

**14th
ANNUAL REPORT
2002-2003**

Report



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NPR FINANCE LIMITED



NPR FINANCE LIMITED

ANNUAL REPORT 2002-2003

BOARD OF DIRECTORS

Managing Director :

Pawan Kumar Todi

Directors :

Nand Lal Todi

Arun Charan Mukherjee

Debiprasad Chatterjee

Nitin Guha

Audit Committee :

Debiprasad Chatterjee

Nand Lal Todi

Arun Charan Mukherjee

Nitin Guha

Shareholders /Investors Grievance & Transfer Committee :

Debiprasad Chatterjee

Nand Lal Todi

Pawan Kumar Todi

Remuneration Committee :

Nitin Guha

Debiprasad Chatterjee

Arun Charan Mukherjee

Asset Liability Committee :

Pawan Kumar Todi

Nand Lal Todi

Debiprasad Chatterjee

Shanker Birjuka

Company Secretary :

Sarika Mehra

Registered Office :

19, R. N. Mukherjee Road, 1st Floor

Main Building, Kolkata - 700 001

Phone : 2248 8824/9902/4788

Fax : 2243 0151

E-mail : npr@cal.vsnl.net.in

BRANCHES

AHMEDABAD BRANCH :

201, 2nd Floor Samedh Complex

Above Global Trust Bank

C. G. Road, Ahmedabad - 380 006

Phone : 2640 1482 (2 lines)

Fax : 2640 5655

BHUBANESWAR BRANCH :

A/173, Sahidnagar,

Bhubaneswar - 751007

Phone : 0674 254 5562

Fax : 254 5563

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 : 236 4948/792

Fax : 235 1589

MUMBAI BRANCH :

218, Majestic Shopping Centre,

Co-op Society

144, Jagannath Shankar Seth

Road (J.S.S. Road)

Girgaun, Mumbai - 400 004

Phone : 380 1507 (3 Lines),

Fax : 2380 2715

AUDITORS :

M/s. L. N. Todi & Co.

Chartered Accountants

Hudco Niwas, Room No. 4, 4th Flr.

15N, Lindsay St., Kolkata - 700 087

AGRA BRANCH :

18/163-B/5, Fatehabad Road

(Near Taj View Hotel)

Agra - 282 001

CHENNAI BRANCH :

No. 35/36, Ground Floor

Greens Road

Chennai - 600 006

Phone : 2829 5745/2829 5748

JAIPUR BRANCH :

302, 2nd Floor, Salimar Complex

Church Road,

Opp. Mirza Ismail Road.,

Jaipur - 302 001,

Phone : 237 4273, 236 9371

NEW DELHI BRANCH :

8C/6, W.E.A. Abdul Aziz Road

Karol Bagh (Opp. Shastri Park),

2nd Floor, New Delhi - 110 005

Phone : 2574 8542, 2574 8545

Fax : 2575 0672

BANKERS :

Allahabad Bank

ICICI Bank Ltd.

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**NOTICE**

NOTICE is hereby given that the 14th Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th day of September, 2003 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, 2003, 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 Mr. Arun Charan Mukherjee who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in place of Mr. Nitin Guha 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 No. 3, Play Ground View Street, Nandnam Extension, Chennai - 600 035 retire from the office of the Auditors of Chennai and Cochin Branch and being eligible offer themselves for re-appointment
 - c. M/s. Sunil K. Mittal & Co., Chartered Accountants of 8-D, Hansalya, 15, Barakhamba Road, 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. 107 & 108, "Swastik Plaza", 1st Floor, Subhas Nagar, 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 2003-2004 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 2003-2004 and to fix their remuneration."

Special Business through postal ballot

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

"RESOLVED that pursuant to section 17 of the Companies Act, 1956, the object clause of the Memorandum of Association be and is hereby amended in the following manner :

New Clause 7 be inserted after clause 6 of Main object of Memorandum of Association of the Company.

To carry on all kinds of business of Agency/ Sub-Agency such as buying agents, selling agents, commission agents, insurance agents, distributors, stockist and/or business of broker/sub broker of Banks, Financial Institutions , Insurance Companies with regard to all types of business including insurance and/or reinsurance business such as medical, fire, burglary, marine, life & others"

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

"RESOLVED that pursuant to section 17 of the Companies Act, 1956, the object clause of the Memorandum of Association be and is hereby amended in the following manner :

New Clause 8 be inserted after clause 7 as inserted above of Main object of Memorandum of Association of the Company.

