

19th ANNUAL REPORT 2007-2008



NPR FINANCE LIMITED



NPR FINANCE LIMITED

BOARD OF DIRECTOR

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
Nand Lal Todi

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 4788
Fax : (033) 2243 7151
E-mail : npr@cal.vsnl.net.in

BRANCHES

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 :
112, Satyanagar
Bhubaneswar - 751 007
Phone : (0674) 257 1056

KOCHI BRANCH :
41/1787, Chitoor 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, Nolie Sengupta
Sarani (Lindsay Street)
4th Floor, Room No. 4
Kolkata - 700 087

FINANCIAL INSTITUTION
Indian Renewable Energy
Development Agency Limited

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 :
323, 3rd Floor
Navjeevan Complex
Station Road
Jaipur - 302 001
Mobile : 9314509408

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

KOZHIKODE BRANCH :
1st Floor, V P Complex
Wayanad Road
Kozhikode 673011
Phone : (0495) 4020889/4020518
Fax No. : (0495) 2761477

BANKERS :
Allahabad Bank
Indusind Bank Ltd.
HDFC Bank Ltd.

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NPR FINANCE LIMITED

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Friday, the 29th day of August, 2008 at the Jhajharia 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, 2008, 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 Auditor 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.

M/s. L. N. Todi & Co., Chartered Accountants of Hudco Niwas, 15N, Nelié 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.

Regd. Office:
19, R.N.Mukherjee Road
Main Building, 1st Floor
Kolkata-700 001
Dated: 30th May, 2008

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



NPR FINANCE LIMITED

NOTES:

- 1 The details of persons seeking appointment / re- appointment as required by clause 49 of the Listing Agreement entered into with the Stock Exchange 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 25th day of August, 2008 to 29th day of August, 2008 (both days inclusive).
- 5 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.
- 6 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.
7. 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.
- 8 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.
- 9 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.



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- 10 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.
- 11 Members are requested to quote their Folio number/DP ID and Client ID in all correspondence.
- 12 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.
- 13 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: 30th May, 2008

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



NPR FINANCE LIMITED

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	Directorship in other Companies	Membership of Committees in Other Companies	Nature of Directorship	Remarks
Mr. Debi Prasad Chatterjee	10.01.1935	31.07.2001	48 years of Working Experience in the field of Journalism & Business Management	B.A. (English -Hons)	1. Acme Credit Pvt. Ltd. 2. GNB Finance Pvt. Ltd. 3. Supreme Paper Mills Ltd. 4. Rani Leasings & Finance Ltd.	Non - Executive Independent Director		Retiring by rotation at the forthcoming Annual General Meeting & offers himself for Re-appointment.
Mr. Nand Lal Todi	30.05.1931	30.06.2006	56 years of Working Experience in the field of Manufacturing, Trading & Export	B.Com(Hons)	1.NPR Infosystems Pvt. Ltd. 2.NPR Motors Pvt. Ltd. 3.NSG Estate Services Pvt. Ltd. 4.Zee.ABC,Agro Industries Pvt. Ltd. 5.Todj Minerals Pvt. Ltd. 6.Shrishtfi Developers Pvt. Ltd. 7.Deepshikha Properties Ltd. 8. Magnum Credit & Consultants Pvt. Ltd. 9.Ganesh Narayan Brijlal Ltd. 10.Supreme Credit Coprporation Ltd. 11.Rani Leasings & Finance Ltd. 12.Supreme Paper Mills Ltd. 13.NPR Developers Ltd.	Non - Executive Independent Director		Retiring by rotation at the forthcoming Annual General Meeting & offers himself for Re-appointment.



NPR FINANCE LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS :

	Rs. in Lacs	
	<u>2007-08</u>	<u>2006-07</u>
Gross Profit before depreciation, Interest and Tax	391.42	819.29
(Less) : Depreciation	(97.58)	(100.89)
(Less) : Interest	(268.47)	(251.45)
(Less) : Provision for Current tax	(20.84)	(53.00)
Add/(Less) : Provision for Deferred Tax	52.79	(40.00)
(Less) : Provision for Fringe Benefit Tax	(3.24)	(4.70)
Net Profit after tax	54.08	369.25
Add : Brought forward from previous year	1322.63	1096.41
Add : Income Tax adjustment of earlier years	0.00	2.05
Profit available for appropriation	1376.71	1467.71
APPROPRIATIONS		
Statutory Reserve	10.82	75.00
Proposed Dividend	0.00	59.90
Dividend Distribution Tax	0.00	10.18
Surplus Carried to balance sheet	1365.89	1322.63
Total	1376.71	1467.71

OPERATIONS

The Company has made a net profit of Rs. 54.08 lacs against Rs. 369.25 lacs registered in the previous year. The fall in profit is largely attributable to an exceptional and one-time loss booked against cases financed in the state of Gujrat. However, the company has taken corrective measures and is in the process of recovering booked losses.

