

**THIRTY FIRST ANNUAL REPORT
FOR THE YEAR ENDED
31ST MARCH 2016**



BOARD OF DIRECTORS**SRI. R. RAMAKRISHNAN****SRI. S E S MANI****SRI. S RAMAKRISHNAN****SMT. NALINI RAJESH****CHIEF EXECUTIVE OFFICER****SRI. R SOMASUNDARAM****CHIEF FINANCIAL OFFICER
& COMPANY 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. Radharkrishnan 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.

Upasana Finance Limited

CIN: L65191TN1985PLC011503

Registered Office: 98A, 3rd Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004

Phone: +91-44-28478605

E-mail: upasana_shares@yahoo.com:Website:www.upasanafinance.com

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of the Company will be held at the Music Academy – Kasturi Srinivasan Hall (Mini Hall) No. 168 T T K Road, Royapettah, Chennai 600 014 on Wednesday 28th September 2016 at 10.00 am to transact the following business:

ORDINARY BUSINESS

To consider and if thought fit, to pass the following items of business, as Ordinary Resolutions:

1. To adopt the Audited Financial Statement for the year ended 31st March, 2016 together with Reports of the Board of Directors and Auditors thereon.
"RESOLVED that the Audited financial statement for the year ended 31st March, 2016 together with the Auditors Report thereon and the Report of the Board of Directors for the financial year ended on that date be and are hereby approved and adopted."
2. To re-elect Smt. Nalini Rajesh, who retires by rotation, as a Director of the Company.
"RESOLVED that Smt. Nalini Rajesh (holding DIN No. 07140228) who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a Director of the Company."
3. To ratify the appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai as Statutory Auditors of the Company.
"RESOLVED that the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 004207S with the Institute of Chartered Accountants of India) as Auditors of the Company for the third consecutive year (in the transition term of three consecutive years approved at the Twenty Ninth Annual General Meeting held on 26th September, 2014), commencing from the conclusion of this annual general meeting until the conclusion of next annual general meeting, be and is hereby ratified."

Chennai
22nd August 2016

By Order of the Board
R KRISHNAN
Chief Financial Officer & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF 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 voting share capital of the Company. A member holding more than ten percent of the total voting share capital of the Company 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. Regulation 12 and Schedule I of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 among other things, mandates for usage of electronic payment instruments, companies whose securities are listed on the stock exchanges shall maintain requisite bank details of their investors. Schedule I of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 warrants) to investors. However, even while making such payments, 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 holding 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.
4. Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 22nd September, 2016 to Wednesday, 28th September, 2016 (both days inclusive).
5. 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.
6. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
7. 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) particulars of their bank account, in case they have not been sent earlier
 - c) 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
 - d) 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

Members holding physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.

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.

Members holding shares in electronic form are requested to advise change of their address and nomination 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 remote 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. Physical copy of the Annual Report and Notice of the Annual General Meeting are being sent in the permitted modes of dispatch to all the shareholders.

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 authorizing their representatives to attend and vote at the annual general meeting. As a measure of economy, copies of Annual Report will not be distributed at the venue of the Annual general meeting. Members are, therefore, requested to bring their copies of the Annual Report to the meeting.

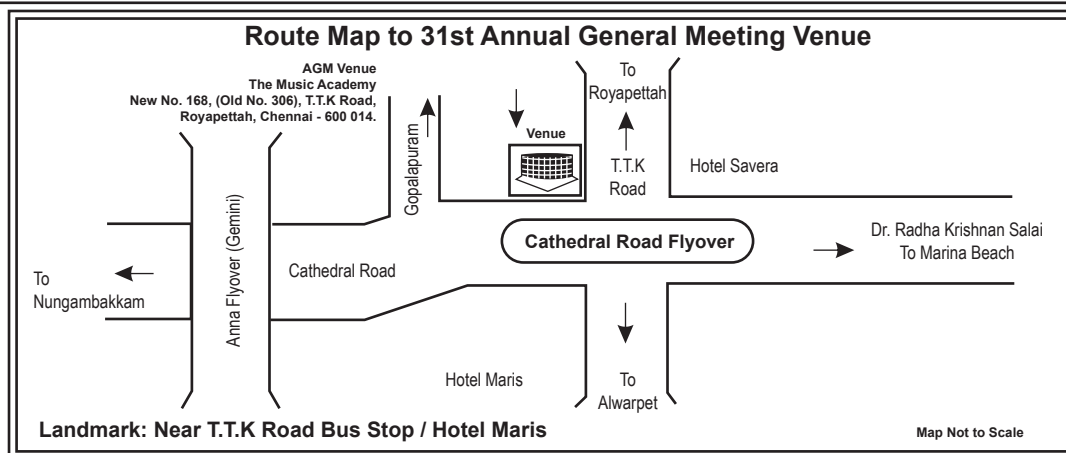
11. Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.upasanafinance.com for download. The physical copies of such documents will also be available at the company's registered office in Chennai for inspection during normal business hours on working days. 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 electronic means and at the AGM:

- i. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the annual general meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- iii. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- iv. The remote e-voting period commences on Sunday 25th September 2016 (9.00 a.m. Indian Standard Time) and ends on Tuesday 27th September 2016 (5.00 p.m. Indian Standard Time). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21st September 2016 may cast their votes electronically. The remote 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.
- v. The process and manner of remote e-voting are as follows:-
 - (A) In case a Member receives an email from NSDL, whose email IDs are registered with the Company/ Depository Participant(s).
 - 1) Open email and open PDF file named – "Upasana Finance Limited remote 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. You will not receive this PDF file if you are already registered with NSDL for e-voting
 - 2) Launch internet browser by typing the URL: <http://www.evoting.nsd.com/>
 - 3) Click on Shareholder – Login
 - 4) Type the USER ID and PASSWORD as initial password / PIN noted in Step (i) above. Thereafter, Click Login
 - 5) Password change menu will appear now. Change the password / PIN with new password with minimum 8 digits / characters or combination thereof. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. You make a note of the new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
 - 6) Home page of e-voting opens. Click on e-voting and select Active voting cycles.
 - 7) Select "EVEN" of Upasana Finance Limited.
 - 8) Now, the members may cast the vote as the page opens.
 - 9) Members may cast their vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - 10) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - 11) Once a member has voted on the resolution, the member will not be allowed to modify the vote.
 - 12) 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) 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)
 - a. Initial password is provided on the Attendance Slip for the AGM:
 - b. The Member may follow all steps from serial no. (2) to (12) in (A) above to cast the vote.
 - (vi) 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 download section of www.evoting.nsd.com or contact NSDL at the toll free no 1800-222-990.
 - (vii) 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.
 - (viii) 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.
 - (ix) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equities share capital of the company as on the cut-off date of 21st September, 2016.
 - (x) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2016 may obtain the login ID and password by sending an email to yuvraj@integratedindia.in or evoting@nsdl.co.in by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
 - (xi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers. A person who is not a member as on the cutoff date should treat this Notice for information purpose only
 - (xii) The Company has appointed Sri K Sriram, Practicing Company Secretary (CP No.2215) as Scrutiniser for conducting the remote e-voting process and voting through ballot papers at the AGM in a fair and transparent manner.
 - (xiii) The Scrutiniser shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 48 hours of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman of the meeting or any other Director authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
 - (xiv) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e., 28th September, 2016. The results along with the Scrutiniser's Report shall be placed on the website of the Company www.upasanafinance.com and on the website of NSDL immediately after the declaration of result by the Chairman of the meeting or any other director authorized by him in writing. The results shall also be communicated to the Stock Exchange viz. BSE Limited, Mumbai.

13. Particulars of director seeking appointment in this Annual General Meeting as required to be furnished under SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

Smt. Nalini Rajesh (holding Din No.07140228), aged about 51 years is an Economics graduate and Master of Business Administration (MBA) in Human Resources function. She has 24 years' experience in Human resources functions of various corporates. She joined the Board of Upasana Finance Limited on 31st March 2015. She does not hold any shares in the company and is not related to any of the Directors or Key Managerial Personnel of the Company. As on date she is not holding directorship or committee membership in any other company. She has furnished the requisite consent and declarations for her appointment. She is not being paid any sitting fees or any other remuneration till date as Director of the company. She has attended all the five meetings of the Board held during the year.



BOARD'S REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Thirty First Annual Report, together with the audited accounts for the year ended 31st March 2016.