- a. To purchase, or otherwise acquire the mine workings and mining grounds, lands and premises and other allied work, to search for ores and minerals, mine and grant for mining in or over any lands in India as well as abroad which may be acquired by the company and to lease any such lands and to sell or otherwise dispose of the lands, mines or other property of the company and also to carry on the business of mining, smelting, refining company and as auxiliary thereto, to acquire vessels, to acquire or erect buildings and works, and to construct or contribute to the construction of piers, docks, railways and tramways .
- b. To obtain prospecting license , mining lease for exploration, development, construction, setting up of industries relating to major and minor minerals and other allied materials or substances including sponge iron, mini blast furnace, otherwise acquire or enter into joint venture for development,

construction, execution of mine plans, operations, management of coal mines or any metalliferous deposits or mines, screening subsequent beneficiation of coal and/or other minerals such as petroleum, gold, silver, diamond, precious stones, iron ore, bauxite, manganese, titanium, vanadium, mica, chrome ore, copper ore, molybdenum, nickel, platinum, rutile, sulphur, zinc, zircon, tungsten, limestone, chalk, marble, granite, gravel, rock phosphate, other major minerals or minor minerals, refining and smelting of such minerals whenever and wherever necessary and sell, dispose of and deal in the same, either in a manufactured state or otherwise, and any materials or substances resulting from or to be obtained in the process of refining, smelting and manufacturing the finished product and also to trade in all kinds of major and minor minerals in any part of the world."

Special Business without postal ballot

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

"RESOLVED that pursuant to section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, the consent be and is hereby accorded to the Company to commence the activities relating to business of Agency and/or Sub-agency, Broker and/or sub Broker etc. as detailed above i.e. in item No. 5 of the Notice in India or elsewhere."

"RESOLVED that pursuant to section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, the consent be and is hereby accorded to the Company to commence the activities relating to business of mining as detailed above i.e. in item No. 6 of the Notice in India or elsewhere."

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

"RESOLVED THAT pursuant to the provisions of the Companies Act, 1956, and the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as 'Delisting guidelines') and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company ('the Board' which term shall be deemed to include any committee thereof), consent of the shareholders be and is hereby accorded to the Board of Directors to delist the equity shares of the Company from Calcutta Stock Exchange Association Ltd. and Ahmedabad Stock exchange Ltd.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the



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end and intent that the members shall be deemed to have given their approval expressly by authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its committees or any of its directors or any of the officers of the Company to do all such acts, deeds or things to give effect to the aforesaid resolution."

Regd. Office :

19, R. N. Mukherjee Road

Main Building, 1st. Floor

Kolkata-700 001

Dated : 27th August, 2003

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. Members holding share in dematerialised form are requested to bring their depository account no. and Client I.D. No. for identification.
4. *The Register of Members and Share Transfer Books of the Company in respect of Equity Shares shall remain closed from 16th September, 2003 to 30th September, 2003 (both days inclusive) .*
- 5a. 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 to our Registrar & Share Transfer Agent i.e. Niche Technologies Private Ltd., D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata 700 001, Phone Nos. 2235-7270/7271/3070.
- 5b. 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.



6. 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.
7. As per the provisions of amended Companies Act, 1956, facility for making nominations is available to individuals holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Company/ Registrar and Share Transfer Agent.
8. Members who are holding shares in identical order or names in more than one folio are requested to send the Company/Registrar and Share Transfer Agent the details of such folios together with the Share Certificates for consolidating their holdings in one such folio.
9. Members are requested to quote their folio number/DP Id and client ID in all correspondence
10. 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
11. 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.
12. 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. **Please note that due month for transferring the unclaimed final dividend for the financial year ended 31.03.1996 to Investor Education and Protection Fund is November, 2003.** It may further 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, 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 or to the Registrar and Share Transfer Agent of the Company immediately.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****Item Nos. 5, 6 & 7**

Your Board has to consider from time to time proposals for diversification into areas which would be profitable for the Company as part of diversification plan. For this, Company would like to take up the new activities relating to business of agency and/or broker etc. as detailed in item No. 5 and the activities relating to mining & other allied work as detailed in item no. 6 & accordingly, the object clause of the Company requires to be amended so as to include the said activities detailed in the Resolutions covered under item nos. 5 & 6.

As such, your Directors recommend to pass the resolution as specified in Resolutions covered under item no. 5 & 6 as special resolutions.

Since commencement of these activities may be construed as new business within the meaning of section 149 (2A) of Companies Act, 1956, a special Resolution is submitted for your approval vide Resolution covered under item no. 7.

