

**TWENTYFOURTH ANNUAL REPORT**  
for the year ended  
31<sup>st</sup> March 2009

Report  Junction.com



**UPASANA FINANCE LIMITED**

**BOARD OF DIRECTORS**

SRI. R RAMAKRISHNAN

SRI. S E S MANI

SRI. S RAMAKRISHNAN

**SENIOR MANAGER -  
FINANCE & SECRETARY**

SRI. R KRISHNAN

**BANKERS**

The Karur Vysya Bank Ltd.  
United Bank of India  
State Bank of Mysore

**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.  
Tel : 044 - 2847 8605  
Email : upasana\_shares@yahoo.com

# UPASANA FINANCE LIMITED, Chennai 600 004

## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the Shareholders of the Company will be held at the Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168 (Old No. 306), TTK Road, Chennai 600 014 on Tuesday the 29<sup>th</sup> September 2009 at 02.45 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 31st March 2009, the Profit and Loss Account for the year ended 31st March 2009 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. R. Ramakrishnan, who retires by rotation and being eligible, 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."

Chennai  
12<sup>th</sup> August, 2009

By Order of the Board  
**R KRISHNAN**  
Senior 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 at least seven days before the meeting so as to enable the Management to keep the information ready.
4. Members are requested to notify/send the following to the Registered Office of the Company
  - a) any change in their address
  - b) Nomination in Form 2B, in duplicate as provided under Section 109A of the Companies Act, 1956, in case they have not been sent earlier.
  - c) Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
5. Please bring the Attendance Slip duly filled in and hand it over at the entrance of the meeting hall.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September 2009 to 29<sup>th</sup> September 2009 both days inclusive.
7. The equity shares of the Company are listed with the following Stock Exchanges:

Madras Stock Exchange Limited	The Bombay Stock Exchange Limited,
Exchange Building	Phiroze Jeejeebhoy Towers
11 Second Line Beach	Dalal Street
Chennai 600 001.	Mumbai 400 001.

The listing Fees for the year 2009-2010 has been paid to the above Stock Exchanges.

## UPASANA FINANCE LIMITED, Chennai 600 004

8. At this Annual General Meeting Sri R Ramakrishnan, Director, retires by rotation and being eligible, offers himself for re-appointment. The particulars of Sri R Ramakrishnan, Director as required to be furnished under the Listing Agreement are provided hereunder.

Sri R Ramakrishnan, an Industrialist, aged 72 years, is a Bachelor of Science from Madras University. Sri R Ramakrishnan has more than 52 years of managerial experience in manufacturing, marketing and as an entrepreneur. He has more than 20 years experience in Finance & Banking. He has been associated with the Company since 1988.

The details of other Directorships / Committee Memberships held by Sri R Ramakrishnan are as follows :

### Directorship:

Chairman - Indian Reinforcing Co. (Welded Mesh) Pvt. Ltd.

Managing Director - Concord Arai Pvt. Ltd.

Director - Sundram Fasteners Limited;

Yekidiar Farms Pvt. Ltd. Yekidiar Holdings & Properties Pvt. Ltd.

Yekidiar Estates Pvt. Ltd. Yekidiar Coconuts Pvt. Ltd.

As on date, he is not holding any equity share in the company.

### Committee Membership :

Shareholder Grievance Committee (Chairman)

Audit Committee (Member)

## DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors present you with the Twenty Fourth Annual report with the Audited Accounts for the year ended 31<sup>st</sup> March 2009.

### 1. FINANCIAL RESULTS:

	2008-2009	Rs. in lakhs 2007-2008
Income from Operations	91.40	164.53
Other Income	33.72	55.21
Profit/(Loss) before Interest & Depreciation	125.12	179.29
Less: Interest	0.55	19.31
Less: Depreciation	0.01	0.01
Profit before Tax	77.48	159.97
Less : Provision for Tax	26.43	54.79
Profit after Tax	51.05	105.18
Add: Balance brought forward	(665.38)	(754.06)
Amount available for appropriation	(614.32)	(648.88)
Less: Appropriations		
Transfer to Statutory Reserve	10.21	21.04
Tax relating to earlier years	(0.10)	(4.54)
Balance Carried Over	(624.43)	(665.38)

### 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 2009.

### 3. SET OFF RESERVES & SURPLUS AGAINST ACCUMULATED LOSSES

The members at the Twenty Third Annual General Meeting held on 29<sup>th</sup> September 2008 has approved the proposal for adjusting Share Premium Account, Capital Reserve Account, Capital Redemption Reserve Account and Statutory Reserve Account with Accumulated Losses an amount of Rs. 6,65,37,164/- as at 31<sup>st</sup> March 2008, subject to the approval from Stock Exchanges, Reserve Bank of India and High Court of Madras. The Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange (MSE) have given no-objection for the above proposal. The Company has approached the Reserve Bank of India, for their approval to adjust the Statutory Reserve created as per Section 45IC of the RBI Act, 1934 with the accumulated

losses of the Company. The approval from RBI is awaited. As soon as the approval is received from RBI, the Company will approach the High Court for the approval of the scheme.

**4. MANAGEMENT DISCUSSION AND ANALYSIS**

Classification by RBI.

The Company is registered with RBI as Non Deposit taking Non-Banking Financial Company (NBFC-ND) and has a valid certificate of Registration.

