

**16th
ANNUAL REPORT
2004-2005**



NPR FINANCE LIMITED



NPR FINANCE LIMITED

ANNUAL REPORT 2004-2005

BOARD OF DIRECTORS

Managing Director :

Pawan Kumar Todi

Directors :

Nand Lal Todi
Arun Charan Mukherjee
Debiprasad Chatterjee
Nitir Guha
Rishi Todi

COMMITTEES :

Audit Committee :

Debiprasad Chatterjee
Nand Lal Todi
Arun Charan Mukherjee
Nitir Guha

Shareholders /Investors Grievance & Transfer Committee :

Debiprasad Chatterjee
Nand Lal Todi
Pawan Kumar Todi

Remuneration Committee :

Nitir 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 Oriental Bank of Commerce
Near Associated Petroleum,
Panchavati, C.G. Road
Ahmedabad - 380 006
Phone : (079) 2640 1482/3 (2 lines)
Fax : (079) 2640 4346

BHUBANESWAR BRANCH :

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

KOCHI BRANCH :

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

MUMBAI BRANCH :

218, Majestic Shopping Centre,
Premises Society
144, Jaganath Shankar Seth Road
(J.S.S. Road)
Girgaun, Mumbai - 400 004
Phone : (022) 2380 1507,
Fax : (022) 2380 2715

AUDITORS :

M/s. L. N. Todi & Co.
Chartered Accountants
"Hudco Niwas" 15N, Nelie Sengupta
Sarani (Lindsay Street), 4th Floor,
Room No. 4, Kolkata - 700 087

AGRA BRANCH :

18/163-B/5, Fatehbad Road
Opp. Hanuman Temple
(Near Taj View Hotel)
Agra - 282 001
Phone : (0562) 22234053/54

CHENNAI BRANCH :

No. 35/36, Ground Floor
Greams Road, Thousand Light
Chennai - 600 006
Phone : (044)2829 5745/5792
Fax : (044) 2829 5746

JAIPUR BRANCH :

301, Shalimar Complex, 2nd Floor
Church Road, Opp. M. I. Road
Jaipur - 302 001
Phone : (0141) 2237 4273/2236 6052
Fax : (0141) 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) 2581 1081/87
Phone : (011) 2581 2585 / 86
Fax : (011) 2575 0672

BANKERS :

Allahabad Bank
Standard Chartered Bank

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Ordinary Business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2005, the Audited Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Arun Charan Mukherjee who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Nitin Guha 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 Hudco Niwas, Room No. 4, 4th Floor, 15N, Nelia Sengupta Sarani (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, Nandanam 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, Hansalaya, 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. Kirtikumar Shah & Co., Chartered Accountants of No. 207, Majestic Shopping Centre, J.S.S. Road, Girgaum, Mumbai-400 004 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 Coller Chambers, Ashram Road, Ahmedabad-380 009 retire from the office of the Auditors of Ahmedabad Branch and being eligible offer themselves for re-appointment.

"To carry on, in India or elsewhere and subject to all Rules and Regulation of the Central Government or any other Authority, business to generate, receive, transmit, improve, buy, sell, acquire, use, accumulate, distribute, develop, handle, produce, supply, and to act as agent, representative, consultant, collaborator, or otherwise carrying on business in any branch of such place or places as may be permitted by appropriate authorities



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for establishment of thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future or by installation/purchasing or hiring of Wind Turbine Generators, or any other type of generators and equipments, plants, machineries."

Special Business without Postal Ballot:

- 7 To consider and if thought fit, to pass the following resolution with or without modification 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 Wind Power Generation as detailed above i.e. Item No. 6 of the Notice .

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, and Article 145(1) and Article 171 to Article 177 of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the re-appointment of Mr. Pawan Kumar Todi as Managing Director of the Company with effect from 1st November, 2004 for the period of Five Years, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT Mr. Rishi Todi who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Article 141 of Articles of Association 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."

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

"RESOLVED that pursuant to the Provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 the Board of Directors of the Company be and is hereby authorised to appoint the Branch Auditors of any branch office of the Company whether existing or which may be opened/acquired hereafter in India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor(s) within the provisions of the said section 228 and to fix their remuneration."

