

TWENTY NINTH ANNUAL REPORT
FOR THE YEAR ENDED
31ST MARCH 2014



BOARD OF DIRECTORS**SRI. R RAMAKRISHNAN****SRI. S E S MANI****SRI. S RAMAKRISHNAN****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****Green Initiative in the Corporate Governance**

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with RTA of the Company.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Shareholders of the Company will be held at the Narada Gana Sabha Trust (MINI HALL) New No. 314 (Old No. 254) T T K Road, Alwarpet, Chennai 600 018 on **Friday the 26th September 2014 at 10.00 a.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 2014, the statement of Profit and Loss and cash flow statement for the year ended 31st March 2014, together with the Report of the Directors' and the Auditors' Report, 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 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 statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting for a term of three consecutive years, till the conclusion of the Annual General Meeting of the Company for the financial year 2016-2017, subject to ratification at every annual general meeting, 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:

- 3) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri R Ramakrishnan (holding DIN 00236673), Director, be and is hereby appointed as a non-executive independent director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from 26th September 2014 to 25th September 2019."
- 4) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri S Ramakrishnan (holding DIN 00270433), be and is hereby appointed as a non-executive independent director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from 26th September 2014 to 25th September 2019."
- 5) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Srinivasan Subramanian Eswara known as S E S Mani (holding DIN 0686011), be and is hereby appointed as a non-executive independent director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from 26th September 2014 to 25th September 2019."

Chennai
7th August 2014

By order of the Board
R Krishnan
Company 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 and such Proxy need not be a member. A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 2) The instrument appointing proxy should be deposited either at the Registered Office of the Company or at the office of the Company's Share Transfer Agents viz. Integrated Enterprises (India) Limited, Kences Towers, 2nd Floor, No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017 at least 48 hours before the commencement of the meeting. Proxy form enclosed.
- 3) An explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of special business in Item No. 3 to 5 of Notice is annexed hereto.
- 4) SEBI vide its circular no. CIR/MRD/DP/10/2013 dated 21.03.2013 has mandated that in order to enable usage of electronic payment instruments, companies whose securities are listed on the stock exchanges shall maintain requisite bank details of their investors. The circular further mandates that the Companies or their Registrar & Share Transfer Agents (R&STA) shall take necessary steps to maintain updated bank details of the investors at its end. The circular also provides that only in cases where MICR, IFSC Code required for making electronic payment are not available or the electronic payments instructions have failed or have been rejected by the Bank, companies / R&STA can make cash payments (i.e. dividend warrant) to investors. However, even while making such payments by cash, companies shall mandatorily print the bank account details of the investors on such electronic payments. In view of the above circular, investors may note the following advice:-
Investors holding shares in physical mode are requested to intimate / update the bank account details viz, Bank Name, Bank Branch, Account Number, MICR No., IFSC Code along with a copy of the cancelled cheque to the company / R&STA for updating the records. Investors holdings shares in demat mode are requested to intimate / update the bank account details along with other details as may be required by their concerned Depository Participant.
- 5) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 22nd September, 2014 to Friday the 26th September, 2014 (both days inclusive).
- 6) Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the meeting so as to enable the Management to keep the information ready.

