

# **TWENTYFOURTH ANNUAL REPORT**

for the year ended

31<sup>st</sup> March 2009



**UPASANA FINANCE LIMITED**

**UPASANA FINANCE LIMITED, Chennai 600 004**

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**BOARD OF DIRECTORS**

SRI. R RAMAKRISHNAN

SRI. S E S MANI

SRI. S RAMAKRISHNAN

**SENIOR MANAGER -  
FINANCE & SECRETARY**

SRI. R KRISHNAN

**BANKERS**

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

**AUDITORS**

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

**REGISTERED OFFICE**

III Floor  
Auras Corporate Centre  
98-A, Dr. Radhakrishnan Salai  
Mylapore, Chennai - 600 004.  
Tel : 044 - 2847 8605  
Email : upasana\_shares@yahoo.com

# UPASANA FINANCE LIMITED, Chennai 600 004

## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the Shareholders of the Company will be held at the Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168 (Old No. 306), TTK Road, Chennai 600 014 on Tuesday the 29<sup>th</sup> September 2009 at 02.45 P M to transact the following business:

### **Ordinary Business**

1. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that the Audited Balance Sheet as at 31st March 2009, the Profit and Loss Account for the year ended 31st March 2009 and the Reports of the Directors and the Auditors of the Company, be and are hereby approved and adopted."
2. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that Sri. R. Ramakrishnan, who retires by rotation and being eligible, for re-appointment, be and is hereby appointed as Director of the Company."
3. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the Audit."

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

By Order of the Board  
**R KRISHNAN**  
Senior Manager - Finance & Secretary

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The instrument appointing proxy should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
3. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the meeting so as to enable the Management to keep the information ready.
4. Members are requested to notify/send the following to the Registered Office of the Company
  - a) any change in their address
  - b) Nomination in Form 2B, in duplicate as provided under Section 109A of the Companies Act, 1956, in case they have not been sent earlier.
  - c) Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
5. Please bring the Attendance Slip duly filled in and hand it over at the entrance of the meeting hall.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September 2009 to 29<sup>th</sup> September 2009 both days inclusive.
7. The equity shares of the Company are listed with the following Stock Exchanges:

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

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

## UPASANA FINANCE LIMITED, Chennai 600 004

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

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

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

### Directorship:

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

Managing Director - Concord Arai Pvt. Ltd.

Director - Sundram Fasteners Limited;

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

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

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

### Committee Membership :

Shareholder Grievance Committee (Chairman)

Audit Committee (Member)

## DIRECTORS' REPORT TO THE SHARE HOLDERS

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

### 1. FINANCIAL RESULTS:

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

### 2. DIVIDEND:

In view of the accumulated losses, the Directors are unable to recommend any dividend on equity shares for the year ended 31<sup>st</sup> March 2009.

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

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

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

#### 4. MANAGEMENT DISCUSSION AND ANALYSIS

Classification by RBI.

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

Business Review

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

Future Outlook

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

#### 5. DEPOSITS:

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

#### 6. DIRECTORS:

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

#### 7. AUDITORS:

M/s Sundaram and Srinivasan, Chartered Accountants, Chennai 600 018 retire at the ensuing Twenty Fourth Annual General Meeting and are eligible for re-appointment.

#### 8. INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT 1956:

The Company is a Non-Banking Finance Company and is not engaged in manufacturing activity of any kind. The disclosure of information regarding conservation of energy and technology absorption are therefore not applicable to the company. There was no foreign exchange earning or outgo for the company during the year.

#### 9. CORPORATE GOVERNANCE

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

#### 10. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures.
- b) appropriate accounting policies have been selected and applied consistently, and judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for that year.
- c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.

## UPASANA FINANCE LIMITED, Chennai 600 004

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### 11. PERSONNEL:

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

### 12. GENERAL:

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

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

**R RAMAKRISHNAN**  
DIRECTOR

**S RAMAKRISHNAN**  
DIRECTOR

**SUNDARAM & SRINIVASAN**  
Chartered Accountants

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

### **CERTIFICATE**

To the members of Upasana Finance Limited, Chennai 600 004

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

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

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

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

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

For **SUNDARAM & SRINIVASAN**  
Chartered Accountants

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

**P MENAKSHISUNDARAM**  
Partner  
Membership No. 217914

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

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

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

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

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

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

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

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

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

## UPASANA FINANCE LIMITED, Chennai 600 004

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

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

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

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

#### c. Code of Conduct

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

#### 3. Audit Committee

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

Meetings and attendance during the year

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

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

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

Brief Description and terms of reference:

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

#### 4. Remuneration / Compensation Committee

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

#### 5. Investor/ Shareholder Grievance Committee

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

## UPASANA FINANCE LIMITED, Chennai 600 004

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

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 31<sup>st</sup> March 2009.

