

# 13<sup>th</sup> ANNUAL REPORT 2001-2002



## **NPR FINANCE LIMITED**



# NPR FINANCE LIMITED

ANNUAL REPORT 2001 2002

## BOARD OF DIRECTORS

### *Managing Director :*

Pawan Kumar Todi

### *Directors :*

Nand Lal Todi  
Arun Charan Mukherjee  
Debiprasad Chatterjee  
Nitin Guha

### *Audit Committee :*

Arun Charan Mukherjee  
Nand Lal Todi  
Debiprasad Chatterjee  
Nitin Guha

### *Company Secretary :*

Sarika Mehra

### *Auditors :*

L. N. Todi & Co.  
Chartered Accountants

### *Shareholders /Investors Grievance & Transfer Committee :*

Nand Lal Todi  
Pawan Kumar Todi  
Debi Prasad Chatterjee

### *Bankers :*

Allahabad Bank  
ICICI Bank Ltd.

### *Registered Office :*

19, R. N. Mukherjee Road, 1st Floor  
Main Building, Kolkata - 700 001  
Phone : 248-8824, 248-9902, 248-4788  
Fax : 243-0151, E-mail : [npr@cal.vsnl.net.in](mailto:npr@cal.vsnl.net.in)

### *NEW DELHI BRANCH :*

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

### *CHENNAI BRANCH :*

No. 35/36, 2nd Floor  
Greens Road  
Chennai - 600 006  
Phone No. - 829-5745/829-5748

### *COCHIN BRANCH :*

2B, 2nd Floor, Central Zone Apartment  
CC-41/194, G. Ammankovil Road  
Near K. S. R. T. C. Bus Stand  
Cochin - 682 035, Phone : 36-4948/7927  
Fax : 35-1589

### *MUMBAI BRANCH :*

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

### *AHMEDABAD BRANCH :*

201, 2nd Floor Samedh Complex  
Above Global Trust Bank  
C. G. Road, Ahmedabad - 380 006  
Phone : 640-1482 (2 lines), Fax : 640-5655

### *AGRA BRANCH :*

18/163-B/5, Fatehbad Road  
(Near Taj View Hotel)  
Agra - 282 001

### *JAIPUR BRANCH :*

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



## NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of the Company will be held on Monday, the 30th day of September, 2002 at the Jhaharia Committee Room of the Merchants Chamber of Commerce of 15-B Hemanta Basu Sarani, 2nd floor Kolkata-700 001 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, 2002, the Audited Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri Nand Lal Todi who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in place of Shri Debiprasad Chatterjee who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 Hudco Niwas, Room No. 4, 4th Floor, 15N, Lindsay Street, Kolkata- 700 087 retire 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 retire 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 & Co., Chartered Accountants of 8-D, Hansalya, 15, Barakhamba Road, Connaught Place, New Delhi- 110 001 retire from the office of the Auditors of Delhi, Jaipur and Agra 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 retire from the office of the Auditors of Mumbai Branch and being eligible offer themselves for re-appointment.
  - e. M/s. Jain Kedia & Sharma, Chartered Accountants of 13, Mill Officers Colony, 2nd Floor, Behind La Gajjar Chambers, Ashram Road, Ahmedabad-380 009 retire 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 further branches to be



opened and to fix their remuneration for the financial year 2002-2003 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 2002-2003 and to fix their remuneration."

**Special Business :**

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

"RESOLVED that Mr. Nitin Guha who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Article 141 of Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Regd. Office :

19, R. N. Mukherjee Road

Main Building, 1st. Floor

Kolkata-700 001

Dated : 28th August, 2002

BY ORDER OF THE BOARD

**SARIKA MEHRA**

Company Secretary

**NOTES :**

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed herewith
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 16th September, 2002 to 30th September, 2002 (both days inclusive) .
- 4
  - a. Members are requested to notify to the Company, change of address, if any, with pin code quoting reference of their folio number/Dp Id and Client Id .
  - b. In case, the mailing address mentioned on this Annual Report is without the PIN CODE, members are requested to kindly inform their PIN CODE immediately.
5. 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.
- 6 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.
- 7 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.
- 8 Members are requested to quote their folio number/DP Id and client ID in all correspondence.
- 9 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.
- 10 Members are requested to note that trading in securities of the Company are compulsorily in dematerialised form only . Hence members who are yet to dematerialise their shares are advised to do so. The Company has entered into agreements with National Securities Depositories Ltd. (NSDL) and Central Depositories Services (I) Ltd. (CDSL) for Demat facilities.
- 11 Pursuant to Section 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 1996 and thereafter which remained unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund of the Central Government. **It may be noted that as per the provisions of Section 205C of the Companies Act, 1956, once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above, no claim shall lie against the Fund or the Company in respect of such amount.** Hence, members who have not encashed their dividend warrant(s) so far, for the financial year 31st March, 1996 or any subsequent financial years are requested to make their claim to the Secretarial Department of the Company at its registered office immediately.

**Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956****Item No. 5**

Mr. Nitin Guha was appointed as additional director of the Company w.e.f. 27th July, 2002 by the Board of Directors of the Company.

In terms of Section 260 of the Companies Act, 1956 and Article 141 of the Article of Association, Mr. Nitin Guha is to hold office upto the date of ensuing Annual General Meeting of the Company .

Mr. Nitin Guha is a member of Institute of Engineers ,India having 50 years of experience in various fields of Mechanical Engineering. He had occupied the position of senior Executive in Roberts Mclean & Co. Ltd., Jardine Henderson Ltd., J.K. Steel Ind. Ltd. and was also Design Engineer in U.K. Mr. Guha is currently a member of Audit Committee of your Company's Board.

The Company has received notice under section 257(1) of the Companies Act, 1956 along with the deposit of Rs. 500/- from shareholder signifying his intention to propose Mr. Nitin Guha as Director of the Company.

Your directors are of view that it will be in the best interest of the Company to appoint Mr. Nitin Guha as Director and recommend the adoption of resolution proposed under item 5 of the Notice.

Save and except Mr. Nitin Guha, no other Director of the Company is concerned or interested in the said Resolution.



Regd. Office :

19, R. N. Mukherjee Road

Main Building, 1st. Floor

Kolkata-700 001

Dated : 28th August, 2002

BY ORDER OF THE BOARD

**SARIKA MEHRA**

Company Secretary



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## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2002.

## FINANCIAL RESULTS :

	(Rs. in lacs)	
	2001-02	2000-01
Gross Profit before	414.76	799.37
Depreciation, Lease Equalisation, Interest and Tax		
Depreciation including		
Lease Equalisation,	266.17	358.23
Interest	138.52	139.25
Provision for Tax	10.03	23.00
Net Profit after Tax	0.04	278.89
Less : Income Tax		
Adjustment of earlier years	(0.00)	(8.93)
Add : Brought forward from previous year	497.50	283.54
Less Opening unadjusted Deferred Tax Liability	(428.11)	(0.00)
Profit available for Appropriation	69.43	553.50
<b>APPROPRIATIONS</b>		
Statutory Reserve for earlier years	2.89	0.00
Statutory Reserve for current year	0.01	56.00
General Reserve	0.00	0.00
Proposed Dividend	0.00	0.00
Tax on Proposed Dividend	0.00	0.00
Surplus Carried to Balance Sheet	66.53	497.50
	69.43	553.50

## OPERATIONS

The performance and overall growth of Commercial vehicle industry remained more or less at the same

level as it was during the last year . There was no significant positive growth in economic condition of the country. Consequently there was no significant development in finance market.

Your company has continued to maintain its market shares in hire purchase and leasing activities despite stiff competition from Banks and financial Institutions. Stock on hire has been increased from Rs. 3408.31 lacs to 3588.25 lacs. Additions in leased assets have remained more or less at the same level as that of last year. There has been an additions in Company's leased assets to the extent of Rs. 246.65 lacs as compared to Rs. 245.94 lacs in the previous year.

On money changing side, FFMC Division has been made operational at two more branches i.e. Ahmedabad and Chennai.

Company has done very well in money changing business across all branches. Sales turnover of Money Changing Division has been doubled from Rs. 1506.65 lakhs to Rs. 3103.61 lacs. Accordingly there has been an increase of more than 100% in gross income from money changing operation to Rs. 34.36 lacs over Rs. 15.90 lacs recorded in the previous year.

Inspired from the improved performance of the Company in money changing division and sensing the growth potential , Company has opened one more Foreign Exchange Division in Agra and the same has also commenced the Money Changing business .

Inspite of the remarkable performance in money changing division and overall satisfactory performance in Hire Purchase and leasing activities in the backdrop of no significant economic developments, the profit after tax has been drastically reduced from Rs. 278.89 lacs to Rs. 0.03 lacs . The fall in profit is mainly on account of unusual developments in the stock market which had taken place in the month of March, 2001 resulting in bad debts of Rs. 458.51 lacs on account of loan given against the shares during the year under review. However, the Company is trying its level best to recover





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the amount and has already initiated legal proceedings in this regard.

## BUSINESS OUTLOOK & FUTURE PLAN

NBFCs are facing intense competition from Banks and other financial institutions which is affecting the profitability of the Company. Therefore Management of the Company feels that apart from consolidation its position in its existing line of activities, it is necessary to explore other avenues having good business prospect.

## DIRECTORS

Mr. Debi Prosad Ganguly passed away on 20th July, 2002. His wisdom, extensive management experience and enormous dedication had been of immense value to the Company. Your Company is profoundly grateful to his inspiring contribution.