Business Review

The Company continues to concentrate upon recovery of overdue receivables. Even while pursuing the legal route, the Company attempts negotiations with customers for early recovery of debts. The Company has collected an amount of Rs. 90.95 lacs during the year.

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 net worth will be more beneficial to the company.

**5. DEPOSITS:**

As at 31<sup>st</sup> March 2009 deposit (including interest) amounting to Rs. 0.07 lakhs comprising 1 depositor having matured for payment was due to be claimed. Steps are being taken to obtain depositor's instructions to ensure repayment of the deposit. There are no matured deposits claimed by the depositors, but not paid by the company.

**6. DIRECTORS:**

Sri R Ramakrishnan, Director, retires from the Board by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**7. AUDITORS:**

M/s Sundaram and Srinivasan, Chartered Accountants, Chennai 600 018 retire at the ensuing Twenty Fourth 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 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 earning or outgo for the company during the year.

**9. 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.

**10. 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 judgments 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.

## UPASANA FINANCE LIMITED, Chennai 600 004

---

### 11. **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.

### 12. **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.

CHENNAI  
12<sup>th</sup> August 2009

**R RAMAKRISHNAN**  
DIRECTOR

**S RAMAKRISHNAN**  
DIRECTOR

**SUNDARAM & SRINIVASAN**  
Chartered Accountants

23, C.P. Ramaswamy Road,  
Alwarpet, Chennai - 600 018.

### **CERTIFICATE**

To the members of Upasana Finance Limited, Chennai 600 004

We have examined the Compliance of the conditions of Corporate Governance by Upasana Finance Limited, Chennai ("The Company") for the year ended 31<sup>st</sup> March 2009, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SUNDARAM & SRINIVASAN**  
Chartered Accountants

Chennai  
Date: 12<sup>th</sup> August 2009

**P MENAKSHISUNDARAM**  
Partner  
Membership No. 217914

### **REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31/03/2009**

(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

#### **A. MANDATORY REQUIREMENTS**

##### **1. Company's Philosophy on Code of Governance**

The company believes in abiding by the Laws of the Land.

##### **2. Board of Directors**

###### **a. Composition and Category of Directors**

The Board comprises of 3 Non-Executive Directors of which two are independent viz. R Ramakrishnan and S E S Mani. Sri S Ramakrishnan is non-independent non-executive director. All information as required under Annexure 1A to Clause 49 is being made available to the Board.

There is no pecuniary relationship / transaction with any of the Directors other than reported elsewhere.

## UPASANA FINANCE LIMITED, Chennai 600 004

### REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31/03/2009 (Contd..)

#### b. Attendance of each Director at the Meetings of the Board of Directors and the last Annual General Meeting.

During the financial year 2008-2009 the Board met 5 times on 30<sup>th</sup> April 2008, 30<sup>th</sup> July 2008, 22<sup>nd</sup> August 2008, 29<sup>th</sup> October 2008 and 30<sup>th</sup> January 2009. The following table gives details pertaining to attendance of Directors at the board meetings and at the last annual general meeting and number of companies and committees where they are Director/Member:

Name of the Director	Attendance		No. of Directorships in Public Limited Companies (including this Company)		Committee memberships (including this Company)	
	Board	AGM			Chairman	Member
Sri R Ramakrishnan	5	Yes	2		3	1
Sri S Ramakrishnan	5	Yes	2		Nil	2
Sri S E S Mani	5	Yes	1		Nil	2

#### c. Code of Conduct

The Board of Directors of the Company have laid down a Code of Conduct applicable for all the Board Members and the Senior Management of the Company. This Code of Conduct is given in the Annual Report. Further, all Board Members and the Senior Management of the Company have affirmed their adherence to the Code. A declaration signed by Sri S Ramakrishnan, Director to this effect is enclosed at the end of this report.

#### 3. Audit Committee

The Audit Committee of the Board comprises of three Directors with majority of them being independent viz. Sri R Ramakrishnan, Sri S E S Mani and Sri S Ramakrishnan with Sri R Ramakrishnan as its Chairman.

Meetings and attendance during the year

Five Meetings of the Audit Committee were held during the year on 30<sup>th</sup> April 2008, 30<sup>th</sup> July 2008, 22<sup>nd</sup> August 2008, 29<sup>th</sup> October 2008 and 30<sup>th</sup> January 2009.

Name of the Director	No. of meetings attended
R Ramakrishnan	5
S Ramakrishnan	5
S E S Mani	5

The Chairman of the Audit Committee was present at the Annual General Meeting held on 29<sup>th</sup> September 2008. Sri R Krishnan, Senior - Manager Finance and Secretary, acts as Secretary of the Audit Committee

Brief Description and terms of reference:

The Terms of Reference of Audit Committee cover the matters specified for Audit Committees under clause 49 of the Listing Agreements as well as in Section 292 of the Companies Act, 1956. The role of Audit Committee is as prescribed under clause 49(II)(D) of the Listing Agreement.

#### 4. Remuneration / Compensation Committee

The Company has not set up a Remuneration Committee. The Directors have waived even the sitting fees and do not receive any remuneration

#### 5. Investor/ Shareholder Grievance Committee

The Share Transfer and Investor/Shareholder Grievance Committee of the Board comprises of Sri R Ramakrishnan, Chairman, Sri S E S Mani and Sri S Ramakrishnan, as members. The Committee deals inter alia with redressal of Investors/ shareholders complaints. Sri R Krishnan, Senior Manager Finance and Secretary of the Company is the Compliance Officer of the Company.