#### 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
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.
2005-2006	The Music Academy (Mini Hall), Chennai	22/09/2006	03.00 P.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 re-appointment. The detail of 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 31<sup>st</sup> March 2009.

Name of the Director	Number of Equity Shares	% of Holding
R Ramakrishnan	-	-
S Ramakrishnan	200	0.0046
S E S Mani	800	0.0187

Materially significant related party transactions during the year ended 31<sup>st</sup> March 2009

There are no materially significant related party transactions made by the company with its Promoters, Directors, their subsidiaries, relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly and approval obtained.

#### Accounting Treatment

The Company follows Accounting Standards prescribed, by the Central Government in consultation with National Advisory Committee on Accounting Standards, under the Companies (Accounting Standards) Rules, 2006 and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last three years:

During the year ended 31<sup>st</sup> March 2005, a letter was received from The Bombay Stock Exchange Limited with regard to non-compliance of the Listing Agreement and suspension of trading of our securities in the Bombay Stock Exchange Limited. The Company has suitably replied the letter to revoke the suspension of the trading of the securities in the Bombay Stock Exchange Limited. The Bombay Stock Exchange Limited has informed the company that they will not be able to consider the Company's request for revocation of suspension till the time the Company wipes out its accumulated losses and signs with both depositories. The Company proposes to utilize the Share Premium account, Capital Redemption Reserve account, Capital Reserve Account and Statutory Reserve account to set off the accumulated losses as of 31/03/2008. The proposal was approved by the Members in the Twenty Third Annual General Meeting held on 29<sup>th</sup> September 2008. The Madras Stock Exchange and The Bombay Stock Exchange Limited, where the shares are listed have given their no objection for the proposal. The approval from the Reserve Bank of India is awaited. As soon as the approval is received from Reserve Bank of India, the Company will approach the High Court for approval of the scheme.



## UPASANA FINANCE LIMITED, Chennai 600 004

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

#### 8. Means of Communication

The Company mails the Annual Report every year, individually to all the shareholders: The Management Discussion and Analysis Report forms a part of this Annual Report.

The quarterly, half yearly and annual results are published in Trinity Mirror (English) and Makkal Kural (Tamil). These are not sent individually to the Shareholders.

#### 9. General Shareholder Information

1	Annual General Meeting Date and Time and Venue	29 <sup>th</sup> September 2009, 02.45 p.m. The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No. 168 (Old No. 306), TTK Road, Chennai 600 014.
	Financial Calendar 2009-2010 First Quarter Results Half-Yearly Results Third Quarter Results Annual Results for the year ending 31 <sup>st</sup> March 2010	Last week of July 2009 Last week of October 2009 Last week of January 2010 Last week of April 2010
3	Book Closure date	20/09/2009 to 29/09/2009
4	Listing of Equity Shares on Stock Exchanges	Madras and Bombay Stock Exchanges The Company has paid the listing fees to the Stock Exchanges.
5	Stock Code	Madras Stock Exchange - UPASANFIN Bombay Stock Exchange - 511764
6	Share Transfer System	The transfer of shares are processed and approved by the Share Transfer and Shareholder/Investor Grievance Committee Share Transfers are processed within a period of 30 days from the date of receipt. In compliance with the Listing / SEBI Guidelines, a Practising Company Secretary carries out a Due Diligence survey, pertaining to share transfers every six months and necessary certificates to that effect are issued and the same are filed with the Stock Exchanges.
7	Pattern of Shareholding as on 31 <sup>st</sup> March 2009	Data in statement form - Enclosed
8	Distribution of Shareholding as on 31 <sup>st</sup> March 2009	Data in statement form - Enclosed
9	Share Performance/ Share Price Data - High/ Low	The trading in Equity Shares of the Company is suspended by the Bombay Stock Exchange.
10	Dematerialisation of Shares	The Shares of the Company could not be held in electronic form. The National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have rejected the company's application for admission as member, since the company has accumulated losses.
11	Address for Communication	III Floor, Auras Corporate Centre, No.98 A, Dr Radhakrishnan Salai, Mylapore, Chennai 600 004. Phone : 044- 28478605

