

**15th
ANNUAL REPORT
2003-2004**

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NPR FINANCE LIMITED



NPR FINANCE LIMITED

ANNUAL REPORT 2003-2004

BOARD OF DIRECTORS

Managing Director :

Pawan Kumar Todi

Directors :

Nand Lal Todi
Arun Charan Mukherjee
Debiprasad Chatterjee
Nitin Guha

COMMITTEES :

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 :

106-07, 1st Floor "Samedh"
Above Global Trust Bank
Near Associated Petroleum,
Panchavati, C.G. Road
Ahmedabad - 380 006
Phone : (079) 2640 1482/3 (2 lines)
Fax : (079) 2640 5655

BHUBANESWAR BRANCH :

A/163, Sahidnagar,
Bhubaneswar - 751 007
Phone : (0674) 254 5561
Fax : (0674) 2254 5563

KOCHI BRANCH :

41/1787, Chittoor Road
Opp- Sree Sudheendra Hospital
Kochi - 682 018,
Phone No. (0484) 2236 7927
Fax No. (0484) 2235 1589

MUMBAI BRANCH :

218, Majestic Shopping Centre,
Co-op Society
144, Jaganath Shankar Seth Road
(J.S.S. Road)
Girgaun, Mumbai - 400 004
Phone : (022) 2380 1507 (3 Lines),
Fax : (022) 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, Fatehbad Road
Opp. Hanuman Temple
(Near Taj View Hotel)
Agra - 282 001
Phone : (0562) 234053/54

CHENNAI BRANCH :

No. 35/36, Ground Floor
Greens Road, Thousand Light
Chennai - 600 006
Phone : (044)2829 5745
Fax : (044) 2829 5746

JAIPUR BRANCH :

301, Salimar Complex
Church Road,
Jaipur - 302 001
Phone : (0141) 2237 4273,
2236 9371

NEW DELHI BRANCH :

8C/6, W.E.A. Abdul Aziz Road
Karol Bagh (Opp. Shastri Park),
2nd Floor, New Delhi - 110 005
Phone : (011) 2574 8542 / 45
Phone : (011) 2581 2585 / 86
Fax : (011) 2575 0672

BANKERS :

Allahabad Bank
ICICI Bank Ltd.

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NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of the Company will be held on Thursday, the 30th day of September, 2004 at the Jhajharia Committee Room, 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, 2004, 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. Nand Lal Todi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. 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 No. 3, Play Ground View Street, Nandnam Extension, Chennai - 600 035 retire from the office of the Auditors of Chennai and Kochi 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. 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 2004-2005 by passing the following resolution as an Ordinary Resolution :



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“**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 2004-2005 and to fix their remuneration.”

Special Business :

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

RESOLVED that M/s. Kirtikumar Shah & Co., Chartered Accountants, of 207, Majestic Shopping Centre, J.S.S. Road, Girgaum, Mumbai 400 004 be and are hereby appointed as Auditors of the Mumbai Branch to fill up the casual vacancy caused by the resignation of M/s P.P. Jayaraman & Co., Chartered Accountants of No. 107 & 108, “Swastik Plaza”, 1st Floor, Subhas Nagar, Thane (W), 400 602 until the conclusion of the next Annual General Meeting of the Company at a remuneration to be mutually agreed upon between M/s. Kirtikumar Shah & Co., and the Board of Directors of the Company.

Regd. Office :

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

Dated:- 29th June , 2004

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, 2004 to 30th September, 2004 (both days inclusive).
5. 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.



6. 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.
7. 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.
8. 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.
9. 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.
10. Members are requested to quote their Folio number/DP ID and client ID in all correspondence.
11. 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.
12. 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.
13. Pursuant to Section 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 1997 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 31.03.1997 to Investor Education and Protection Fund is November, 2004.** It may be 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, 1997 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.



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

Item No. 5

M/s. P.P. Jayaraman & Co., Auditors of the Mumbai Branch of the Company have expressed their inability to continue as Auditors of the said Branch. As such it is proposed to appoint M/s. Kirtikumar Shah & Co., Chartered Accountants of 207, Majestic Shopping Centre, J.S.S. Road, Girgaum, Mumbai 400 004 as Auditors of the Mumbai Branch of the Company to fill casual vacancy resulting from resignation of M/s. P.P. Jayaraman & Co. The Company has received confirmation letter from said M/s. Kirtikumar Shah & Co. that their appointment if made, will be within the limit specified in section 224(1B) of the Companies Act, 1956 .

The above resolution is commended by the Board for approval by the shareholders.

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

Regd. Office :

19, R. N. Mukherjee Road

Main Building, 1st. Floor

Kolkata-700 001

Dated : 29th June , 2004

BY ORDER OF THE BOARD

SARIKA MEHRA

Company Secretary

RELEVANT INFORMATION IN RESPECT OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49VI(A) OF THE LISTING AGREEMENT IS AS UNDER:

At this Annual General Meeting, Mr. Nand Lal Todt and Mr. Debiprasad Chatterjee retire by rotation and being eligible offer themselves for re-appointment.

As per Clause 49 of the Listing Agreement with the Stock Exchanges a brief background, functional expertise of the Directors proposed for appointment/ re-appointment are furnished below along with details of Companies in which they are Directors and the Committees of which they are members.

Mr. Nand Lal Todt aged about 73 years is B.Com (Hons.) having Business experience of 52 years. He gained experience in area of Manufacturing , Trading and Export . He promoted Supreme Paper Mills Ltd. in 1974 and was instrumental in setting of the Automobile dealership GNB Motors Ltd. in 1980. His pioneering work in introducing Hire Purchase of the Commercial vehicles in Eastern India about 39 years ago led into the formation of NPR Finance Ltd. in 1989.

