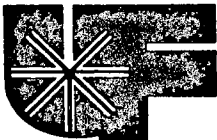


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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

THIRTEENTH ANNUAL REPORT

for the year ended
31st March, 1998

Report  Junction.com



UPASANA FINANCE LIMITED

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UPASANA FINANCE LIMITED

BOARD OF DIRECTORS

Sri Suresh Krishna

Chairman

Mrs Usha Krishna

Managing Director

Sri S L Narayanan

Executive Director

Sri K R Krishnaswamy

Sri R Ramakrishnan

Dr V Raghunathan

PRESIDENT

Sri S Ramakrishnan

MANAGER - FINANCE & SECRETARY

Sri R Krishnan

BANKERS

STATE BANK OF INDIA

STATE BANK OF MYSORE

STATE BANK OF HYDERABAD

STATE BANK OF SAURASHTRA

ANZ GRINDLAYS BANK, PLC

THE FEDERAL BANK LIMITED

THE KARUR VYSYA BANK LIMITED

THE SOUTH INDIAN BANK LIMITED

CENTRAL BANK OF INDIA

IDBI BANK LIMITED

ALLAHABAD BANK

INDIAN OVERSEAS BANK

FINANCIAL INSTITUTION

THE INDUSTRIAL CREDIT &
INVESTMENT CORPORATION OF
INDIA LIMITED

AUDITORS

M/s. SUNDARAM & SRINIVASAN

Chartered Accountants

23, C P Ramasamy Road

Chennai - 600 018

REGISTERED OFFICE

"Ganesh Towers"

96/1, Luz Church Road

Mylapore

Chennai - 600 004.

SHARE TRANSFER AGENTS

M/s. Karvy Consultants Limited

G-1, Swathy Court

22, Vijayaraghava Road

T Nagar, Chennai - 600 017.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the shareholders of the company will be held at the Music Academy, 306, T T K Road, (Mowbrays Road), Chennai 600 014 on Thursday the 24th September, 1998 at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors of the Company.
2. To declare dividend on preference Share Capital.
3. To appoint Sri. S.L. Narayanan, Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Sri R Ramakrishnan, Director who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

“RESOLVED that consent of the Company be and is hereby accorded under section 198, 269 and 309 of the Companies Act, 1956 and such other applicable provisions, if any, for the re-appointment of Mrs Usha Krishna as Managing Director of the Company for a period of five years from 21st May, 1998 to 20th May, 2003 on terms and conditions including remuneration in accordance with the provisions of Schedule XIII of the Companies Act, 1956, as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting.

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to vary, from time to time the percentage and quantum of commission payable to the Managing Director, provided that the total remuneration payable whether by way of salary, perquisites or commission shall not exceed 5% of the net profits of the Company in any financial year.

RESOLVED FURTHER that the above remuneration allowed to the Managing Director shall be subject to such limits for the remuneration as are laid down by the Government in Schedule XIII and/or such changes/variations/substitutions as may be made therein from time to time.

RESOLVED FURTHER that the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

“RESOLVED that consent of the Company be and is hereby accorded under section 198, 269 and 309 of the Companies Act, 1956 and such other applicable provisions, if any, for the re-

UPASANA FINANCE LIMITED

appointment of Sri S L Narayanan as Executive Director of the Company for a period of five years from 1st July, 1998 to 30th June, 2003 on terms and conditions including remuneration in accordance with the provisions of Schedule XIII of the Company Act 1956, as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting.

RESOLVED FURTHER that the above remuneration allowed to the Executive Director shall be subject to such limits for the remuneration as are laid down by the Government in Schedule XIII and/or such changes/variations/substitutions as may be made therein from time to time.

RESOLVED FURTHER that the scope and quantum of remuneration specified herein above, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time.

By Order of the Board

Chennai,
29th June, 1998.