# UPASANA FINANCE LIMITED, Chennai 600 004

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

12	Compliance Officer	Sri R Krishnan Senior Manager Finance & Secretary III Floor, Auras Corporate Centre, No.98 A, Dr Radhakrishnan Salai, Mylapore, Chennai 600 004. Phone: 044-28478605
13	Exclusive E-mail id for redressal of investor complaints	In terms of Clause 47(f) of the Listing Agreement, investors may use the E-mail id: <b>upasana_shares@yahoo.com</b> for redressal of complaints.
14	Website	No Website is available

### 10. NON-MANDATORY REQUIREMENTS

#### 1) The Board

All the Independent Directors contribute effectively to the business carried on by the Company. In the opinion of the Board, it is not necessary to limit the aggregate tenure of each of the Directors.

#### 2) Remuneration Committee

No Director receives any remuneration from the Company. The Directors have waived even the sitting fees.

#### 3) Shareholder Rights

The quarterly/half-yearly/annual results, after they are taken on record by the Board of Directors, are forthwith sent to the Stock Exchanges with whom the Company has listing arrangements. The results, in prescribed format are published in The Trinity Mirror (English) and Makkal Kural (Tamil) Newspapers.

#### 4) Audit Qualification

There is no Audit Qualification by the Statutory Auditors.

#### 5) Training of Board Members/Mechanism for evaluating non-executive Board Members

All the Non-Executive Directors are having rich experience and expertise in functional areas like finance and banking. All of them actively take part in the deliberations at the Board Meetings and contribute effectively to the business. In the opinion of the Board neither training of Board Members nor any evaluation is required.

#### 6) Whistle Blower Policy

The Company has a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of business conduct and ethics. However, a policy framework will be established at the appropriate time.

### 11. Auditor's Certificate on Corporate Governance

As required by Clause 49 of the listing agreement, the Auditor's Certificate is given as an annexure to the Director's Report.

#### Distribution of Shareholding as on 31st March 2009

Number of Shares	Shareholders		Shareholding	
	Nos.	%	Nos.	%
Upto 100	4,727	84.61	4,72,700	11.05
101 250	367	6.57	73,400	1.72
251 500	307	5.49	1,12,700	2.63
501 1000	124	2.22	96,100	2.25
1001 5000	47	0.84	92,900	2.17
5001 10000	5	0.09	37,500	0.88
10001 and above	10	0.18	33,92,700	79.30
<b>Total</b>	<b>5,587</b>	<b>100.00</b>	<b>42,78,000</b>	<b>100.00</b>

#### Categories/Pattern of Shareholding as on 31st March 2009

Category	Shares	% holding
Promoters	30,00,200	70.13
Directors	400	0.01
Financial Institutions	3,07,200	7.18
Private Corporates	26,500	0.62
Non - Resident Indians	71,800	1.68
Resident Individuals	8,71,900	20.38
<b>Total</b>	<b>42,78,000</b>	<b>100.00</b>

# **UPASANA FINANCE LIMITED, Chennai 600 004**

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

12<sup>th</sup> August 2009

To

The members of Upasana Finance Limited

### **DECLARATION TO THE MEMBERS PURSUANT TO CLAUSE 49(I)(D)(ii) OF THE LISTING AGREEMENT**

I, S Ramakrishnan, Director, hereby declare that all Board members and senior management personnel have affirmed with the Code of Business Conduct and Ethics formulated by the Company for the financial year ended 31<sup>st</sup> March 2009.

S Ramakrishnan

Director

## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **PHILOSOPHY ON CODE OF GOVERNANCE**

Upasana Finance Limited (UFL), in line with TVS philosophy, truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic tenets of corporate governance. UFL always believes to achieve optimum performance at all levels in adopting and adhering to best corporate governance practices. UFL has always focused on corporate governance as a means to maximize long-term stakeholders value through disciplined and sustained growth and value creation.