- 7) Members, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent of the Company :
- any change in their address / mandate / bank details
 - particulars of their bank account, in case they have not been sent earlier
 - nomination in Form SH-13, in duplicate, as provided under Section 72 of the Companies Act, 2013, in case they have not been sent earlier
 - 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
- 8) Members, holding shares in electronic form, may please note that, as per the applicable regulations of the Depositories, the bank details as furnished by the respective Depositories to the Company will be printed on the dividend warrants issued from time to time. The Company will not entertain any direct request from such members for deletion of / change in such bank details. Further, instructions if any, already given by members in respect of shares in physical form will not be automatically applicable to the dividend payable on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
- 9) Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the attendance slip and proxy form are being sent to all the members whose email address are registered with the company / Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted modes of dispatch.
- 10) Members are requested to affix their signatures at the space provided on the Attendance slip and handover the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorising their representatives to attend and vote at the annual general meeting.
- 11) Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.upasanafinance.com for download. The physical copies of notice and all such relevant documents referred in the accompanying Notice and Statement of material facts will also be available at the company's registered office in Chennai for inspection during normal business hours on working days upto and including the date of AGM. Members desiring to receiving the reports in physical form, even after registering for e-mail mode, may request for the same, upon which reports will be dispatched free of cost. For any communication in this regard, members may send their requests to upasana_shares@yahoo.com.
- 12) Voting through electronics means :
- As per the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and also in terms of the revised Clause 35-B of the Listing Agreement, the Company is providing members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).
 - The company has appointed Sri K Sriram (CP No.2215), Practising Company Secretary as Scrutiniser for conducting the e-voting process in a fair and transparent manner.
 - Members are requested to read the instructions given below.
- (A) The instructions of e-voting are as follows :
- In case a Member receives an email from NSDL, whose email IDs are registered with the Company / Depository Participant(s).
- Open email and open PDF file named – “Upasana Finance Limited e-voting pdf” with the Client ID or Folio No. as password. The said PDF file contains the user ID and password / PIN for e-voting. Please note that the password is an initial password, which the member may change.
 - launch internet browser by typing the URL: <http://www.evoting.nsdl.com>
 - Click on Shareholder – Login
 - Type the USER ID and PASSWORD as initial password / PIN noted in Step (i) above. Thereafter, Click Login
 - Password change menu will appear now. Change the password / PIN with new password with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
 - Home page of e-voting opens. Click on e-voting and select Active voting cycles.
 - Select “EVEN” of Upasana Finance Limited.
 - Now, the members may cast the vote as the page opens.
 - Members may cast their vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - Upon confirmation, the message “Vote cast successfully” will be displayed.
 - Once a member has voted on the resolution, the member will not be allowed to modify the vote.
 - Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (pdf / jpeg format) of the relevant Board Resolution together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote to Scrutiniser through email to sriramkrishnamurthy@rediffmail.com or skcocs@gmail.com with a copy marked to evoting@nsdl.co.in
- (B) In case of a member whose email IDs are not registered with the Depository Participant(s) (physical copy of the Annual Report is being sent) Initial password is provided on the Attendance Slip for the AGM :

EVEN (e-Voting Event Number)	USER ID	PASSWORD / PIN

- (a) The Member may follow all steps from serial no. (ii) to (xii) in (A) above to cast the vote.

- d) In case of any queries, the member may refer the frequently asked questions (FAQs) for shareholders and e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com or contact NSDL at the phone no.022-24994600.
- e) If the member is already registered with NSDL for e-voting then the member can use the existing USER ID and PASSWORD / PIN for casting the vote.
- f) Members can also update their mobile number and email id in the user profile details of the folio, which may be used for sending future communications.
- g) The e-voting period commences on Saturday, 20th September, 2014 (9.00 a.m.) and ends on Monday 22nd September, 2014 (6.00 p.m.). During this period, shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, 14th August, 2014 may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- h) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date of 14th August, 2014.
- i) The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- j) The results declared along with the Scrutiniser's Report shall be placed on the company's website www.upasanafinance.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the company and communicated to Stock Exchanges.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

Sri R Ramakrishnan is a Non-Executive Independent Director of the Company. He is also the Chairman of the Audit Committee and Investor/Shareholder Grievance Committee. He joined the Board during June 1988. Sri R Ramakrishnan is a Director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri R Ramakrishnan is proposed to be appointed as a non-executive Independent Director for a term of five (5) consecutive years from 26th September 2014 to 25th September 2019. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, along with requisite deposit amount, from a member proposing the candidature of Sri R Ramakrishnan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Sri R Ramakrishnan a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The proposed resolution seeks the approval of members for the appointment of Sri R Ramakrishnan as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under. Sri R Ramakrishnan is not liable to retire by rotation.

In the opinion of the Board of Directors, Sri R Ramakrishnan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and he is independent of the management. A copy of the draft letter for the appointment of Sri R Ramakrishnan an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

The Board of Directors considers that in view of the managerial experience of Sri R Ramakrishnan in manufacturing, marketing, finance, banking and general management and administration, his continued association as an Independent Director would be beneficial to the company.

Except Sri R Ramakrishnan, being an appointee, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.3 of the notice for approval by shareholders.