He joined the Board of Directors of the Company on 22/06/1989.



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Name of the other Companies in which he is holding Directorship are as follows :

Serial No.	Directorship held in other Companies
1	GNB Motors Ltd.
2	Supreme papers Mills Ltd.
3	Supreme Credit Corporation Ltd.
4	Deepshikha Properties Ltd.
5	Nadia Pulp & Board Ltd.
6	Nadia Security Printing & Stationery Co. Ltd.
7	NPR Developers Ltd.
8	Rani Leasings & Finance Ltd.
9	Calcutta Becon Engg. Co. Ltd.
10	Ganesh Narayan Brijlal Ltd.
11	NPR Motors Pvt. Ltd.
12	NSG Estate Services Pvt. Ltd.
13	Acme Credit Pvt. Ltd.
14	Hardeo Finance Pvt. Ltd.
15	NPR Infosystems Pvt. Ltd.
16	Zee ABC Agro Industries Pvt. Ltd.

He is not holding any committee membership in any other Company.

Mr. Debiprasad Chatterjee aged about 69 years is B.A.(English - Hons), having 44 Years experience in field of Journalism and Business Management. He has held the following position

- | | |
|------------------------------|-------------------------------|
| a. Independent correspondent | - Assam Review Publishing Co. |
| b. Asst. Sale Manager | - Samuel Osborn. |
| c. Resident Executive | - TVs Group. |
| d. Commercial Manger | - Sankey Wheels Ltd. |
| e. Chief Executive | - GNB Motors Ltd. |
| f. General Manager | - Brakes India Ltd. |
| g. Sales Executive | - Gabriel India Ltd. |

He joined the Board of Directors of the Company on 27/09/2001.

Name of the other Companies in which he is holding Directorship are as follows :

Serial No.	Directorship held in other Companies
1	Supreme Paper Mills Limited
2	Rani Leasings & Finance Limited

He is not holding any committee membership in any other Company.



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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 15th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS

Particulars	Rs. in Lakhs	
	<u>2003-04</u>	<u>2002-03</u>
Gross Profit before depreciation, Lease		
Equalization, interest and Tax	547.53	390.10
(Less) : Depreciation including Lease Equalization	(51.81)	(167.61)
(Less) : Interest	(106.02)	(129.89)
(Less) : Provision for current tax	(72.50)	(40.00)
Add/(Less) : Provision for Deferred Tax	128.27	51.67
Net profit after tax	445.47	104.27
Less : Income Tax adjustment of earlier years	(2.88)	0.00
Add : Brought forward from previous year	149.94	66.53
Add : Excess Deferred Tax		
Liability written back	92.28	0.00
Profit available for appropriation	<u>684.81</u>	<u>170.80</u>

APPROPRIATIONS

Statutory Reserve	89.10	20.86
Surplus Carried to balance sheet	595.71	149.94
	<u>684.81</u>	<u>170.80</u>

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. Nand Lal Todi and Mr. Debiprasad Chatterjee retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment 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, 2004, 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 financial year and of the Profit & Loss of the Company for that period;
- 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;
- that the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE REPORT

Your Company has been complying with all the requirements of the code of corporate governance , as specified by SEBI.

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate



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from the Company Secretary in whole time practice regarding compliance of condition of Corporate Governance is annexed to the said Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In accordance with the listing requirement, the Management's Discussion and Analysis forms part of this Report.

AUDITORS

- 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 Kochi 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. 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.
- e. M/s P.P. Jayaraman & Co., Auditors of the Mumbai Branch of the Company have expressed their inability to continue as Auditors of the said Branch. As such it is proposed to appoint M/s. Kirtikumar

Shah & Co., Chartered Accountants of 207, Majestic Shopping Centre, J.S.S. Road, Girgaum, Mumbai 400 004 as Auditors of the Mumbai Branch of the Company to fill casual vacancy resulting from resignation of M/s. P.P. Jayaraman & Co. Your Company has received confirmation letter from said M/s. Kirtikumar Shah & Co., that their appointment if made, will be within the limit specified in section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

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

PUBLIC DEPOSIT

Total Fixed deposit as on March, 31, 2004 after taking into account interest accrued but not due stood at Rs. 711.08 lakhs (previous year Rs. 742.76 lakhs). As on 31st March, 2004, there were 143 deposits aggregating to Rs. 55.99 lakhs which matured but remaining unclaimed by the depositors out of which 112 deposits aggregating to Rs. 48.79 lakhs have already been paid/renewed For the remaining deposits, steps are continuously been taken to arrange for repayment/renewals.

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.

DELISTING OF EQUITY SHARES FROM THE STOCK EXCHANGE- AHMEDABAD (ASE)

The Equity shares of the Company have been delisted from ASE with effect from 01/04/2004 in accordance



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with SEBI (Delisting of Securities) Guidelines, 2003 for voluntary delisting.

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 deep sense of gratitude to the banks, financial institutions, customers and business associates for their continued co-operation and support. Your directors express their deep sense of appreciation for the total commitment, dedication and hard work put in by the employees of the Company. Lastly, your directors are deeply grateful for the confidence and faith shown by the members of the Company.

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ON BEHALF OF THE BOARD OF DIRECTORS

Place : Kolkata

Date : 29th June, 2004

NAND LAL TODI

Chairman