

TWENTY FIFTH ANNUAL REPORT
FOR THE YEAR ENDED
31ST MARCH 2010



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 Center
98-A, Dr. Radhakrishnan Salai,
Mylapore, Chennai - 600 004
Tel : 044 - 2847 8605
email: upasana_shares@yahoo.com

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the TWENTY FIFTH 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 28th September 2010 at 02.00 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 31st March 2010, the Profit and Loss Account for the year ended 31st March 2010 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 Ramakrishnan, who retires by rotation and being eligible for re-appointment, be and is hereby re appointed as a 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, (Registration No. 004207S with the Institute of Chartered Accountants of India) 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 a Special Resolution:
"RESOLVED that pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as 'Act') approval be and is hereby accorded to shift and keep the Registers and Index of Members of the Company with effect from 1st October 2010 at the Office of the Registrar & Share Transfer Agents, viz. Integrated Enterprises (India) Limited, II Floor, Kences Towers, No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 or to such other place with in Chennai as Integrated Enterprises (India) Limited, Registrar & Share Transfer Agents, may shift the office premises, from time to time."
5. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:
"RESOLVED that pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents, sanctions and permissions of appropriate authorities as may be necessary, the Board of Directors of the Company be and are hereby authorised to invest, by way of subscription, purchase, acquisition or otherwise, from time to time, in the units of mutual funds registered with the Securities and Exchange Board of India (SEBI), such amounts as may be decided from time to time, provided that the aggregate amount of investments in mutual funds, so made and exists at any point of time, in aggregate, shall not exceed a sum of Rs.1500 lakhs (Rupees One Thousand Five Hundred Lakhs only) notwithstanding that the aggregate of investments and loans made and that may be made by the Company from time to time, together with the aforesaid investments, may exceed the limits prescribed under Section 372A of the Companies Act, 1956.

RESOLVED FURTHER that for the purposes of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to determine the actual sum to be invested from time to time and also authorized to take all such actions and give all such directions on all matters arising out of or incidental thereto to the proposed investments (including delegating the power to any committee of directors / director / officers of the Company) and to do all such acts, deeds and things and to execute all such deeds, documents and writings as may be deemed, expedient, desirable and necessary in this regard"

By Order of the Board

Chennai
11th August, 2010

R KRISHNAN
Senior Manager - Finance & Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO AT END 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 Office of the Company's Share Transfer Agents viz. Integrated Enterprises (India) Limited, II Floor, Kences Towers No. 1. Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600 017 at least 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to section 173(2) of the Companies Act 1956 in respect of items under Special Business is annexed.
4. 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

5. Members holding shares in physical form, are requested to notify/send the following to the Registrar and Share Transfer Agent of the Company
 - a) any change in their address/ mandate / bank details.
 - 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.
6. Please bring the Attendance Slip duly filled in and hand it over at the entrance of the meeting hall
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September 2010 to 28th September 2010 (both days inclusive)
8. 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 2010-2011 has been paid to the above Stock Exchanges
9. At this Annual General Meeting Sri S Ramakrishnan, Director, retires by rotation and being eligible, offers himself for re-appointment.

The particulars of Sri S Ramakrishnan, Director as required to be furnished under the Listing Agreement are provided hereunder.

Sri S Ramakrishnan, aged 65 years is an Automobile Engineering Graduate from Madras Institute of Technology, Madras and a Post-Graduate Diploma from Indian Institute of Management, Ahmedabad IIM(A). He has 41 years experience in various capacities in the field of Engineering, Treasury and Finance. Sri S Ramakrishnan is a Director in Lakshminarayana Ancillaries Limited, Chennai, UFL Properties Private Limited, Chennai, GAEA Technologies India Private Limited, Chennai and GAEA Technologies Consulting India Private Limited, Chennai. He is not a member of any committee in the above Companies. As on date, he holds 200 equity shares jointly with his wife.

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

Item No.4

The Company has appointed Integrated Enterprises (India) Limited, II Floor, Kences Towers, No. 1 Ramakrishna Street, North Usman Road T Nagar, Chennai 600 017, as the Registrar and Share Transfer Agent of (RTA) with effect from 17th February 2010, to take care of all the Investor related activities in respect of both physical and electronic holdings, in terms of the SEBI requirement. Integrated Enterprises (India) Limited, is a SEBI registered RTA, having adequate infrastructure and man - power to handle the work. To enable the RTA to carry on their day-to-day activities, it is proposed to shift and keep the Register and Index of Members at their office premises with effect from 1st October 2010.

Approval of the members by Special Resolution is sought in terms of Section 163 of the Companies Act, 1956. An advance copy of the proposed Resolution is being delivered to the Registrar of Companies, Tamil Nadu, Chennai. The Board of Directors after careful consideration recommend the Special Resolution for adoption by the members. None of the Directors is concerned or interested in this Resolution.

Item No.5

The share holders have approved for investments in Mutual Funds upto a limit of Rs.500 lakhs in the 23rd Annual General Meeting of the Company held on 29th September 2008. The Company has so far invested Rs.265.91 lakhs in Mutual Funds. Further, the Company has invested an amount of Rs.115 lakhs as inter corporate deposit. The Company has also kept an amount of Rs.145 lakhs in Fixed Deposits with Schedule Commercial Banks. It is expected that the Company may generate more surplus funds during the year. Since the existing limits may not be adequate, the Board seeks authority for an increased limit, so that the amount of outstanding investments (net of repayments) from time to time, in various schemes of Mutual Funds registered with SEBI shall not exceed Rs.1500 lakhs as set out in the Resolution. As the proposed investments will exceed the limits prescribed under Section 372A of the Companies Act, 1956 the Company is required to obtain the approval of the members by way of a Special Resolution and accordingly the Board of Directors commend the Special Resolution for adoption by the members. None of the Directors of the Company is concerned or interested in the above Resolution.

