

FOURTEENTH ANNUAL REPORT

for the year ended
31st March, 1999

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UPASANA FINANCE LIMITED

UPASANA FINANCE LIMITED

BOARD OF DIRECTORS

Sri Suresh Krishna
Chairman

Mrs Usha Krishna
Managing Director

Sri S L Narayanan

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

AUDITORS

M/s. SUNDARAM & SRINIVASAN

Chartered Accountants

23, C P Ramasamy Road

Chennai - 600 018

REGISTERED OFFICE

98-A, Dr. Radhakrishnan Salai,

Auras Corporate Centre

Mylapore

Chennai - 600 004.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the FOURTEENTH ANNUAL GENERAL MEETING of the shareholders of the company will be held at the Rani Seethai Hall, 603, Anna Salai, Chennai 600 006 on Wednesday the 22nd December, 1999 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 1999, 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 Shares.
3. To appoint Sri. K.R. Krishnaswamy, Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Dr V Raghunathan, 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.

By Order of the Board

Chennai,
22nd November, 1999.

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 instrument appointing proxy should be deposited at the Registered office of the Company atleast 48 hours before the commencement of the meeting.
3. Members desiring any information as regards to 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.
4. Please bring the Attendance Slip duly filled in and hand it over at the entrance of the meeting hall.
5. As required under the Companies Unpaid Dividend (Transfer to General Account of the Central Government) (Amendment) Rules, 1988, the unpaid/unclaimed dividend for the financial year ended 31st March, 1995 was transferred to the General Revenue Account of the Central Government, as per details given below :

Dividend for the year ended	No of equity shares	No of holders	Amount Rs.	Date of transfer
31.03.95	55000	349	5613.00	23.10.98

Shareholders who have not encashed the dividend warrants for the said year are requested to claim the amount from the Registrar of Companies (Tamil Nadu), Sastri Bhavan, Block No.6, II Floor, 26 Haddows Road, Chennai - 600 006.

6. Pursuant to the provisions of section 205A of the Companies Act, 1956 as amended, dividend for the financial year ended 31st March, 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government.

Members who have not encashed the dividend warrant(s) so far the financial year ended 31st March, 1996 or any subsequent financial years are requested to make their claim to the Company.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th December, 1999 to 22nd December, 1999.

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors present you with the **Fourteenth Annual Report** with the audited accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS :	1998-99 (Rs. Lakhs)	1997-98 (Rs. Lakhs)
Profit before Interest & Depreciation	1148.27	1802.84
Less : a) Interest	1159.55	1258.07
b) Depreciation	231.23	269.06
c) Special Depreciation Reserve	35.30	54.76
d) Reserve for Bad & Doubtful debts and stock in trade	54.99	179.79
Profit before Tax	(332.80)	41.16
Less : Income-tax/Wealth tax for the year	-	5.53
Interest tax for the year	6.12	16.48
Profit after Tax	(338.92)	19.15
Add : Balance brought forward	9.37	20.20
Amount available for appropriation	(329.55)	39.35
Less : Appropriations :		
Income tax relating to previous years	0.73	9.25
Dividend on Preference Shares		
- Interim	9.28	-
- Final	-	7.04
Provision for Dividend Tax	0.93	0.70
Transfer to Statutory Reserve	-	3.69
Transfer to General Reserve	-	0.96
Transfer to Capital Redemption Reserve	-	8.33
Balance carried forward	(340.49)	9.38
	(329.55)	39.35

2. DIVIDEND :

The Directors are unable to recommend any dividend on the equity shares because of inadequate profits for the year ended 31st March, 1999. However the Directors have recommended an interim dividend of 14% till the date of redemption of Preference Share Capital of the Company. This will absorb a sum of Rs. 9.28 lakhs.

3. BUSINESS :

The Year 1998-99 witnessed a sharp deterioration in the volume of business due to stringent Reserve Bank of India guidelines issued on January 2nd, 1998. However, your Company deployed Rs. 478.39 lakhs in Hire purchase business for the year ended 31st March 1999 as against Rs. 2732.45 lakhs last year. The Company deployed Rs. 7.64 lakhs in Lease for the year ended 31st March 1999 as against Rs. 95.29 lakhs last year.

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The Weighted Average Funds deployed under bills discounting for the year ended 31st March, 1999 amounted to Rs. 122.87 lakhs as against Rs. 1046.17 lakhs for the year ended 31st March, 1998.

4. **RESOURCES :**

a) Deposits :

The amount of deposits has been substantially reduced to Rs. 4200.31 lakhs as at 31st March, 1999 from Rs. 5938.38 lakhs as at 31st March, 1998. The Company has kept in line with the revised guidelines set out by the Reserve Bank of India for NBFCs during the month of January '99 regarding acceptance of deposits. It is notable that, your Company has continued to adhere to the guidelines set out by the Reserve Bank of India for NBFCs on the 2nd January, 1998 regarding acceptance of deposits, although the Reserve Bank of India relaxed the limits in December '98 by revised guidelines.

As at 31st March, 1999 deposits amounting to Rs. 91.17 lakhs comprising 670 depositors having matured for payment were due to be claimed. The Company has also taken adequate steps to ensure repayment of deposits on maturity. Also, the Company has decided not to renew deposits on maturity. Deposits amounting to Rs. 61.68 lakhs comprising 363 depositors has been repaid out of the total unclaimed deposits as on the date of this report. There are no matured deposits claimed by the depositors but not paid by the Company.

b) Your Company has been awarded "**MA**" by Investment Information and Credit Rating Agency of India Limited, signifying "**Adequate Safety**" for the depositors' funds during the year.

5. **DIRECTORS :**

During the year, Sri. S.L. Narayanan resigned as Executive Director with effect from 31.12.98. However, he continues to function as Director. The Board of Directors at their meeting decided not to remunerate Mrs. Usha Krishna, Managing Director from 01.12.98, for which she has given her consent. The following directors, retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

1. Sri. K.R. Krishnaswamy
2. Dr. V. Raghunathan

6. **AUDITORS :**

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

7. **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.

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8. **PERSONNEL :**

Particulars of employees as required under 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are set out in the schedule annexed hereto forming part of this report.

9. **GENERAL :**

Your Directors wish to place on record their appreciation for the continuing and increasing support from all lending Institutions, legal advisors, customers and depositors for all the assistance rendered by them from time to time. The Directors also wish to thank the employees for their co-operation towards achieving the objectives of the Company.

Chennai
22nd November, 1999.

SURESH KRISHNA
CHAIRMAN.



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ANNEXURE TO DIRECTORS' REPORT 1999

Particulars of employees as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

Sl. No.	Name	Age (Years)	Designation	Date of Employment	Remuneration (in Rupees)	Qualification	Experience (Years)	Last Employment
1.	S. RAMAKRISHNAN	54	President	01.02.1996	10,77,000	B.Sc., DMIT., M.B.A.,	23	Director & Chief Executive Indian Seamless Financial Services Limited

Notes :

- Years of experience include experience prior to joining the Company also.
- Remuneration includes Salary, Commission, HRA, Allowances, Contribution to PF, Superannuation Fund, LTA and taxable value of perquisites.