

## **SIXTEENTH ANNUAL REPORT**

for the period ended  
31st March, 2001



**UPASANA FINANCE LIMITED**

**BOARD OF DIRECTORS**

**Mrs Usha Krishna**  
Managing Director  
**Sri S L Narayanan**  
**Sri K R Krishnaswamy**  
**Sri R Ramakrishnan**

**PRESIDENT**

**Sri S Ramakrishnan**

**MANAGER - FINANCE & SECRETARY**

**Sri R Krishnan**

**BANKERS**

STATE BANK OF INDIA  
STATE BANK OF MYSORE  
STATE BANK OF HYDERABAD  
THE KARUR VYSYA BANK LIMITED  
IDBI BANK LIMITED  
ALLAHABAD BANK  
INDIAN OVERSEAS BANK  
STANDARD CHARTERED  
GRINDLAYS BANK LTD

**AUDITORS**

**M/s. SUNDARAM & SRINIVASAN**  
Chartered Accountants  
23, C P Ramasamy Road  
Chennai - 600 018

**REGISTERED OFFICE**

IIIrd Floor,  
Auras Corporate Centre,  
98-A. Dr. Radhakrishnan Salai,  
Mylapore, Chennai - 600 004.

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the shareholders of the company will be held at the Music Academy (Mini Hall) (Old No. 306) New No. 168, T.T.K. Road, Chennai 600 014 on Wednesday the 26th September, 2001 at 3.00 p.m. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31st March 2001, the Profit and Loss Account for the period ended on that date and the Reports of the Directors and the Auditors of the Company.
2. To appoint Sri K.R. Krishnaswamy, Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to authorise the Board to fix their remuneration.

By Order of the Board

Chennai,  
August 8, 2001

**R KRISHNAN**  
Manager - Finance & Secretary



**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 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.

Shareholders who have not encashed the Dividend warrants for the said year are requested to claim the amount from The Registrar of Companies (Tamilnadu), Shastri Bhavan, Block No. 6, 11nd Floor, 26, Haddows Road, Chennai - 600 006.

Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed and/or unpaid for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government.

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

6. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2001 to 26th September, 2001.
7. The Equity Shares of the Company are listed with following Stock Exchanges :

Madras Stock Exchange Limited  
Exchange Building  
11, Second Line Beach  
Chennai 600 001.

The Stock Exchange, Mumbai  
Phiorze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001.

The listing fees for the year 2001-2002 have been paid to the above Stock Exchanges.

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**DIRECTORS' REPORT TO THE SHARE HOLDERS**


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The Directors present you with the **Sixteenth Annual Report** with the audited accounts for the period ended 31st March 2001.

1. The Accounting Year of the Company was shortened to a period of 6 months ended on 31st March 2001 as per the Reserve Bank of India Directions for Non-Banking Finance Companies.

2. <b>FINANCIAL RESULTS :</b>	<b>2000-2001</b> (6 Months) <b>(Rs in Lakhs)</b>	<b>1999-2000</b> (18 Months) (Rs in Lakhs)
Profit / (Loss) before Interest & Depreciation	<b>(777.71)</b>	1286.65
Less : a) Interest	<b>37.36</b>	714.33
b) Depreciation	<b>131.64</b>	204.91
c) Special Depreciation Reserve	<b>(9.36)</b>	(25.09)
d) Reserve for Bad & Doubtful debts and stock in trade	<b>55.73</b>	751.91
Loss before Tax	<b>(993.08)</b>	(359.41)
Less : Interest tax for the year	<b>—</b>	3.64
Loss after Tax	<b>(993.08)</b>	(363.05)
Add : Balance brought forward	<b>(732.49)</b>	(369.44)
Amount available for appropriation	<b>(1725.57)</b>	(732.49)
Less : Appropriations :		
Transfer from Investment		
Allowance Reserve	<b>(41.35)</b>	—
<b>Balance carried forward</b>	<b>(1684.22)</b>	(732.49)
	<b>(1725.57)</b>	(732.49)

3. **DIVIDEND :**

In view of the losses, the Directors are unable to recommend any dividend on equity shares for the period ended 31st March 2001.

4. **OPERATIONS :**

The Company has reduced its outside liabilities to significantly low levels as on date by way of infusion of funds from the promoters, liquidation of investments and improved collections. No sizeable fresh business was done by the Company during the period under review.

The Company has created cumulative provision of Rs.1136.75 lakhs as Reserve for Overdue Bills, Hire Purchase and Loans as per the Reserve Bank of India Prudential Norms. The Company is fully concentrating and making an all out effort to recover the above over dues and is confident of recovering a substantial portion of the same. The Company has also filed necessary legal suits for the recovery of debts.

**5. DEPOSITS :**

The amount of Deposits has substantially decreased to Rs. 66.82 lakhs as at 31st March 2001 as against Rs. 544.43 lakhs as at 30th September 2000.

As at March 2001 deposits amounting to Rs. 24.80 lakhs comprising 184 depositors having matured for payment were due to be claimed. Steps are being taken to obtain depositor's instructions to ensure repayment of these deposits. Deposits amounting to Rs. 5.70 lakhs has been repaid 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.

**6. DIRECTORS :**

During the Period Sri. Suresh Krishna, Chairman resigned on 24th November 2000 and Sri. V. Raghunathan, Director resigned on 10th March 2001. The Board of Directors wishes to place on record their appreciation for the services done by them during their tenure of service.

Sri. K.R. Krishnaswamy, Director, retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**7. AUDITORS :**

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai retire at the ensuing Sixteenth 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 regarding 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.

**9. DIRECTORS' RESPONSIBILITY STATEMENT :**

The Directors confirm that :

- a) in the preparation of annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures.
- b) appropriate accounting policies have been selected and applied consistently, and judgements and estimates that have been made 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 financial periods and of the loss of the company for that period.

- c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and deducting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.

**10. PERSONNEL :**

The information required under the provisions of Section 217(2A) of the Companies Act, 1956 and the rules made thereunder, is given in the annexure appended hereto and forms part of this report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid annexure. Interested Members may write to the Company Secretary, at the Registered Office of the Company, for obtaining a copy of the said annexure.

**11. GENERAL :**

Your Directors wish to place on record their appreciation for the continued 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.

On behalf of the Board

Chennai  
August 8, 2001

**USHA KRISHNA**  
Managing Director

**R RAMAKRISHNAN**  
Director