Regd. Office :
19, R. N. Mukherjee Road
Main Building, 1st Floor
Kolkata-700 001
Dated : 30th June, 2005

BY ORDER OF THE BOARD

SARIKA MEHRA

Company Secretary

ANAL FINANCE LIMITED

NOTES :

- 1 Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of businesses under Item Nos. 6 to 10 are annexed hereto. The details of persons seeking an appointment / re-appointment as required by clause 49 of the Listing Agreements entered into with the Stock Exchanges are also annexed.
- 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 1st September, 2005 to 7th September, 2005 (both days inclusive).
- 5 Dividend, if declared, at the Annual General Meeting will be paid on or after 8th September, 2005 to those persons or their mandates :
 - (a) Whose names appear as Beneficial Owners as at the end of business hours on August, 31st, 2005 in the list of Beneficial Owners to be furnished by National Securities Depositories Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/Registrars and Share Transfer Agents on or before August, 31, 2005.
- 6 Electronic Clearing Services (ECS) Facility :
 - a. To avoid loss of dividend warrants in transit and undue delay in respect of receipt thereof, the Company provides ECS facility to the members. The ECS facility is available at locations identified by the Reserve Bank of India, from time to time and covers most of the cities and towns.
 - b. Members holding shares in the physical form may furnish their details in the prescribed form, which is enclosed herewith and can also be obtained from the Registrars & Share Transfer Agents of the Company.
 - c. Members holding shares in the electronics form may furnish their details in the prescribed form, which can be obtained from their respective Depository Participants.
- 7 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.
8. 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.
9. Non- Resident Indian Shareholders are requested to inform the Company immediately:
 - a. the change in residential status on return to India for permanent settlement.



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- b. the particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
- 10 As per the provisions of Companies Act, 1956, facility for making nominations is available to the members in respect of shares held by them. Members holding shares in physical form may furnish their details in the prescribed form, which can be obtained from the Company / Registrar and Share Transfer Agent. Members holding shares in electronic form may furnish their details in the prescribed form which can be obtained from the respective depository participant.
- 11 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.
- 12 Members are requested to quote their Folio number / DP ID and Client ID in all correspondence.
- 13 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 by the member.
- 14 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.

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

Item No. 6 & 7

Your Board has to consider from time to time, proposal for diversification into areas which would be profitable as part of the Diversification plan. Your Company would like to take up the new activity of Power Generation and other related activities and accordingly object clause of the Company requires to be amended so as to include the said activities as detailed in the item no. 6.

India holds vast opportunities in the areas of power generation, transmission, distribution, renovation and modernisation of power plants and other associated activities. To start with, your Company wishes to commence the activity of Wind Power Generation at appropriate sites keeping in view the wind velocity and the other related factors. Further the said activity can be conveniently carried out with the existing activity as the Company would be availing 100 % turn key services from the leading manufacturers of Wind Power. Moreover in order to boost investments in this Sector, Government of India has given Tax holiday & Depreciation benefit under Income Tax Act, 1961 to the investors. Therefore by generating wind power, Company would be able to address the environmental concern on one hand and save its taxes on the other which would in turn increase the earning per share of the Company & strengthen the financial position of the Company. Further in future, Company would like to commence generation of other forms of power as well as envisaged in item no. 6 of the Notice.

Since commencement of these activities may be construed as new business within the meaning of section 149(2A) of the Companies Act, 1956, a special resolution is submitted for your approval.

A copy of the Memorandum and Articles of Association 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.

SANSKO FINANCE LIMITED

Item No. 8

At the Annual General Meeting held on 29th day of September, 1999, members of the Company appointed Mr. Pawan Kumar Todi as Managing Director of the Company for a period of five years with effect from 1st November, 1999. Accordingly his tenure expired on 31st October, 2004. Considering the improved performance and growth of the Company under his dynamic leadership and based on the recommendation of the Remuneration Committee, the Board of Directors at their meeting held on October, 30, 2004 approved re-appointment of Mr. Pawan Kumar Todi as the Managing Director of the Company for a period of five years with effect from 1st November, 2004, subject to the approval of members.

The principal terms and conditions of re-appointment of Mr. Pawan Kumar Todi are as under :

1. Period of Appointment : 5 years with effect from 1st November, 2004
2. Mr. Pawan Kumar Todi shall carry out such duties and exercise such powers as may be entrusted to him from time to time by the Board.
3. Remuneration :
A. SALARY

Rs. 23,000/- (Rupees Twenty Three Thousand Only) per month.

Annual increase will be effective from 1st April every year and quantum will be decided by the Board of Directors

B. PERQUISITES & ALLOWANCES : As detailed below :

1. Housing
 - a. The expenditure incurred by the Company on hiring unfurnished accommodation.
 - b. The expenditure incurred by the Company on gas, electricity and water will be evaluated as per Income Tax Rules.
 - c. Perquisites in the form of furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income Tax Rules, 1962.
 - d. Wherever the Company does not provide any accommodation, House Rent Allowance may be paid.
2. Medical Reimbursement
 - i. The expenses incurred for self and family including Premium payable for Mediclaim Insurance .
 - ii. Major hospitalisation expenses for him and his family which are not payable under Mediclaim Insurance Policies.
 - iii. Expenses incurred for self medical treatment or for any member of his family outside India. The expenditure incurred for the 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 under Companies Act, 1956 or any other Act, 1956.