A copy of the Memorandum and Articles of Association of the Company is available at the Registered Office on all working days during the office hours for inspection of the Members.

None of the Directors of the Company is interested or concerned in the said resolution except as members of the Company.

Item No. 8

The Company's equity shares are listed with the following Stock Exchanges :

- i The Calcutta Stock Exchange Association Ltd. (CSE)
- ii The Stock Exchange- Ahmedabad (ASE)
- iii. The Stock Exchange, Mumbai (BSE)

SEBI has brought out revised guidelines in February 2003 regarding voluntary delisting of shares. According to the revised guidelines, your Company may delist from any one or more Stock Exchanges where the Company's Equity Shares are listed, provided the Company's share are listed on either the Stock Exchange, Mumbai or the National Stock exchange of India Limited.

It has been observed that since last few years, trading in equity shares of the Company on ASE and CSE is negligible. The directors feel that the listing fees payable to these Stock Exchanges outweigh the benefit of trading facility provided by them. Further considering the expansion of BSE and its extensive networking and terminals to other cities where investors have access to on-line dealings in the Company's equity shares on such terminals across the country, it is disproportionate to pay the listing fees to other stock exchanges. Besides, BSE having nation-wide terminals provide adequate opportunity to shareholders to trade in Company's shares.



The Company's equity share, however, will continue to be listed on BSE. The delisting will take effect only after all approvals, sanctions and permissions have been received. The exact date on which delisting will take place will be suitably notified at that time.

Due to the availability of trading facilities of BSE in most of the cities across the country, the proposed delisting of the Company's equity shares on the stock exchanges will not be prejudicial to, or affect the interest of the shareholders.

Apart from financial savings, the proposed delisting will also reduce the repetitive statutory compliance, procedures and formalities.

As required under SEBI Regulations for voluntary delisting by the Company, members' approval by a Special Resolution is required for this purpose and hence the proposed resolution under item 8 above.

The above resolution is in the interest of the Company and therefore, commended by the Board for approval by the shareholders.

None of the Directors of the Company is interested or concerned in the said resolution.

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Regd. Office :

19, R. N. Mukherjee Road

Main Building, 1st. Floor

Kolkata-700 001

Dated : 27th August, 2003

BY ORDER OF THE BOARD

SARIKA MEHRA

Company Secretary



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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 14th Annual Report of the Company together with Audited Accounts for the year ended 31st. March, 2003.

FINANCIAL RESULTS :

	Rs. in Lakhs	
Particulars	2002-03	2001-02
Gross Profit before depreciation, Lease Equalization, interest and Tax	390.10	414.76
(Less) : Depreciation including Lease Equalization	(167.61)	(266.17)
(Less) : Interest	(129.89)	(138.52)
(Less) : Provision for current tax	(40.00)	(9.70)
Add/(Less) : Provision for Deferred Tax	51.67	(0.33)
Net profit after tax	104.27	0.04
Add Brought forward from previous year	66.53	497.50
Less : Opening unadjusted Deferred Tax Liability	0.00	(428.11)
Profit available for appropriation	170.80	69.43
APPROPRIATIONS		
Statutory Reserve for earlier years	0.00	2.89
Statutory Reserve for current year	20.86	0.01
Surplus Carried to balance sheet	149.94	66.53
	170.80	69.43

Operating profit before depreciation, Lease Equalisation, interest and tax was recorded at Rs. 390.10 Lakhs as against Rs. 414.76 Lakhs. However, Profit before tax was at Rs.92.60 lakhs as against Rs. 10.07 lakhs

recorded in the previous year. The said increase in profit is due to lower amount of depreciation after adjustment of lease equalization in the year under review in comparison to previous year which is again due to change in the method of accounting for leased assets pursuant to the application of Accounting Standard-19.

During the year under review the Company's net profit after tax stood at Rs. 104.27 lakhs in comparison to Rs. 0.04 lakhs registered in previous year.

Application of Accounting Standard 22 relating to Deferred taxation has resulted in creation of Deferred Tax asset of Rs. 51.67 lakhs during the period under review.

Your Directors have not recommended any dividend for the year under review so as to enable the Company to utilise the internal accruals for the operations of the Company.

DIRECTORS

Mr. Arun Charn Mukherjee and Mr. Nitin Guha retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment as Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the Company's Annual Accounts for the period ended March, 31, 2003, the applicable Accounting Standards have been followed and there are no material departures;
- 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