### **CODE**

This Code of Business Conduct and Ethics helps to ensure compliance with legal requirements and standards of business conduct. The Board of Directors ('the Board') has adopted a Code of Business Conduct and Ethics ('the Code') for all Board members and Senior Management personnel viz. all members of management one level below executive directors, including all functional heads. Company Secretary is the Compliance Officer for the purposes of the Code.

### **HONESTY & INTEGRITY**

All Board members and Senior Management personnel shall:

- conduct their activities, on behalf of UFL and on their personal behalf, with honesty, integrity and fairness;
- act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- act in the best interests of UFL and UFL shareholders and fulfill the fiduciary obligations; and
- not engage in any conduct likely to bring discredit upon UFL

### **CONFLICT OF INTEREST**

All Board members and Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict with interest of UFL or the group companies.

### **CORPORATE OPPORTUNITIES**

All Board members and Senior Management personnel shall not exploit for their own personal gain, opportunities that are discovered through the use of UFL property, information or position unless the opportunity is disclosed fully in writing to the Board and the Board declines to pursue such opportunity.

### **CONFIDENTIAL INFORMATION**

All Board members and Senior Management personnel shall maintain confidentiality of information (price sensitive or otherwise) they receive while being in office of UFL and ensure always Information Security Policy of UFL.

### **CONFIDENTIAL INFORMATION OF OTHERS**

UFL is required to abide by the terms of the relevant non-disclosure agreement and limit its use to the specific purposes for which it was disclosed and to disseminate it only to others with a need to know the information. All Board members and Senior Management personnel shall not attempt to obtain any competitor's confidential information by improper means.

### **PROTECTION OF ASSETS**

All Board members and Senior Management personnel must protect UFL's assets and shall not use the same for personal benefit, unless approved by the Board.

# **UPASANA FINANCE LIMITED, Chennai 600 004**

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

All Board members and Senior Management personnel shall comply with all applicable laws, rules, regulations and guidelines, including obligations under Take-over and Insider Trading Regulations and shall report actual non-compliances, if any, of law, this Code, or other UFL policies or procedures to the Board.

### **WAIVERS**

Any waiver of this Code may be made only by the Board and will be promptly disclosed, having regard to the business practices, or the legal and regulatory framework applicable, the Board will review, revise or update the Code, as it deems appropriate.

### **AFFIRM COMPLIANCE**

All Board members and Senior Management personnel shall affirm compliance with the Code on an annual basis.

**SUNDARAM & SRINIVASAN**  
Chartered Accountants

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

## **AUDITORS' REPORT TO THE MEMBERS OF UPASANA FINANCE LIMITED, CHENNAI 600 004 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

1. We have audited the attached Balance Sheet of M/s. Upasana Finance Limited, Chennai 600 004 as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted the audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, (the Act) we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
  - i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
  - v) On the basis of written representations received from directors of the company, as on 31<sup>st</sup> March 2009 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act as on the said date;

## **UPASANA FINANCE LIMITED, Chennai 600 004**

### **AUDITORS' REPORT TO THE MEMBERS OF UPASANA FINANCE LIMITED, CHENNAI 600 004 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009 (Contd.,)**

- vi) in our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the statement on Significant Accounting Policies and other notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2009;
- b) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For SUNDARAM & SRINIVASAN  
Chartered Accountants

P MENAKSHISUNDARAM

Partner

Membership No.217914

Chennai

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

#### **ANNEXURE REFERRED TO IN PARA 3 OF OUR REPORT OF EVEN DATE**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) The Company did not dispose of any asset during the year under review.
2. Being a Non-banking Finance Company the matters in connection with verification, reporting and other related matters on inventory are not applicable.
3. (a) During the year the company has not availed loans from any company, firm, body corporate or individual mentioned in the Register maintained under Section 301 of the Act.
- (b) The Company has granted an unsecured loan, to a company covered in the Register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.60 lakhs and there was Nil balance at the end of the year. The terms and conditions of such loans are, prima facie, not prejudicial to the interests of the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit no major weakness has been noticed in the internal control procedures.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered in the Register maintained in pursuance of Section 301 of the Act have been properly entered in the said register.
- (b) In our opinion and according to the information and explanations given to us the transactions entered in the Register maintained under Section 301 of the Act and exceeding Rupees Five lakhs or more during the year in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from the public during the year. However in respect of Fixed Deposits accepted earlier which remain unclaimed, in our opinion the directives issued by the Reserve Bank of India and the Provisions of Section 58A and 58AA of the Act, and the rules framed thereunder, wherever applicable have been complied with.