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors present you with the Twenty Fifth Annual report together with the Audited Accounts for the year ended 31st March 2010.

<u>1. FINANCIAL RESULTS</u>	2009-2010	Rs. In Lakhs 2008-2009
Income from Operations	61.90	91.40
Other Income	47.66	33.72
Profit/(Loss) before Interest & Depreciation	109.56	125.12
Less: Interest	Nil	0.55
Less: Depreciation	0.01	0.01
Profit before Tax	63.47	77.48
Less : Provision for Tax	12.76	26.43
Profit after Tax	50.71	51.05
Add: Balance brought forward	(624.43)	(665.38)
Amount available for appropriation	(573.72)	(614.32)
Less: Appropriations Transfer to Statutory Reserve	10.14	10.21
Tax relating to earlier years	Nil	(0.10)
Balance Carried Over	(583.86)	(624.43)

DIRECTORS' REPORT TO THE SHARE HOLDERS (Contd.)

2. DIVIDEND:

In view of the accumulated losses, the Directors are unable to recommend any dividend on equity shares for the year ended 31st March 2010.

3. TRADING IN EQUITY SHARES OF THE COMPANY

As the members are aware that the equity shares of the Company have been suspended from trading by the Bombay Stock Exchange Limited (BSE). At the request of the Company, BSE vide its letter dated 15th June 2010 has granted in principle approval for revocation of suspension in trading of Equity Shares of the Company subject to certain conditions. The Company has complied with the conditions and has vide its letter dated 20th July 2010 requested the BSE to revoke the suspension. The response from BSE is awaited.

4. DEMATERILISATION OF EQUITY SHARES

The Company's equity shares have been admitted into the Depository System of National Securities Depository Limited, Mumbai (NSDL) and Central Depository Services (India) Limited, Mumbai (CDSL). The ISIN code of the Company in the Depository system is INE819K01014. The shareholders can now dematerialise their equity shares for trading.

5. CAPITAL REDUCTION

Members had approved a scheme of Capital Reduction at the 23rd Annual General Meeting held on 29th September 2008. The scheme was subject to approval from the Reserve Bank of India (RBI) for adjusting the Statutory Reserve. The RBI vide its letter dated 3rd March 2010 has rejected the proposal to adjust the Statutory Reserve against accumulated losses. In view of the above, the Capital Reduction scheme as approved by the members was not implemented.

6. APPOINTMENT OF SHARE TRANSFER AGENT (COMMON AGENCY)

The Company has appointed Intergrated Eneterprises India Limited, II Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T Nagar Chennai 600 017 as Share transfer agents to take care of all the work related to investor related activities in terms of both physical and electronic holdings.

7. 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. During the year, the Company has collected an amount of Rs. 61.90 lakhs 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.

8. DEPOSITS

There are no unclaimed deposits. There are no matured deposits claimed by the depositors, but not paid by the company.

9. DIRECTORS

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

10. AUDITORS

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

11. 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.

12. 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.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures.
- 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.
- 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.
- the annual accounts have been prepared on a going concern basis.

DIRECTORS' REPORT TO THE SHARE HOLDERS (Contd.)

14. 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.

15. 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
11th August 2010

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 31st March 2010, 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
Regd. No. 004207S
CHARTERED ACCOUNTANTS

Chennai
Date: 11th August 2010

P MENAKSHISUNDARAM
PARTNER
Membership No. 217914

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31-03-2010
(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

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 all of them are independent. 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.

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

During the financial year 2009-2010 the Board met 5 times on 29th April 2009, 28th July 2009, 12th August 2009, 29th October 2009 and 29th January 2010. 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:

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31-03-2010 (Contd.)

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	4	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 all 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 29th April 2009, 28th July 2009, 12th August 2009, 29th October 2009 and 29th January 2010.

Name of the Director	No. of meetings attended
R Ramakrishnan	5
S Ramakrishnan	4
S E S Mani	5

The Chairman of the Audit Committee was present at the Annual General Meeting held on 29th September 2009. 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. During the year, 22 queries/complaints were received from shareholders / investors and other agencies, all of which have been resolved. The Company has no transfer application pending for registration as on 31st March 2010.

6. General Meetings

Details of the location, date and time of the last three Annual General Meetings (AGM) and the details of the resolutions passed or to be passed by Postal Ballot:

Year	Location	Date	Time
2008-2009	The Music Academy (Mini Hall), Chennai	29/09/2009	02.45 P.M.
2007-2008	The Music Academy (Mini Hall), Chennai	29/09/2008	10.00 A.M.
2006-2007	The Music Academy (Mini Hall), Chennai	26/09/2007	10.00 A.M.

All the resolutions set out in the respective notices were passed by the shareholders. No Postal Ballots were required to be used for voting at these meetings

Brief background, Functional experience of the Director seeking appointment / re-appointment is provided in the Notice calling for the Annual General Meeting.

7. Disclosure

Transactions where Directors may have pecuniary interest

All details relating to financial and commercial transactions where Directors may have pecuniary interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matter. In matters other than those involving pecuniary interest, the Directors are considered to be interested to the extent of their shareholding in the Company and the following is the status of their shareholding as on 31st March 2010.