

**18th
ANNUAL REPORT
2006-2007**



NPR FINANCE LIMITED



NPR FINANCE LIMITED

ANNUAL REPORT 2006-2007

BOARD OF DIRECTORS

Managing Director :

Pawan Kumar Todi

Directors :

Nand Lal Todi

Debiprasad Chatterjee

Arun Charan Mukherjee

Nitin Guha

COMMITTEES :

Audit Committee :

Debiprasad Chatterjee

Arun Charan Mukherjee

Nitin Guha

Shareholders /Investors Grievance & Transfer Committee :

Debiprasad Chatterjee

Pawan Kumar Todi

Remuneration Committee :

Nitin Guha

Debiprasad Chatterjee

Arun Charan Mukherjee

Asset Liability Committee :

Pawan Kumar Todi

Debiprasad Chatterjee

Shanker Birjuka

Fair Practice code Committee :

Pawan Kumar Todi

Nand Lal Todi

Nitin Guha

Executive Vice President &

Company Secretary :

Sarika Mehra

REGISTERED OFFICE :

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

Main Building, Kolkata - 700 001

Phone : (033) 2248 8824/9902/4788

Fax : (033) 2243 0151

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

BRANCHES

AGRA BRANCH :

18/163-B/5, Fatehabad Road,

Opp. Hanuman Temple,

(Near Taj View Hotel), Agra - 282 001

Phone : (0562) 2223 4053

CHENNAI BRANCH :

No. 35/36, Greams Road,

Ground Floor, Thousand Light,

Chennai - 600 006

Phone : (044)2829 5745

Fax : (044) 2829 5746

JAIPUR BRANCH :

301, Shalimar Complex, 2nd Floor

Church Road, Opp. Mirza Ismail Road

Jaipur - 302 001

Phone : (0141) 237 4273/236 9371

Fax : (0141) 236 6052

NEW DELHI BRANCH :

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

Karol Bagh, (Opp. Shastri Park),

2nd Floor, New Delhi - 110 005

Phone : (011) 2875 2585/2481/2081

Fax : (011) 2875 0672

PUNE BRANCH :

A-17, Surya Prakash Apartment

Market Yard Road

Pune - 411 037

Phone : (020) 2422 6810

BANKERS :

Allahabad Bank

Indusind Bank Ltd.

HDFC Bank Ltd.

AHMEDABAD BRANCH :

106-07, 1st Floor "Samedh"

Above Oriental Bank of Commerce,

Near Associated Petroleum,

C.G. Road, Panchavati,

Ahmedabad - 380 006

Phone : (079) 2640 1482/3 (2 lines)

Fax : (079) 2640 4346

BHUBANESWAR BRANCH :

Plot No. A/05, Krishna Garden,

Phase-II, Jagarmara, Khandagiri,

Bhubaneswar - 751 030

Phone : (0674) 235 1873

KOCHI BRANCH :

41/1787, Chittoor Road

Opp- Sree Sudheendra Hospital

Kochi - 682 018

Phone (0484) 402 3117, 329 6830

Fax No. (0484) 235 1589

MUMBAI BRANCH :

218, Majestic Shopping Centre

Premises Society,

144, Jagannath 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, Nelia Sengupta

Sarani (Lindsay Street),

4th Floor, Room No. 4,

Kolkata - 700 087

FINANCIAL INSTITUTION :

Indian Renewable Energy

Development Agency Limited

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**NOTICE**

NOTICE is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on Wednesday day, the 19th day of September, 2007 at the Jhajharia Committee Room of the Merchants Chamber of Commerce of 15-B Hemanta Basu Sarani, 2nd floor Kolkata- 700 001 at 11 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, 2007, the Audited Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To declare Dividend on Equity Shares for the Financial Year ended on 31st March, 2007.
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, 15N, Nelia Sengupta Sarani (Lindsay Street), 4th Floor, Room No. 4, 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 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. Marg, 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 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.
 - f. Mr. T. P. Sivaramakrishnan, Chartered Accountant of "Chitra", Karikkamuri Road, Ernakulam - 682 011 retire from the office of the Auditors of Kochi Branch and being eligible offer themselves for re-appointment.