## UPASANA FINANCE LIMITED, Chennai 600 004

### ANNEXURE REFERRED TO IN PARA 3 OF OUR REPORT OF EVEN DATE

7. The Company has no internal audit system. However, we are of the opinion that the existing internal control procedures and internal checks are sufficient considering the nature of business and size of the Company.
8. Being a Non-banking Finance Company the requirement as to maintenance of cost records as prescribed by the Central Government under Section 209(1) (d) of the Act is not applicable to the Company.
9. (a) According to the records provided to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax and other applicable statutory dues with the appropriate authorities.  
(b) According to information and explanations given to us, no undisputed amount payable in respect of Income tax, Service Tax and Sales tax were in arrears, as at 31<sup>st</sup> March 2009 for a period of more than six months from the date they became payable.  
(c) According to the information and explanations given to us, the following are the details of the disputed income tax that was not paid to the concerned authorities.

Nature of Demand	Amount (Rs. Lakhs)	Forum where the dispute is pending
Income Tax	0.07	Commissioner of Income Tax

10. The Company has accumulated loss at the end of financial year. However, the Company has not incurred any cash loss during the year and in the immediately preceding year.
11. Based on our verification and according to the information and explanations furnished by the management, the Company has not taken any loans from financial institutions, bank or issued any debentures. Hence the question of default on repayment of dues does not arise.
12. Based on our examination and according to the information and explanations furnished to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments other than in mutual fund in respect of which the Company is maintaining adequate and proper records.
15. According to the information and explanations furnished to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans during the year under review.
17. According to the information and explanations furnished to us and on overall examination of the balance sheet of the company we report that no funds raised on long-term basis have been used for short-term investments. The Company has not availed any short-term loan.
18. The Company has not allotted any shares on preferential basis to parties and companies covered in the register maintained under section 301 of the Act.
19. During the year, the Company has not issued any secured debentures.
20. The Company has not raised any money through public issue during the year.
21. During the course of examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the management.

For SUNDARAM & SRINIVASAN  
Chartered Accountants

P MENAKSHISUNDARAM  
PARTNER

Membership No.217914

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

**UPASANA FINANCE LIMITED, Chennai 600 004**  
**BALANCE SHEET AS ON 31ST MARCH, 2009**

Particulars	Sch. Ref.	As on 31.03.2009	As on 31.03.2008
<b>I SOURCES OF FUNDS :</b>		<b>Rs.</b>	<b>Rs.</b>
1) Shareholders' Funds:			
a) Capital	I	4,27,80,000	4,27,80,000
b) Reserves & Surplus	II	6,98,29,304	6,88,08,148
<b>TOTAL</b>		<b>11,26,09,304</b>	<b>11,15,88,148</b>
<b>II APPLICATION OF FUNDS :</b>			
1) Fixed Assets:	III		
a) Gross Block		1,22,291	1,22,291
b) Less: Depreciation		1,19,528	1,18,563
Net Block		2,763	3,728
2) Investments	IV	2,26,03,285	80,00,000
3) Current Assets, Loans & Advances			
a) Cash & Bank Balances	V	1,57,72,705	3,00,55,432
b) Loans & Advances	VI	1,40,26,178	80,05,334
		2,97,98,883	3,80,60,766
Less:			
Current Liabilities & Provisions	VII	22,38,295	10,13,510
Net Current Assets		2,75,60,588	3,70,47,256
4) Profit & Loss Account	VIII	6,24,42,668	6,65,37,164
<b>TOTAL</b>		<b>11,26,09,304</b>	<b>11,15,88,148</b>
Notes on Accounts	XIII		
R RAMAKRISHNAN Director	S E S MANI Director	S RAMAKRISHNAN Director	As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants
Chennai 12 <sup>th</sup> August 2009.	R KRISHNAN Secretary		P. MENAKSHISUNDARAM Partner Membership No. 217914