R KRISHNAN
Manager - Finance & Secretary



UPASANA FINANCE LIMITED

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed.
3. The instrument appointing proxy should be deposited at the Registered office of the Company or at the office of the company's Share Transfer Agents, viz. M/s Karvy Consultants Limited, G-1, Swathy Court, 22, Vijayaraghava Road, Chennai 600 017 at least 48 hours before the commencement of the meeting.
4. Members desiring any information as regards Accounts are requested to write to the Company atleast seven days before the meeting so as to enable the Management to keep the information ready.
5. Please bring the Attendance Slip duly filled in and hand it over at the entrance of the meeting hall.
6. Shareholders who have not encashed their Dividend warrants for the year 1995, 1996 and 1997 and Refund Orders are requested to write to the Company for encashment of the warrants/refund orders.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 1998 to 24th September, 1998.

UPASANA FINANCE LIMITED

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

Item No. 6

Mrs Usha Krishna was reappointed as Managing Director of the Company at the Extra-Ordinary General Meeting held on 14th June, 1993 in accordance with the provisions contained in Schedule XIII of the Companies Act, 1956. Taking into account the significant contribution made by Mrs Usha Krishna to the steady increase in all facets of business of the Company, the Board of the Directors of the Company at its meeting held on 26th March, 1998 re-appointed Mrs Usha Krishna as the Managing Director of the Company for a period of five years from 21st May, 1998 to 20th May, 2003 on a remuneration detailed as under. Due to prevailing sluggish Market conditions, the Managing Director has also consented to the reduction in her Salary from Rs. 25000/- to Rs. 15000/- per month.

- i. Salary of Rs. 15000 per month.
- ii. House Rent Allowance of Rs. 9000 per month.
- iii. Medical Expenses Reimbursement upto one month's salary.
- iv. Leave Travel Concession - Rs. 12000 per annum.
- v. Membership to two clubs - Rs. 4000 per annum.
- vi. Personal Accident Insurance - Annual Premium of Rs. 1000.
- vii. Contribution to Provident Fund as per Company's Rules.
- viii. Contribution to Superannuation Fund as and when made applicable to the Company.
- ix. Company maintained Car.
- x. Commission at 4% of net profit.

In the event of any loss or inadequacy of profits in any financial year, Managing Director is entitled to the remuneration by way of salary and perquisites as may be prescribed by the Government from time to time as minimum remuneration within the above limits.

This may be treated as an abstract of the terms of contract of re-appointment of Mrs Usha Krishna pursuant to section 302 of the Companies Act, 1956.

The proposal as set in the Notice is placed before the shareholders for approval.

Mrs. Usha Krishna, Managing Director, may be deemed to be interested in this Resolution since it relates to her appointment and remuneration. Sri Suresh Krishna, Chairman and Sri K R Krishnaswamy, Director may deemed to be interested, being a relative of Mrs. Usha Krishna. No other Director is interested in this Resolution.

Item No. 7

Sri S L Narayanan was reappointed as Executive Director of the Company at the Extra-Ordinary General Meeting held on 14th June, 1993 in accordance with the provisions contained in Schedule XIII of the Companies Act, 1956. Taking into account the significant contribution made by Sri S L Narayanan to the steady increase in all facets of business of the Company, the Board of Directors of the Company at its meeting held on 29th June, 1998 re-appointed Sri S L Narayanan as the Executive Director of the Company for a period of five years from 1st July, 1998 to 30th June, 2003 on a remuneration detailed as under :

UPASANA FINANCE LIMITED

- i. Salary of Rs. 16000 per month.
- ii. House Rent allowance of Rs. 4000 per month.
- iii. Medical Expenses Reimbursement upto one month's salary.
- iv. Leave Travel Assistance - Rs. 6000 per annum.
- v. Personal Accident Insurance - Annual Premium of Rs. 1000.
- vi. Contribution to Provident Fund as per Company's Rules.
- vii. Company maintained car for use of Company's Business.
- viii. Telephone at Residence Personal long distance calls will be recovered.

In the event of any loss or inadequacy of profits in any financial year, Executive Director is entitled to the remuneration by way of salary and perquisites as may be prescribed by the Government from time to time as minimum remuneration within the above limits.

This may be treated as an abstract of the terms of contract of re-appointment of Sri S L Narayanan pursuant to section 302 of the Companies Act, 1956.

Sri S L Narayanan, Executive Director, may be deemed to be interested in this Resolution since it relates to his appointment and remuneration. No other Director is interested in this Resolution.



DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors present you with the **Thirteenth Annual Report** with the audited accounts for the year ended 31st March, 1998.

