

## **TWENTIETH ANNUAL REPORT**

for the year ended  
31st March 2005

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**UPASANA FINANCE LIMITED**

**BOARD OF DIRECTORS**

SRI. R RAMAKRISHNAN

SRI. S E S MANI

SRI. S RAMAKRISHNAN

**MANAGER -  
FINANCE & SECRETARY**

SRI. R KRISHNAN

**BANKERS**

The Karur Vysya Bank Ltd  
United Bank of India

**AUDITORS**

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

**REGISTERED OFFICE**

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

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the **TWENTIETH 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 28<sup>th</sup> September, 2005 at 03.00 p.m to transact the following business :

**ORDINARY BUSINESS**

1. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that the Audited Balance Sheet as at 31<sup>st</sup> March 2005, the Profit and Loss Account for the year ended 31<sup>st</sup> March 2005 and the Reports of the Directors and the Auditors of the Company, be and are hereby approved and adopted."
2. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that Sri S E S Mani, who retires by rotation and being eligible, offers himself for re-appointment be and is hereby appointed as Director of the Company."
3. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the Audit."

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that Sri S Ramakrishnan be and is hereby appointed as a Director of the Company."

By Order of the Board

R KRISHNAN

Manager - Finance & Secretary

Chennai  
12th August, 2005

**NOTES:**

1. **AMEMBER 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. The Register of Members and the Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September, 2005 to 28<sup>th</sup> September, 2005 (both days inclusive).
6. 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 2005-2006 have been paid to the above Stock Exchanges.
7. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under Resolution No. 4 is annexed.
8. At this Annual General Meeting Sri S E S Mani, Director, retires by rotation and being eligible, offers himself for re-appointment and Sri S Ramakrishnan, Director, is being appointed.
9. The particulars of the above Directors as required to be furnished under the Listing Agreement are provided hereunder:

## UPASANA FINANCE LIMITED, Chennai 600 004

### NOTICE TO THE SHAREHOLDERS (contd.)

#### S RAMAKRISHNAN

Sri S Ramakrishnan, aged 60 years, is an Automobile Engineering Graduate from Madras Institute of Technology, Madras and a Post Graduate Diplomat from Indian Institute of Management, Ahmedabad (IIMA). He has 26 years of experience in various capacities in the fields of engineering, treasury and finance.

Sri S Ramakrishnan is a Director in Lakshminarayana Ancillaries Limited, Chennai and UFL Properties Private Limited, Chennai. He is not a member of any committee in the above companies.

#### S E S MANI

Sri S E S Mani, aged 63 years, is a Mechanical Engineering Graduate. He has 35 years of experience in various capacities in the fields of engineering and finance.

He is not a Director in any other Company.

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

The Board of Directors vide its Resolution dated 12<sup>th</sup> August 2005 co-opted Sri S Ramakrishnan as an Additional Director on the Board, in terms of Section 260 of the Companies Act, 1956. Sri S Ramakrishnan holds office upto the ensuing Annual General Meeting.

The Company has received a notice under section 257 of the Companies Act, 1956 from a member together with the necessary fee informing his intention to propose the appointment of Sri S Ramakrishnan as a Director of the Company.

The Resolution as set out in the notice requires the consent of the members.

None of the Directors are concerned or interested in this Resolution except Sri S Ramakrishnan.

### DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors present you with the **Twentieth Annual Report** with the Audited Accounts for the year ended 31<sup>st</sup> March 2005.

#### 1. FINANCIAL RESULTS:

	2004-2005 Rs. Lakhs	2003-2004 Rs. Lakhs
Profit before Interest & Depreciation	131.92	291.27
Less : Depreciation	17.95	22.40
Profit before Tax	113.97	268.87
Less : Provision for Tax	8.94	20.57
Profit after Tax	105.03	248.30
Add : Balance brought forward	(1370.52)	(1574.39)
Amount available for appropriation	(1265.49)	(1326.09)
Less : Appropriations :		
Special Depreciation Reserve Withdrawn	(4.48)	(5.23)
Transfer to Statutory Reserve	21.01	49.66
Balance carried forward	(1282.00)	(1370.52)
	(1265.49)	(1326.09)

#### 2. DIVIDEND:

In view of the accumulated losses, the Directors are unable to recommend any dividend on equity shares for the year ended 31<sup>st</sup> March, 2005.

#### 3. MANAGEMENT DISCUSSION AND ANALYSIS

##### Business Review

The Company continued with its policy of neither lending nor accepting / renewing deposits. As of this year, the Company has written off in the Books, all assets which have been Non Performing. The Company continued to concentrate upon the recovery of Overdue Receivables \ NPA's. Prudent steps have been taken by filing legal suits wherever necessary. Negotiations with customers are also in progress for early settlement of the disputes and recovery of debts. The process is time consuming and hence the progress is slow.

**DIRECTORS' REPORT TO THE SHAREHOLDERS (contd.)**

**Future Outlook**

The company is not entering into fresh contracts for business and is continuing to concentrate upon recovery of overdue receivables and is hopeful that the impact of this approach on the negative networth will be more beneficial to the Company.

**4. DEPOSITS:**

As at 31<sup>st</sup> March 2005 deposits amounting to Rs. 6.47 lakhs comprising 48 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.1.71 lakhs has been transferred to Investor Education and Protection Fund as on the date of this report. There are no matured deposits claimed by the depositors but not paid by the company.

**5. DIRECTORS:**

The Directors note with profound grief the sad demise of Sri K R Krishnaswamy, on 05/08/2005. Sri K R Krishnaswamy has been associated with the Company for a long time. The Directors place on record their sincere appreciation of the valuable services rendered by him during his association with the Company.

Sri S Ramakrishnan was appointed by the Board of Directors as Additional Director to hold office upto the date of the ensuing Annual General Meeting and your approval is sought for his appointment vide resolution set out in item No.4 of the accompanying notice.

Sri S E S Mani, Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**6. AUDITORS:**

M/s Sundaram and Srinivasan, Chartered Accountants, Chennai 600 018 retire at the ensuing Twentieth 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 was no foreign exchange earnings or outgo for the company during the year.

**8. CORPORATE GOVERNANCE**

Pursuant to clause 49 of the listing agreement with the stock exchanges, a separate report on Corporate Governance together with a certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance is attached to this report.

**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 year and of the profit of the Company for that 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.

**10. PERSONNEL:**

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

**11. GENERAL:**

Your Directors wish to place on record their appreciation for the continued support from all those assisting the recovery of over dues. The Directors also wish to thank the employees for their co-operation.

On behalf of the board

Chennai  
12th August 2005.

R RAMAKRISHNAN  
Director

S E S MANI  
Director