Item No. 4

Sri S Ramakrishnan is a Non-Executive Independent Director of the Company. He joined the Board during August 2005. He is also the Member of the Audit Committee and Investor/Shareholder Grievance Committee. Sri S Ramakrishnan is a Director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri S Ramakrishnan, is proposed to be appointed as a non-executive Independent Director for a term of five (5) consecutive years from 26th September 2014 to 25th September 2019. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, along with requisite deposit amount, from a member proposing the candidature of Sri S Ramakrishnan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Sri S Ramakrishnan a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The proposed resolution seeks the approval of members for the appointment of Sri S Ramakrishnan as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under. Sri S Ramakrishnan is not liable to retire by rotation.

In the opinion of the Board of Directors, Sri S Ramakrishnan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and he is independent of the management. A copy of the draft letter for the appointment of Sri S Ramakrishnan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

The Board of Directors considers that in view of the experience of Sri S Ramakrishnan in Engineering, Treasury, Finance and general administration, the company would gain from his continued association as an Independent Director.

Except Sri S Ramakrishnan, being an appointee, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.4 of the notice for approval by shareholders.

Item No. 5

Sri Srinivasan Eswara Subramanian is a Non-Executive Independent Director of the Company. He joined the Board during May 2003. He is also the Member of the Audit Committee and Investor/Shareholder Grievance Committee. Sri S E S Mani is a Director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri S E S Mani, is proposed to be appointed as a non-executive Independent Director for a term of five (5) consecutive years from 26th September 2014 to 25th September 2019. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, along with requisite deposit amount, from a member proposing the candidature of Sri S E S Mani for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Sri S E S Mani a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The proposed resolution seeks the approval of members for the appointment of Sri S E S Mani as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under. Sri S E S Mani is not liable to retire by rotation.

In the opinion of the Board of Directors, Sri S E S Mani, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and he is independent of the management. A copy of the draft letter for the appointment of Sri S E S Mani as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

The Board of Directors considers that in view of the experience of Sri S E S Mani in manufacturing, marketing, finance and general administration, the company would gain from his continued association as an Independent Director.

Except Sri S E S Mani, being an appointee, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.4 of the notice for approval by shareholders.

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Sri R Ramakrishnan

Sri R Ramakrishnan aged about 77 years is a Bachelor of Science from Madras University. He underwent training in Tata Iron & Steel Company Limited, Jamshedpur. He is a lifetime Member of Wire Association International, USA. He started Indian Reinforcing Co (Welded Mesh) Pvt Ltd in 1958 and Concord Arai Pvt Ltd in 1965. He was a Member of Indian Advisory Board, Standard Chartered Bank for 6 years during 1987 to 1993. He was a Director of IndusInd Bank Limited, Mumbai, for 8 years from 1996 to 2004. He was a Director of SRP Tools Limited, Chennai, from 1990 to 2005. Sri R Ramakrishnan has more than 57 years of managerial experience in manufacturing and marketing as an entrepreneur. He has 22 years' experience in Finance and Banking. He has been associated with the Company since 1988. He has expertise in general management and administration.

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

Mr. Ramakrishnan is the Chairman in Indian Reinforcing Co (Welded Mesh) Pvt Ltd, Managing Director in Concord Arai Pvt Limited, Director in following Private Limited Companies : Yekediar Farms Pvt Limited, Yekediar Coconuts Pvt Limited, Yekediar Estates Pvt Limited, Yekediar Holdings & Properties Pvt Limited, Raghurams Home Furnishings Pvt Ltd. He is also Director in Sundram Fasteners Limited.

In Sundram Fasteners Limited, he is the Chairman of Investor / Shareholder Grievance Committee and Member of Audit Committee.

He does not hold any shares in the company and is not related to any other director of the Company.

Sri S Ramakrishnan

Sri S Ramakrishnan, aged 69 years is an Automobile Engineering Graduate from Madras Institute of Technology, Madras and a Post-Graduate Diploma from Indian Institute of Management, Ahmedabad (IIMA). 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

Sri S E S Mani

Sri S E S Mani, aged 72 years is a Mechanical Engineering Graduate. He has 38 years of experience in various capacities in the fields of Engineering and Finance.

As on date he is not holding directorship and committee membership in any other Company and holds 1000 equity shares of the company.

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors present you with the Twenty Ninth Annual Report together with the Audited Accounts for the year ended 31st March 2014.

