

SEVENTEENTH ANNUAL REPORT
for the year ended
31st March 2002

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UPASANA FINANCE LIMITED

BOARD OF DIRECTORS

Smt. Usha Krishna
Managing Director

Sri. S L Narayanan

Sri. R Ramakrishnan

Sri. K R Krishnaswamy

PRESIDENT

Sri. S Ramakrishnan

MANAGER - FINANCE & SECRETARY **Sri. R Krishnan**

BANKERS

State Bank of India
State Bank of Mysore
The Karur Vysya Bank Ltd
Standard Chartered
Grindlays Bank Ltd.
United Bank of India

AUDITORS

M/s. Sundaram & Srinivasan
Chartered Accountants
23, C P Ramaswamy 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 **SEVENTEENTH 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 Monday the 23rd September, 2002 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 2002, 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 appoint Sri. R Ramakrishnan, 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
14th August, 2002


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 at least 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. 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 warrant(s) so far for 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 17th September, 2002 to 23rd September, 2002 both days inclusive.
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
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001.

The listing Fees for the year 2002-2003 have been paid to the above Stock Exchanges.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors present you with the **Seventeenth Annual Report** with the Audited Accounts for the year ended 31st March 2002.

1. FINANCIAL RESULTS:

	2001-2002 12 Months Rs. Lakhs	2000-2001 6 Months Rs. Lakhs
Profit/(Loss) before Interest & Depreciation	(11.28)	(777.71)
Less : a) Interest	0.38	37.36
b) Depreciation	63.49	131.64
c) Reserve for Bad & Doubtful Debts & Stock in Trade	(77.66)	55.73
Profit before Tax	2.51	(1002.44)
Less : Provision for Tax	0.19	--
Profit after Tax	2.32	(1002.44)
Add : Balance brought forward	(1684.22)	(732.49)
Amount available for appropriation	(1681.90)	(1734.93)
Less : Appropriations :		
Transfer from Investment Allowance Reserve	--	(41.35)
Tax relating to earlier years	7.32	--
Special Depreciation Reserve Withdrawn	(16.26)	(9.36)
Transfer to Statutory Reserve	0.46	--
Balance carried forward	(1673.42)	(1684.22)
	(1681.90)	(1734.93)

2. DIVIDEND:

In view of the inadequate profit the Directors are unable to recommend any dividend on equity shares for the year ended 31st March, 2002.

3. OPERATIONS:

No significant fresh business was done by the Company during the year under review.

The Company has made adequate provisions as per the Reserve Bank of India Prudential Norms. The Company is continuing to concentrate on recovering of the overdues and is confident of recovering a substantial portion of the same. Also, the Company has filed necessary legal suits for the recovery of debts.

4. DEPOSITS:

The Company has during the year deposited an amount equal to the outstanding deposits of Rs. 10.87 Lacs along with the accrued interest in a fixed deposit account with a Bank for the benefit of the deposit holders.

The Company has requested the Reserve Bank of India to convert the Company from Deposit-taking Company (Category "A") to Non-deposit taking Company (Category "B").

As at March 2002 deposits amounting to Rs. 10.71 lakhs comprising 96 depositors having matured for payment were due to be claimed. Steps are being taken to obtain depositors' instructions to ensure repayment of these deposits. Deposits amounting to Rs. 0.10 lakhs 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.

5. DIRECTORS:

Sri. R Ramakrishnan, Director, retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

6. AUDITORS:

M/s Sundaram and Srinivasan, Chartered Accountants, Chennai 600 018 retire at the ensuing Seventeenth 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 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.

8. 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 year and of the profit of the Company for the year.
- 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 detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.

9. PERSONNEL:

None of the employees of the Company is in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956.

10. GENERAL:

Your Directors wish to place on record their appreciation for the continued support from all customers and depositors. The Directors also wish to thank the employees for their co-operation.

On behalf of the board

CHENNAI
14th August 2002.

USHA KRISHNA
MANAGING DIRECTOR

S L NARAYANAN
DIRECTOR

**AUDITORS' REPORT TO THE SHAREHOLDERS OF UPASANA FINANCE LIMITED
FOR THE YEAR ENDED MARCH 31, 2002**

1. We have audited the attached Balance Sheet of M/s Upasana Finance Limited, Chennai 600 004 as at 31st March 2002 and the Profit & Loss Account for the year ended on that date both of which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a report on the matters specified in the said order.
4. Further to the comments in the Annexure referred to in paragraph 3 above, we state that :
 - a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books;
 - c) the Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account;
 - d) the Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;