**UPASANA FINANCE LIMITED, Chennai 600 004**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

Particulars	Sch. Ref.	Year ended 31.03.2009	Year ended 31.03.2008
<b>INCOME :</b>			
Income from financial and business operations (Gross)		91,40,491	1,64,53,267
(TDS Rs. 5,665/- Last Year Rs. 2,75,569/-)			
Other Income	IX	33,71,978	55,21,011
		<u>1,25,12,469</u>	<u>2,19,74,278</u>
<b>EXPENDITURE :</b>			
Salaries, Wages, Administrative and Other Expenses	X	47,08,377	40,45,309
Interest	XI	54,889	19,30,418
Depreciation	XII	965	1,303
		<u>47,64,231</u>	<u>59,77,030</u>
Profit before Tax		<u>77,48,238</u>	<u>1,59,97,248</u>
Less:			
Provision for Taxation		25,98,520	54,39,656
Provision for Fringe Benefit Tax		43,938	39,163
		<u>26,42,458</u>	<u>54,78,819</u>
Profit after tax for the year		<u>51,05,780</u>	<u>1,05,18,429</u>
<b>APPROPRIATION :</b>			
Profit after tax		51,05,780	1,05,18,429
Less:			
Transfer to Statutory Reserve as per Section 45 IC of Reserve Bank of India Act, 1934.		10,21,156	21,03,686
		<u>40,84,624</u>	<u>84,14,743</u>
Less:			
Tax relating to earlier years		(9,872)	(454,116)
		<u>40,94,496</u>	<u>88,68,859</u>
Less:			
Brought forward losses of earlier years		6,65,37,164	7,54,06,023
Loss carried over		<u>6,24,42,668</u>	<u>6,65,37,164</u>
Earnings per Equity Share			
Number of Shares (Face Value of Rs. 10/- per share)		42,78,000	42,78,000
Basic and Diluted earnings per share (in Rupees)		1.20	2.56

R RAMAKRISHNAN  
Director

S E S MANI  
Director

S RAMAKRISHNAN  
Director

As per our report annexed  
For SUNDARAM & SRINIVASAN  
Chartered Accountants

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

R KRISHNAN  
Secretary

P. MENAKSHISUNDARAM  
Partner  
Membership No. 217914



**UPASANA FINANCE LIMITED, Chennai 600 004**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009.**

Particulars	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extraordinary items	77,48,238	1,59,97,248
Less:		
Interest Received	32,68,568	55,20,668
Dividend Received	1,03,285	-
Add :	43,76,385	1,04,76,580
Depreciation	965	1,303
Tax relating to earlier years	9,872	4,54,116
Operating Profit before working capital changes	43,87,222	1,09,31,999
Add: (Increase)/Decrease in Loans & Advances	(72,84,441)	(20,82,207)
Less: (Increase)/Decrease in Trade Payables & Provisions	(12,24,785)	(1,45,575)
Cash Generated from Operations	(16,72,434)	89,95,367
Less: Tax	13,78,861	8,69,550
Net Cash from Operating activities - "A"	(30,51,295)	81,25,817
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Investments	(1,46,03,285)	(80,00,000)
Interest Received	32,68,568	55,20,668
Dividend Received	1,03,285	-
Net Cash used in investing activities "B"	1,12,31,432	(24,79,332)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Unsecured Loans	-	-
Net Cash used in Financing activities "C"	-	-
Net increase in Cash & Cash Equivalents "A+ B"+ C"	(1,42,82,727)	56,46,485
Cash and Cash Equivalent as at the beginning	3,00,55,432	2,44,08,947
Cash and Cash Equivalents as at the end	1,57,72,705	3,00,55,432
Notes : Cash and Cash Equivalents include		
a. Cash on hand	4,918	27,294
b. Balance with Scheduled Banks in :		
i) Current Accounts	2,61,210	12,21,561
ii) Fixed Deposit Account (Non lien)	1,55,00,000	2,88,00,000
iii) Fixed Deosit Account (On lien)	6,577	6,577
	1,57,72,705	3,00,55,432

RRAMAKRISHNAN	S E S MANI	S RAMAKRISHNAN
Director	Director	Director
Chennai	R KRISHNAN	
12 <sup>th</sup> August 2009.	Secretary	