DIVIDEND

Keeping in view the low profit, the Directors have not declared any dividend in respect of the financial year under review.

DIRECTORS

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

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, 2008, 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;



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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 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

M/s. L. N. Todi & Co. , Chartered Accountants of Hudco Niwas, 15N , Nolie 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.

AUDITORS' REPORT

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

PUBLIC DEPOSIT

Total Public Deposit as on 31st March, 2008 after taking into account interest accrued but not due stood at Rs 419.23 lacs (previous year Rs 438.16 lacs). As on 31st March, 2008, there were 68 deposits aggregating to Rs 16.59 lacs which matured but remaining unclaimed by the depositors out of which 31 deposits aggregating to Rs. 10.50 lacs 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.



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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. 2.54 lacs and no outgoing during the financial 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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Place : Kolkata
Dated: 30th May, 2008

ON BEHALF OF THE BOARD OF DIRECTORS
ARUN CHARAN MUKHERJEE
Chairman



NPR FINANCE LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY TREND & DEVELOPMENT

The Competitive scenario has intensified in all the segments of Indian Automotive Industry with entry of new players. Management believes that cautious approach is justified under current market conditions ; at the same time it will continue to seek growth in its core semi urban and rural markets with its branch network & ability to provide niche financial service.

OPERATING & FINANCIAL PERFORMANCE

Company's performance during the year under review is:

- Gross Receivable reduced to Rs. 3341.09 lacs as against Rs. 5112.74 lacs of previous year due to suspension of finance in Gujrat.
- Net owned Fund of the Company marginally increased to Rs. 3128.44 lacs as against Rs. 3074.35 lacs, last year.
- Company's total income from Financing operation has gone down by 6% whereas the said income has gone up by 24% in the areas other than Gujrat.
- The Company has made a net profit of Rs. 54.08 lacs against Rs. 369.25 lacs registered in the previous year. The fall in profit is largely attributable to an exceptional and one-time loss booked against cases financed in the state of Gujrat, where the company had a large financing exposure. The entire three wheeler industry in Gujrat was severely hit during the year, due to wilful defaults by customers in large numbers. This happened because of cut throat competition between the Banks & other NBFCs in Gujrat which resulted in low margin money & financing upto 90% to 95 % of the vehicle cost. Our Company also succumbed to the market pressure & was forced to follow the suit to retain its market share in the region. Taking advantage of the competition, customers made wilful defaults after paying one or two installments & purchased new vehicle from other banks by giving much lower margin money. Our Company has temporarily suspended fresh disbursements in the state of Gujrat till the situation there is stabilized and is focusing on recovery of its outstandings and overdues. This sequence of events led to sharp rise in Non Performing Assets & fall in profitability of our company. The total loss booked for Gujrat region during the year amounts to Rs 39.71 Lacs against profit of Rs. 466.48 lacs in the previous year.
- Money changing division has registered income from operation of Rs 100.53 lacs i.e. lower by 10.64 % from previous year due to lower volumes.
- Income from Wind Power Generation has gone down by 15% due to lower generation at Sangli Site where Company has faced continuous obstruction in generation by local villagers who were agitating for Right of Way.
- The Capital to Risk Weighted Asset Ratio of the Company stands at 55 % as on 31st March, 2008, which is well above the minimum level of 15% prescribed by Reserve Bank of India.

DEBT STRUCTURE

Secured & Unsecured Loan of the Company have gone down by 6% and 42% due to Scheduled repayments of Term Loan & Inter-corporate Deposits respectively. Debt equity Ratio of the Company as on 31st March, 2008 is 0.68:1, which reflects that Company's Assets under management are adequate to meet its debts.