Regd. Office :
 19, R. N. Mukherjee Road
 Main Building, 1st Floor
 Kolkata-700 001
 Dated : 27th June, 2007

BY ORDER OF THE BOARD
SARIKA MEHRA
 Executive Vice-President &
 Company Secretary



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NOTES :

- 1 The details of persons seeking an appointment/ re- appointment as required by clause 49 of the Listing Agreements entered into with the Stock exchange(s) are annexed hereto.
- 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 12th Day of September, 2007 to 19th day of September, 2007 (both days inclusive).
- 5 Dividend, if declared, at the Annual General Meeting will be paid on or after 20th September, 2007 to those persons or their mandates :
 - (a) Whose names appear as Beneficial Owners as at the end of business hours on 11th September, 2007 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 11th September, 2007.
- 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 can be obtained from the Registrars & Share Transfer Agents of the Company.
 - c. Members holding shares in the electronic 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. Road, Kolkata 700 001, Phone Nos. 2235-7270/7271/3070.
- 8 In case, the mailing address mentioned in 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.
 - b. the particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.



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- 10 As per the provisions of the 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.

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Regd. Office :
19, R. N. Mukherjee Road
Main Building, 1st Floor
Kolkata-700 001
Dated : 27th June, 2007

BY ORDER OF THE BOARD
SARIKA MEHRA
Executive Vice-President &
Company Secretary



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INFORMATION ON DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49(VI)(A) OF THE LISTING AGREEMENT)

Name of Director	Date of Birth	Date of Appointment	Expertise in specific functional areas	Qualifications	Directorships in other Companies	Membership of Committees in Other Companies	Nature of Directorship	Remarks
Mr. Arun Charan Mukherjee	10.12.1925	21.11.1994	42 years of working experience in Fire & Marine Insurance	M.A., F.I.I.I.	1. Aekta Limited 2. Asiatic Oxygen Limited 3. Birla VXL Limited. 4. VXL Technologies Limited. 5. Sahara India Life Insurance Co. Limited. 6. UT Limited. 7. Trans Africa Assurance Co. Limited. 8. Kirloskar Pneumatic Company Limited	1. Aekta Limited 2. Asiatic Oxygen Limited 3. Birla VXL Limited. 4. Kirloskar Pneumatic Co. Limited. 5. Sahara India Life Insurance Co. Limited. 6. UT Limited.	Non - Executive independent Director	Retiring by rotation at the forthcoming Annual General Meeting & offers himself for re-appointment.
Mr. Nitin Guha	01.11.1934	30.09.2002	52 years of Working experience in field of Mechanical Engineering in Rly. & Material Handling, viz. Mining Equipments & Workshop Technology	B.Sc., M.I.E. (Ind), V.D.I. (Germany), M.I.M.U. (U.K.)	R.H.S Conveyor Engineering Pvt. Ltd.	—	Non - Executive Independent Director	Retiring by rotation at the forthcoming Annual General Meeting & offers himself for re-appointment.



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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS :

Particulars	Rs. In Lacs	
	2006-07	2005-06
Gross Profit before depreciation, Lease		
Equalisation, Interest and Tax	819.29	1,148.76
(Less) : Depreciation including Lease		
Equalization	(100.89)	(71.35)
(Less) : Interest	(251.45)	(123.79)
(Less) : Provision for Current Tax	(53.00)	(80.00)
(Less) : Provision for Deferred Tax	(40.00)	(314.00)
(Less) : Provision for Fringe Benefit Tax	(4.70)	(3.40)
Net profit after tax	369.25	556.22
Add : Brought forward from previous year	1,096.41	747.44
Add : Provision for Non Performing Asset written back	0.00	7.19
Add : Income Tax from adjustment of earlier years	2.05	0.00
Profit available for appropriation	1,467.71	1,310.85

APPROPRIATIONS

Statutory Reserve	75.00	112.00
Proposed Dividend	59.90	89.84
Dividend Distribution Tax	10.18	12.60
Surplus Carried to Balance sheet	1,322.63	1,096.41
Total	1,467.71	1,310.85

DIVIDEND

Having regard to the profit earned, liquidity position and need for conservation of resources, your Directors are pleased to recommend dividend @ 10% (Re. one per share) on 59,89,600 Equity Shares of the Company in respect of the Financial year under review. The payment of dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting. As per the provisions of Income Tax Act, 1961, the tax on Dividend amounting to Rs. 10.18 lacs will be borne by the Company.