1. FINANCIAL RESULTS:	2013-2014	2012-2013
	Rs.in lakhs	Rs.in lakhs
Income from Operations	263.93	137.90
Profit/(Loss) before Interest & Depreciation	208.08	83.58
Less: Interest	-	-
Less: Depreciation	-	-
Profit before Tax	208.08	83.58
Less : Provision for Tax	49.01	14.30
Profit after Tax	159.07	69.29
Add: Balance brought forward	(273.26)	(328.69)
Amount available for appropriation	(114.18)	(259.40)
Less : Appropriations		
Transfer to Statutory Reserve	31.81	13.86
Balance Carried Over	(146.00)	(273.26)

2. OPERATIONS:

The income from operations of the Company was at Rs.263.93 lakhs as against Rs.137.90 lakhs during the previous year.

3. DIVIDEND:

In view of the accumulated losses, the Directors are unable to recommend any dividend on equity shares for the year ended 31st March 2014.

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. During the year, the Company has collected an amount of Rs. 120.05 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.

5. DEPOSITS

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

6. DIRECTORS

During the year, the Ministry of Corporate Affairs (MCA) has notified majority of the provisions inter alia provisions relating to selection, manner of appointment, roles, functions, duties, re-appointment of independent directors and the relevant rules under the Companies Act, 2013 and made them effective 1st April 2014. The existing composition of the company's board is fully in conformity with the applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement in respect of Independent Directors as all the Directors of the Company are non executive independent directors, namely Sri R Ramakrishnan, Sri S Ramakrishnan and Sri S E S Mani.

In terms of Section 149(10) read with Section 149(5) of the Companies Act 2013, the independent directors are eligible to hold office for a term upto five consecutive years on the board. During the period, they will not be liable to 'retire by rotation' as per the provisions of the Companies Act 2013.

It is, therefore proposed to appoint them as independent Directors for a consecutive period of five years at the Annual General Meeting, subject to the approval of the shareholders.

In the opinion of the Board, the independent directors fulfil the conditions specified under the Companies Act, 2013 and rules made thereunder.

The brief resume of these directors proposed to be appointed and re-appointed and other relevant information have been furnished in the notice convening the AGM. Necessary resolutions for their appointment /re-appointment are being placed for approval of the members at the AGM.

The board, therefore, recommends their appointment / re-appointment as directors of the company.

DIRECTORS' REPORT TO THE SHARE HOLDERS (Contd.,)**7. AUDITORS****STATUTORY AUDITOR**

As per the provisions of Section 139(1) and (2) of the Companies Act, 2013 read with Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014 M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (who were earlier appointed as statutory auditors of the company, at the annual general meeting held on 12th September, 2013) are eligible to be appointed for the period of three years, subject to ratification every year in the Annual General Meeting. The Company has obtained necessary certificate under Section 141 of the Companies Act, 2013 from the auditor conveying their eligibility for the above appointment. Their eligibility criteria were reviewed by the audit committee and board, as specified under Section 141 of the Companies Act, 2013 and recommended their appointment as auditors for the above mentioned period.

SECRETARIAL AUDITOR

As required under Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint a Secretarial Auditor for auditing the secretarial and related records of the company and to provide a report in this regard. Accordingly, M/s. S Krishnamurthy & Co., Company Secretaries, Chennai have been appointed as Secretarial Auditors for carrying out the secretarial audit for the financial year 2014-2015 and the Secretarial Audit Report given by then will be attached with Board's Report to the shareholders.

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. 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 is therefore not applicable to the company. There was no foreign exchange earning or outgo for the company during the year. The Company has nothing to report with regard to technology absorption.

10. 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.

11. 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.

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
30th May 2014

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 2014, as stipulated in Clause 49 of the Listing Agreement 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 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
Regn. No. 004207S
P. MENAKSHISUNDARAM
PARTNER
Membership No.F217914

Chennai
Date : 30th May 2014

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2014

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

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, all of them are independent.

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 2013-2014 the Board met 4 times on 30th April 2013, 12th August 2013, 6th November 2013 and 10th February 2014.

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	4	Yes	2	3	1
Sri S Ramakrishnan	4	Yes	2	Nil	2
Sri S E S Mani	4	Yes	1	Nil	2