1. FINANCIAL RESULTS

Particulars	Rs./Lakhs	
	2015-16	2014-15
Income from Operations	127.47	174.68
Profit / (Loss) before interest & depreciation	52.77	103.93
Less: Interest	0.03	1.54
Less: Depreciation	-	-
Profit / (Loss) before tax	52.74	102.39
Less: exceptional items – provision for diminution in investments	-	0.01
Add / (Less): Provision for Tax (including Deferred Tax)	7.42	23.36
Profit / (Loss) after tax	45.32	79.02
Add / (Less): Balance brought forward	(82.78)	(146.00)
Amount available for appropriation	(37.46)	(66.98)
Less: Appropriations	9.06	15.80
Balance carried forward	(46.52)	(82.78)

2. OPERATIONS

a) Income

The income from operations of the company for the year under review was at Rs.127.47lakhs as against Rs. 174.68 lakhs during the previous year.

b) Profit after tax

The profit after tax of the company for the year under review was Rs. 45.32 lakhs as against Rs.79.02 lakhs during the previous year.

3. MANAGEMENT DISCUSSION AND ANALYSIS

a) Classification by Reserve Bank of India (RBI)

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

b) 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.10 lakhs.

(c) 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.

4. DIVIDEND

In view of accumulated losses, the Directors do not recommend any dividend for the year under review.

5. TRANSFER TO RESERVES

An amount of Rs.9,06,498/- (Last year Rs.15,80,370/-) has been transferred to Special Reserve as per the requirement under Section 45 IC of the Reserve Bank of India Act, 1934. The company has not transferred any amount to the general reserves.

6. EXTRACT OF ANNUAL RETURN

An extract of the annual return in Form MGT-9 is appended as Annexure I to this Report.

7. CORPORATE GOVERNANCE

Annexure to SEBI circular CIR/CFD/Policy CELL/2014 dated September 15, 2014 applicable upto 30th November 2015 prescribes that the compliance with the provisions of clause 49 shall not be mandatory in respect of companies having paid up equity share capital not exceeding Rs.10 crore and Net worth not exceeding Rs.25 crore as on the last day of the previous financial year. Clause 15(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR Regulations) with effect from 1st December 2015 prescribes that, corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V shall not apply in respect of listed entity having paid up equity share capital not exceeding Rs.10 Crores and Net worth not exceeding Rs.25 Crores as on the last day of the previous financial year. As the Equity Share Capital of the Company is Rs. 4.28 Crores and Net worth is Rs. 11.71 Crores as on 31st March 2015, the corporate governance clauses are not applicable to the Company. Hence the Company is not providing separate report on corporate governance and also a certificate confirming the compliance of Corporate Governance Requirements

8. DIRECTORS

The existing composition of the company's board is fully in conformity with the applicable provisions of the Companies Act, 2013 with regard to Independent Directors and women directors.

Smt. Nalini Rajesh (DIN 07140228), of the company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers herself for re-appointment. Necessary resolution for the re-appointment is being placed for approval of the members at the AGM. The board, therefore, recommends her re-appointment as a director of the Company. A brief resume of her and other relevant information have been furnished in the notice convening the AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently, and made judgments and estimates that 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 the financial year and of the profit of the Company for that year.
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the directors have prepared the annual accounts on a going concern basis.
- the directors have laid down internal financial controls which are adequate and are operating effectively.
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. DECLARATION BY INDEPENDENT DIRECTORS

All the independent directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down section 149(6) of the Companies Act, 2013.

11. BOARD MEETINGS

During the financial year 2015-2016, five board meetings were held respectively on 30th April 2015, 29th May 2015, 14th August 2015, 2nd November, 2015 and 8th February 2016. Sri S Ramakrishnan, Director, Sri S E S Mani, Director and Smt Nalini Rajesh, Director attended all the meetings. Sri S Ramakrishnan, Director attended two meetings.

12. COMMITTEES OF THE BOARD

Currently, in line with the statutory requirement, the Board has three committees namely the audit committee, nomination and remuneration committee and stakeholder's relationship committee.

a) Audit Committee

The committee consists of Sri R Ramakrishnan, Sri S Ramakrishnan and Sri S E S Mani all independent non-executive directors. Sri R Ramakrishnan is the Chairman of the Committee. Mr. R Krishnan, CFO & Company Secretary, is the Secretary of the Committee. The Audit Committee met four times during the financial year on 29th May 2015, 14th August 2015, 2nd November, 2015 and 8th February 2016. Sri R Ramakrishnan and Sri S E S Mani attended all the meetings. Sri S Ramakrishnan attended two meetings. The terms of reference inter alia include the recommendation for appointment, remuneration and terms of appointment of auditors of the company, examinations of the financial statement and the auditors' report thereon and other matters specified for audit committees under Section 177 of the Companies Act, 2013.