DIRECTORS

Shri Arun Charan Mukherjee and Shri Nitin Guha, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Further Shri Rishi Todi resigned from the office of directorship on 3rd May, 2007 as he was unable to continue as a Director of the company and Board hereby records its appreciation of the service and advices rendered by him during the tenure of his office.

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 31st, 2007, 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 judgments 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 of the Company for that period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting



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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 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 DISCUSSION AND ANALYSIS

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

AUDITORS

- a. M/s. L. N. Todi & Co. , Chartered Accountants of Hudco Niwas, 15N , Nelie Sengupta Sarani (Lindsay Street), 4th Floor, Room No. 4, 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 Branch and being eligible offer themselves for re-appointment.
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- d. M/s. Kirtikumar Shah & Company, Chartered Accountants of 207, Majestic shopping Centre, J.S.S. Marg, Girgaum, Mumbai 400 004 retire from the office of the Auditors of Mumbai Branch and being eligible offer themselves for re-appointment.
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- f. M/s. Mr. T. P. Sivaramakrishnan , Chartered Accountants of "Chitra" , Karikkamuri Road, Ernakulam – 682 011 retire from the office of the Auditors of Kochi Branch and being eligible offer themselves for re-appointment.

AUDITORS' REPORT

Auditors' Report is self explanatory and hence does not require any further explanation.

PUBLIC DEPOSIT

Total Public Deposit as on March 31st, 2007 after taking into account interest accrued but not due stood at Rs. 438.16 lacs (previous year Rs. 404.48 lacs). As on 31st March, 2007, there were 61 deposits aggregating to Rs 13.24 lacs which matured but remaining unclaimed by the depositors out of which 35 deposits aggregating to Rs. 10.55 lacs have already been paid/renewed and one case amounting to Rs. 0.10 lacs was deposited with Investors' Education & Protection Fund. 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.



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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 Foreign exchange earnings of Rs. 1.14 lacs and outgo of Rs. 10.40 lacs during the year.

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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Place : Kolkata

27th June, 2007

ON BEHALF OF THE BOARD OF DIRECTORS

NAND LAL TODI

Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY TREND & DEVELOPMENT

The Past few years have witnessed a rapid change in all the segments of Indian Automotive Industry. Increase in number of participants and need to counter the pressure on margins have made it a buyer's market rather than seller's market.

Your Company will adopt appropriate strategies to meet the evolving market developments. The planned geographic expansion in the current year will take us even closer to our customers and enable us to broaden our reach.

OPERATING & FINANCIAL PERFORMANCE

Company's performance during the year under review is:

- Gross Receivable increased to Rs. 5112.74 lacs as against Rs. 4740.26 lacs of previous year.
- Net owned Fund of the Company increased to Rs. 3074.35 lacs as against Rs. 2773.13 lacs, last year, a growth of about 11. %.
- Company's income from Financing operation & Money changing operation have gone down by 6% and 9 % respectively due to continuous pressure on margin.
- Wind Power Generators were fully operational during the year under review resulting in income of Rs. 140.23 lacs against Rs. 23.68 lacs recorded in the previous year.
- Keeping in view the volatile market conditions, Company restricted its operation in shares & securities and as a result recorded profit of Rs. 5.11 lacs against Rs. 216.59 lacs recorded in previous year.
- The net profit after taxation reduced to Rs 369.25 lacs as against Rs. 556.22 lacs in the last year. Such reduction is mainly due to reduction in income from shares & securities by Rs. 211.48 lacs.
- The Capital to Risk Weighted Asset Ratio of the Company stands at 45 % as on 31st March, 2007, which is well above the minimum level of 15% prescribed by Reserve Bank of India.

REGULATORY

Reserve Bank of India issued several new guidelines namely : 1) Appointment of trustee for the benefit of deposit holders and creation of a floating charge on statutory liquid assets. 2) Guidelines on Fair Practice Code for NBFCs
Your Company has initiated necessary steps to adhere to the aforesaid guidelines.