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

Shri Narendra Kumar Bajoria being unable to continue as Director of the Company resigned from the Board with effect from 25th May, 2002. The Board hereby records its appreciation of the services and advises rendered by him to the Company during the tenure of his office.

Further Mr. Nitin Guha has been appointed as additional director of the Company with effect from 27th July, 2002 and as such he is to hold office till the conclusion of ensuing Annual General Meeting. Notice has been received from member signifying his intention to propose Mr. Nitin Guha as Director of the Company. The Board is of view that the knowledge and experience of Mr. Nitin Guha would render great benefit to the Company and accordingly recommends his appointment as Director of the Company.

## DEMATERIALISATION OF SHARES

Your Company is offering holding and trading of shares in dematerialised form through its arrangement with

National Security Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). This ensures efficient and prompt service to the investors and eliminates risks involved in paper based system.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm

- i) that in the preparation of the Company's Annual Accounts for the period ended March 31, 2002, the applicable Accounting Standards have been followed and there are no material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & Loss of the Company for that period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors had prepared the annual accounts on a going concern basis.

## CORPORATE GOVERNANCE

The Corporate Governance requirements prescribed under the Listing Agreements between the Company and the Stock Exchanges would require to be compulsorily complied with by your Company not later than 31st March, 2003. The process of compliance has already been commenced with the constitution of Audit Committee and shareholders/Investors Grievance & Transfer Committee.

## LISTING

The shares of the company are listed on the following stock exchanges, and the company has paid the listing





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fees upto financial year 2002-2003 as per listing agreements entered into with the said stock exchanges.

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

## DIVIDEND

Your directors have decided not to recommend any dividend for the financial year under review in view of inadequacy of profit.

## PUBLIC DEPOSIT

Total fixed deposit as on March 31, 2002 stood at Rs. 768.24 lacs (previous year Rs. 829.43 lacs). As on 31st March, 2002 there were 384 deposits aggregating to Rs. 66.11 lakhs which matured but remained unclaimed by the depositors out of which 334 deposits aggregating to Rs. 59.76 lakhs have already been paid/renewed. For the remaining deposits, steps are continuously been taken to arrange for repayment/renewals.

## FORFEITURE OF SHARES

Total Calls in Arrears as on 31-03-2002 is Rs. 86,000/-. However, after giving several reminder notices to the defaultee shareholders and finding no possibility of recovery of the said amount, Company has in its Board Meeting held on 27th April, 2002 forfeited 10400 shares of Rs. 10/- each. The said forfeiture has been done in line with the requirements of Companies Act, 1956 and listing agreements.

## REGULATORY

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.

Further in line with the Reserve Bank of India Direction, Company has formed Asset Liability Committee(ALCO). The said committee comprises Mr. Pawan Kumar Todi, Managing Director, Mr. Nand Lal Todi, Director, Mr. Debiprasad Chatterjee, Director and Mr. Shanker Birjuka, General Manager.

The working of the ALCO committee is to assess various types of risks like interest rate risk, liquidity risk, credit risk, operational risk, product risk and altering asset liability portfolio in dynamic manner through proper systems for efficient risk management.

## ACCOUNTS AND ACCOUNTING STANDARDS

The financial statements of your Company adhere to the prudential guidelines prescribed by the Reserve Bank of India and to the Accounting Standards issued by the Institute of Chartered Accountants of India. The Accounting Standards that have become mandatory during the year under review relate to Segment Reporting, Related Party Disclosures, Accounting for leases, accounting for taxes on income and Accounting for Earning per share. The impact on the accounts for the year arising out of the adoption of these standards has been disclosed in the Notes on Accounts.

## AUDITORS :

M/s. L. N. Todi & Co., Chartered Accountants of Hudco Niwas, Room No. 4, 4th floor, 15N, Lindsay street, Kolkata-700 087 retire 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 retire from the office of the Auditors of



Chennai and Cochin Branch and being eligible offer themselves for re-appointment.

M/s. Sunit K. Mittal & Co., Chartered Accountants of 8-D. Hansalaya, 15 Barakhamba Road, Connaught Place, New Delhi- 110 001 retire from the office of the Auditors of Delhi, Jaipur and Agra 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 retire 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 retire 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 Companies 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 .

#### **ACKNOWLEDGEMENT:**

Your Directors take this opportunity to place on record their gratitude for the confidence reposed and the co-operation extended to the Company by shareholders, depositors, bankers, business associates, financial institutions and customers of the Company . Your Directors also wish to place on record their appreciation of the dedicated services of the employees of the Company at all levels.

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Place : Kolkata  
Dated : 28th August, 2002

ON BEHALF OF THE BOARD OF DIRECTORS

**NAND LAL TODI**  
*Chairman*