b) Nomination and Remuneration Committee

The committee consists of Sri R Ramakrishnan, Sri S Ramakrishnan and Sri S E S Mani all independent non-executive directors. Sri R Ramakrishnan is the Chairman of the Committee. The Committee met once during the financial year on 29th May 2015. All the members attended the meeting.

c) Stakeholders Relationship Committee

The committee consists of Sri R Ramakrishnan, Sri S Ramakrishnan and Sri S E S Mani Director all independent non-executive directors. Sri R Ramakrishnan Director is the Chairman of the Committee. The committee met once during the financial year on 29th March 2016. All the members attended the meeting.

13. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Board has adopted a policy on Whistle Blower Policy (vigil mechanism) in accordance with the provisions of the Companies Act, 2013, which provides a formal mechanism for all directors, individual employees and other stakeholders of the Company, to report their genuine concerns or grievances about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. The policy also provides for adequate safeguards against victimisation of director(s)/ employees(s) who avail of the mechanism, and also provides direct access to the Chairman of the audit committee. The whistle blower policy is available in our website at the link <http://www.upasanafinance.com/pdf/WHISTLE-BLOWER-POLICY.pdf>

14. NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior management and key managerial personnel and the remuneration of directors, key managerial personnel and other employees. The Nomination and Remuneration Policy is attached in Annexure II of this report.

15. CHANGES IN DIRECTORS/ KEY MANAGERIAL PERSONNEL

Smt. Nalini Rajesh was appointed a non-executive director of the company, liable for retirement by rotation, by the members at the 30th Annual General Meeting held on 10th September 2015.

Pursuant to section 203 of the Companies Act, 2013 the following continue to be the Whole time Key Managerial Personnel of the company:

Sri R Somasundaram Chief Executive Officer
Sri R Krishnan, Chief Financial Officer and Secretary

16. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, evaluation of all the Board members, its committees and the Board as a whole was done on an annual basis, as per the criteria for performance evaluation framework laid down by the Nomination and Remuneration Committee and approved by the Board. During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its committees and individual directors. The exercise was carried out through an evaluation process covering various aspects of the Board's functioning such as composition of the Board and Committees, frequency of meetings, administration of meeting, flow of information to the Board, experience and competencies, performance of specific duties and obligations, disclosure of information to the Board and Stakeholders etc. A separate exercise was carried out to evaluate the performance of individual directors who were evaluated on parameters such as attendance, contribution at the meetings and independence judgment. The Directors expressed their satisfaction with the evaluation results.

17. SEPERATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under the Companies Act, 2013 a separate meeting of the Independent Directors of the Company was held on 29th March, 2016 to review the performance of the Board as a whole taking into account the views of the non-executive director. The independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its committees, which is necessary to effectively and reasonably perform and discharge their duties. The directors were satisfied with the evaluation results. All the three independent directors, namely, Sri R Ramakrishnan, Sri S Ramakrishnan, and Sri S E S Mani attended the meeting on 29th March 2016.

18. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The particulars required under Section 197(12) of the Companies Act, 2013, read with rule 5(1) of the (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure III and forms part of this report. None of the employees were in receipt of remuneration in excess of the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

19. AUDITORS**a) STATUTORY AUDITORS**

Pursuant to Section 139 of the Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 004207S with the Institute of Chartered Accountants of India), were appointed as Auditors of the Company at the 29th Annual General Meeting(AGM) of the shareholders of the company held on 26th September, 2014, for the transition period of three consecutive years commencing from the conclusion of the 29th AGM to the conclusion of the 32nd AGM for the financial year 2016-17, subject to ratification at every annual general meeting.. Their appointment for the financial year 2015-16 was duly ratified at the 30th AGM held on 10th September 2015. The Company has received a certificate from the statutory auditors to the effect that ratification of their appointment for the financial year 2016-17, if made, would be in compliance with the requirements of the Companies Act, 2013 and the rules made thereunder. Accordingly, the Board of Directors, based on the recommendation of the Audit Committee, propose to recommend the said ratification by the members at the ensuing 31st AGM. The Auditors' report for the financial year ended 31st March 2016 does not contain any qualification, reservation or adverse remarks.

b) SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, the Board of Directors have appointed M/s. Krishnamurthy & Co. Company secretaries, Chennai as the Secretarial Auditors of the Company to conduct the Secretarial Audit for the financial year 2015-2016. The Secretarial Audit Report issued by Sri K Sriram, Practising Company Secretary (CP No.2215), Partner, M/s. S Krishnamurthy & Co., Company Secretaries , Chennai in Form MR-3 is enclosed vide Annexure IV and forms part of this report. The Secretarial Audit Report does not contain any qualification, reservation, observation or any other adverse remarks. The Board has re-appointed M/s. S Krishnamurthy & Co. Company Secretaries, Chennai, as Secretarial Auditor of the Company for the financial year 2016-17 as per the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

c)INTERNAL AUDITORS

The Board of Directors, as per the recommendation of Audit Committee, appointed Smt Latha Raghunathan (membership No.22689 with the Institute of Chartered Accountants of India (ICAI), Partner L R Associates (Firm Regn. No.001881S with ICAI) as Internal Auditors of the Company pursuant to Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014. The internal audit report has been reviewed by the audit committee.

20. INTERNAL FINANCIAL CONTROLS

The Company has adequate system of internal financial controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them. The Company confirms that there are proper and adequate internal control systems and procedures commensurate with its size and nature of its business for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information. The company has not noticed any major weakness in the internal financial control procedures.

21. RISK MANAGEMENT

The Company had identified certain business risks and also the measures for dealing with such risks which it faces in day to day operations of the Company. As the company is concentrating in collection of over dues the traditional risks associated with Non-Banking Financial Companies like Credit risk, currency risk, liquidity risk and interest rate risk are not applicable to the company. However the company faces operational risks relating to people, process, legal environment and external factors, investment risk and regulatory risks. The company manages these risks by prudently investing its funds, managing its people and complying with all the regulations. These risks are continuously reviewed and monitored by the management. The Board also reviews the risks and corrective actions and mitigation measures are taken as and when needed.

22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

There were no complaints/cases pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

23. GENERAL

The Company has nothing to report/disclose in respect of the following items as detailed below:

- There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.
- The Company has no subsidiary, associate or Joint venture companies and hence reporting on the performance and financial position of them as per AOC 1 and preparation of consolidated financial statements are not applicable to the company.
- There is no change in the nature of business of the Company during the year.
- No company have become or ceased to be its subsidiaries, joint ventures or associates during the year under review.
- During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- The company has not issued any equity shares with differential rights during the year under review.
- The company has not issued any shares including sweat equity shares to the employees under any scheme during the year under review.
- The company was not required to constitute a CSR Committee as the company has not met any of the thresholds mentioned in Section 135 of the Companies Act, 2013 during the financial year under review. Hence reporting about policy on Corporate Social responsibility and the initiatives taken are not applicable to the company.
- The provisions of section 186 is not applicable to the company and hence reporting under section 186 on loans, guarantees and investments does not arise.
- All related party transactions were entered at arms' length basis and in the ordinary course of business. There were no material contracts or arrangements with related parties referred to in sub-section (1) of Section 188. Hence, Form AOC-2 pursuant to the Companies (Accounts) Rules 2014 is not enclosed
- The Company has nothing to report on conservation of energy and technology absorption. There were no foreign exchange earnings or outgo for the company during the year.

24. ACKNOWLEDGEMENT

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
May 20, 2016

R Ramkrishnan
Director
DIN: 00236673

S Ramkrishnan
Director
DIN: 00270433

FORM NO.MGT-9
EXTRACT OF ANNUAL RETURN

Annexure-I

as on the financial year ended 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L65191TN1985PLC011503
Registration Date	25th January 1985
Name of the Company	UPASANA FINANCE LIMITED
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered Office and contact details	98-A, III Floor, Dr Radhakrishnan Salai Mylapore, Chennai – 600 004 Phone No.91-44-28478605, Email:Upasana_shares@yahoo.com
Whether listed company	Yes. Listed in BSE Limited
Name, Address and Contact details of the Registrar and Transfer Agent, if any.	Mr Suresh Babu, Senior Vice President Integrated Enterprises (India) Limited Kences Towers, 2nd Floor, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai-600 017 Telephone: +91 44 28140801-803

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S.No.	Name and description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1	Financial Activities	64-649	100.00 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary	% of shares held	Applicable Section
		NOT APPLICABLE			

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individuals / HUF	3000200	-	3000200	70.13	3000200	-	3000200	70.13	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	3000200	-	3000200	70.13	3000200	-	3000200	70.13	Nil
Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	Nil	-	-	-	-	Nil