1. FINANCIAL RESULTS :	1997-98 (Rs in Lakhs)	1996-97 (Rs in Lakhs)
Profit before Interest & Depreciation	1802.84	1513.01
Less : a) Interest	1258.07	797.66
b) Depreciation	269.06	390.08
c) Special Depreciation Reserve	54.76	80.45
d) Reserve for Bad & Doubtful debts and stock in trade	179.79	74.48
Profit before Tax	41.16	170.34
Less : Income-tax/Wealth tax for the year	5.53	38.06
Interest tax for the year	16.48	18.08
Profit after Tax	19.15	114.20
Add : Balance brought forward	20.20	3.85
Amount available for appropriation	39.35	118.05
Less : Appropriations :		
Income tax relating to previous years	9.25	-
Proposed Dividend - Equity	-	64.17
Dividend - Preference Shares - Proposed	7.04	-
Provision for Dividend Tax	0.70	6.41
Transfer to Statutory Reserve	3.69	21.56
Transfer to General Reserve	0.96	5.71
Transfer to Capital Redemption Reserve	8.33	-
Balance carried forward	9.38	20.20
	39.35	118.05

2. DIVIDEND :

The Directors are unable to recommend any dividend on the equity shares because of inadequate profits for the year ended 31st March, 1998. However the Directors declare the committed Dividend of 14% pro-rata on the Preference Share Capital of the Company. This will absorb a sum of Rs. 7.04 lakhs.

3. BUSINESS :

The Year 1997-98 witnessed a sharp increase in the cost of borrowings due to higher level of borrowings necessitated by the poor collections and increase in volume of business. Your company deployed Rs. 2732.45 lakhs in Hire Purchase business for the year ended 31st March, 1998 as against Rs.3286.27 lakhs in the last year. The Company deployed Rs. 95.29 lakhs in lease for the year ended 31st March, 1998. as against Rs. 288.31 lakhs in last year.

The Weighted Average Funds deployed under bills discounting for the year ended 31st March, 1998 amounted to Rs. 1046.17 lakhs as against Rs. 1297.50 lakhs for the year ended 31st March, 1997.

4. **RESOURCES :**

a) Deposits :

The Depositors continue to repose tremendous confidence in the Company. The amount of Deposits has substantially increased to Rs.5938.38 lakhs as at 31st March, 1998 as against Rs.4243.28 lakhs as at 31st March, 1997.

As at 31st March, 1998 deposits amounting to Rs. 87.70 lakhs comprising 685 depositors having matured for payment were due to be claimed or renewed. Steps are being taken to obtain depositors' instructions to ensure renewal / repayment of these deposits. Deposits amounting to Rs.59.12 lakhs has been repaid or renewed out of the total unclaimed deposits as on the date of this report. There are no matured Deposit claimed by the depositors but not paid by the Company.

b) ICRA has retained " MAA- " signifying High Safety for the depositors' funds.

c) Bank / Institutional Finance :

During the year, the Company has tied up additional Cash - Credit limit of Rs.300.00 lakhs taking the total Working Capital tied-up limit to Rs.1830.00 lakhs as against Rs.1530.00 lakhs tied-up as at 31st March 1997.

5. **OUTLOOK FOR THE CURRENT YEAR :**

The RBI adopted a policy of liberalisation and free market forces thro the second half of 1996 and 1997. Suddenly on 2nd January 98 the Reserve Bank of India reversed its policy and imposed restrictions which essentially reduced the gearing and directed the NBFC's to repay the deposits. Your company has taken adequate steps to withstand the short term mis-match of cash-flows by drawing up a strategy for collections and recovery of Overdue Demands.

6. **DIRECTORS :**

The following directors, retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

1. Sri. R. Ramakrishnan
2. Sri S.L. Narayanan

7. **AUDITORS :**

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai retire at the ensuing Thirteenth Annual General Meeting and are eligible for re-appointment.

8. **INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT 1956 :**

The Company is a Non-Banking Finance Company and is not engaged in any manufacturing activity of any kind. The disclosure of information to conservation of energy and technology absorption are therefore not applicable to the company. There were no foreign exchange earnings or outgo for the company during the year.