Explanation : "Family means the spouse, dependent children and dependent parents of the appointee."

3. Leave Travel Assistance / Concession



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- a. Leave in a Year : Total 45 days Annual and Casual leave including sickness , in addition to Hospitalisation leave for the days remained hospitalised.
- b. Leave Travel Concession for self and family once in a year.
- c. Encashment of leave as allowed by Companies Act, 1956 and other applicable laws.
- d. Return holiday package once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or abroad to India if they are not residing in India with the appointee.

4. Club Fees

Fees of Clubs subject to the maximum of two clubs, excluding admission and life membership fees.

5. Entertainment Expenses

The Managing Director shall be reimbursed actual entertainment expenses incurred on the Company's business including fees of credit cards.

6. Children's Education Allowance

For children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less. Such allowance shall be admissible for a maximum of two children.

7. Personal Accident Insurance

Personal Accident Insurance for self and family.

8. Provision of chauffeur driven Company's cars.

9. Provision of telephone(s) at the residence of the Director.

10. Company's contribution to Provident Fund / Pension Fund / Superannuation Fund, Payment towards Gratuity & encashment of leave shall not be included in computation of remuneration or ceiling on perquisites.

11. Such other allowances, perquisites, benefits and amenities as may be provided by the Company subject however that total remuneration including perquisites shall be within the ceiling laid down in sections 198, 309 and all other applicable provisions of the Companies Act, 1956 as may be amended from time to time.

Perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisite shall be evaluated at actual cost.

The said terms of appointment are within the guidelines in Schedule XIII of the Companies Act, 1956 and accordingly an ordinary resolution is submitted for your approval.

Notice under section 302 of the Companies Act, 1956 for the said appointment was sent to the members on 8th November, 2004. Your Directors commend the resolution for the approval of the Members.

Mr. Pawan Kumar Todi being the appointee and Mr. Nand Lal Todi and Mr. Rishi Todi being the relatives of Mr. Pawan Kumar Todi are deemed to be concerned or interested in the resolution.

None of the other directors of the Company are interested in the resolution.

**Item No. 9**

Mr. Rishi Todi was appointed as an Additional Director of the Company w.e.f 29th April, 2005 by the Board of Directors of the Company.

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

Mr. Rishi Todi has completed three year course in Information Systems & Management Studies from University of Leeds, United Kingdom and is having four years of Corporate experience.

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. Rishi Todi as Director and recommend the adoption of resolution proposed under item 6 of the Notice.

Mr. Rishi Todi being the appointee and Mr. Nand Lal Todi and Mr. Pawan Kumar Todi being the relatives of Mr. Rishi Todi are concerned or interested in the said Resolution.

None of the other directors of the Company are interested in the resolution.

Item No. 10

The Company has branches all over India. Further, our Company is making continuous effort to expand its geographical area of operation and in process it may need to open new branches. Therefore the shareholders are requested to authorise the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and to fix their remuneration.

An Ordinary Resolution is submitted for your approval. None of the directors of the Company are interested in the resolution.

Report  junction.com

Regd. Office :
19, R. N. Mukherjee Road
Main Building, 1st Floor
Kolkata-700 001
Dated : 30th June , 2005

BY ORDER OF THE BOARD
SARIKA MEHRA
Company Secretary



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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 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, Nelli Sengupta Sarani (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, Nandanam 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, Hansalaya, 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. Kirtikumar Shah & Company, Chartered Accountants of 207, Majestic shopping Centre, J.S.S. Road, Girgaum, Mumbai 400 004 retire from the office of the Auditors of Mumbai Branch and being eligible offer themselves for re-appointment.

AUDITORS' REPORT

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

PUBLIC DEPOSIT

Total Fixed deposit as on March, 31, 2005 after taking into account interest accrued but not due stood at Rs. 577.40 lakhs (previous year Rs. 711.08 lakhs). As on 31st March, 2005, there were 103 deposits aggregating to Rs. 16.23 lakhs which matured but remaining unclaimed by the depositors out of which 64 deposits aggregating to Rs. 10.44 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.

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 during the year. However Company has made total expenditure to the tune of Rs 7.87 Lakhs in foreign currency 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.

ON BEHALF OF THE BOARD OF DIRECTORS

NAND LAL TODI

Chairman

Place : Kolkata

Date : 30th June, 2005