related activities.

CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted a committee on Corporate Governance and accepted the recommendations in January 2000. Accordingly, the regulations become mandatory to the Company from the financial year 2002-2003 as per SEBI notification. However in terms of the provisions of RBI directions to NBFCs, the company has already constituted an Audit committee consisting of three directors which is one of the recommendations of the SEBI codes on corporate governance.

LISTING

The shares of the company are listed on the following stock exchanges, and the company has paid the listing fees upto financial year 2000-2001 as per listing agreements entered into with the said stock exchanges.

1. The Calcutta Stock Exchange Association Limited - (Regional Stock Exchange)
7, Lyons Range
Calcutta - 700 001
2. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
3. The Stock Exchange, Ahmedabad
Kamdhenu Complex,
Opp Sahajanand College
Panjarapole,
Ahmedabad - 380 015

DIVIDEND

Your Directors considering the profits for the year under review and the present market conditions to which the Company is exposed have recommended a dividend of 5% (Re. 0.5 per Equity Share) on the paid-up Share Capital of the Company. The directors have adopted conservative approach in recommending dividends for the year under review due to the need of funds for

investment in new activities or expansion of existing activities.

PUBLIC DEPOSIT

The company continued to augment its marketing resources and brokers network in fixed deposit mobilisation. Total fixed deposit as on March 31, 2000 stood at Rs. 845.06 lacs (Previous year Rs. 913.55 lacs). This was mainly because of the panic caused by sudden closure of certain Non Banking Financial Companies and overall dull market for the NBFCs. Your company at present enjoys "MA-" rating by ICRA indicating adequate safety.

As on 31st March, 2000, there were 216 deposits aggregating to Rs. 31.26 lacs which matured but remained unclaimed by the depositors out of which 67 deposits aggregating to Rs. 10.54 lacs have already been paid/renewed. For the remaining deposits, steps are continuously been taken to arrange for repayment/renewals.

CALLS IN ARREAR

Total calls in arrear as on 31.03.2000 at Rs. 86000/-. However steps are continuously been taken to arrange for recovery of the same.

PRUDENTIAL NORMS FOR NBFC'S :

Your company has been complying with all the requisite norms prescribed by the Reserve Bank of India for income recognition, accounting standards, capital adequacy, credit rating, provisioning & all other requirements.

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 re-appointment.

M/s. B. Srinivasan & Co., Chartered Accountants of 318, Mount Road, Teynampet, L. R. Swami Building, Chennai - 600 018 retires from the office of the Auditors of Chennai and Cochin Branch and being eligible offer themselves for re-appointment.

M/s. Sunit K. Mittal, Chartered Accountants of 8-D, Hansalaya, 15, Barakhamba Road, Connaught Place,



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New Delhi - 110 001 retires from the office of the Auditors of Delhi and Jaipur Branch and being eligible offer themselves for re-appointment.

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 re-appointment.

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 re-appointment.

The Board to be authorised by members to appoint auditors for new branches that might be opened in consultation with the Statutory Auditors.

AUDITORS' REPORT :

Auditors' Report are self explanatory and hence do not require any further explanations.

PARTICULARS OF EMPLOYEES :

The company has no employee of the category indicated under section 217 (2A) of the Company Act,

1956, read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

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

The Company has no activity relating to conservation of energy and technology absorption in terms of Section 217 (1) (e) of the Companies Act, 1956. The Company has no Foreign exchange earnings and outgo during the year under review.

ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and cooperation extended by stakeholders, depositors, bankers, business associates, financial institutions and customers of the Company and look forward to their continued support. Your Directors also wish to extend their sincere thanks to the employees of the Company at all levels for their unstinted co-operation and services during the year.

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Place : Calcutta
Dated : 30th August, 2000

ON BEHALF OF THE BOARD OF DIRECTORS

NAND LAL TODI
Chairman