As per our report annexed  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
P. MENAKSHISUNDARAM  
Partner  
Membership No. 217914

# UPASANA FINANCE LIMITED, Chennai 600 004

## SCHEDULES

Particulars	Rs.	As on 31.03.2009 Rs.	Rs.	As on 31.03.2008 Rs.					
<b>I CAPITAL:</b>									
<b>AUTHORISED:</b>									
50,00,000 Equity Shares of Rs 10/- each (Last year 50,00,000 Equity Shares of Rs. 10/- each)		5,00,00,000		5,00,00,000					
5,00,000 Cumulative Redeemable Preference Shares of Rs.100/-each. (Last Year 5,00,000 Cumulative Redeemable Preference Shares of Rs.100/-each)		5,00,00,000		5,00,00,000					
		10,00,00,000		10,00,00,000					
<b>ISSUED, SUBSCRIBED AND PAID-UP:</b>									
42,78,000 Equity Shares of Rs. 10/- each fully paid-up (Last year 42,78,000 Equity Shares of Rs. 10/- each fully paid-up) (Includes 22,50,000 (Last Year 22,50,000) Equity Shares allotted as fully paid by way of Bonus Shares by Capitalisation of Reserves)		4,27,80,000		4,27,80,000					
		4,27,80,000		4,27,80,000					
<b>II RESERVES &amp; SURPLUS:</b>									
Statutory Reserve as per last Balance Sheet	2,86,11,202		2,65,07,516						
Add: Transfer from Profit and Loss Account during the Year	10,21,156		21,03,686						
		2,96,32,358		2,86,11,202					
Share Premium as per last Balance Sheet		2,98,00,948		2,98,00,948					
Capital Reserve as per last Balance Sheet		3,95,998		3,95,998					
Capital Redemption Reserve as per last Balance Sheet		1,00,00,000		1,00,00,000					
		6,98,29,304		6,88,08,148					
<b>III FIXED ASSETS:</b>									
Particulars	Cost As on 01.04.2008	Additions during the Period Rs.	Deletions during the Period Rs.	Total Cost as on 31.03.2009 Rs	Depreciation		Depreciation upto 31.03.2009 Rs.	WDV AS ON 31.03.2009 Rs.	WDV AS ON 31.03.2008 Rs.
					Upto 31.03.2008 Rs.	for 2008-2009 Rs.			
Owened Vehicle	1,22,291			1,22,291	1,18,563	965	1,19,528	2,763	3,728
As on 31.03.2009	1,22,291	-	-	1,22,291	1,18,563	965	1,19,528	2,763	3,728
As on 31.03.2008	1,22,291	-	-	1,22,291	1,17,260	1,303	1,18,563	3,728	-
<b>Particulars</b>					<b>Year ended 31.03.2009 Rs.</b>		<b>Year ended 31.03.2008 Rs.</b>		
<b>VI INVESTMENT (AT COST)</b>									
4,50,000 (Last year 4,50,000) Units of Rs. 10/- each in LIC-FMP Series 34					45,00,000				45,00,000
3,50,000 (Last year 3,50,000) Units of Rs. 10/- each in Reliance Fixed Horizon Series 8					35,00,000				35,00,000
14,56,239.422 (Last year Nil) units of Rs.10 each in Sundaram BNP Paribas Ultra ShortTerm Fund ** \$					1,46,03,285				-
** invested during the year \$ formerly Sundaram BNP Paribas liquid plus (Market Value Rs. 2,28,24,567/- Last Year Rs. 82,06,690/-)					2,26,03,285				80,00,000
<b>V CASH AND BANK BALANCES :</b>									
a) Cash and on hand					4,918				27,294
b) Balance with scheduled Banks in :									
i) Current Accounts					2,61,210				12,21,561
ii) Fixed Deposit Accounts (Non lien)					1,55,00,000				2,88,00,000
iii) Fixed Deposit Accounts (on lien)					6,577				6,577
					1,57,72,705				3,00,55,432

# UPASANA FINANCE LIMITED, Chennai 600 004

## SCHEDULES(Contd..)

Particulars	Year ended 31.03.2009		Year ended 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>VI LOANS &amp; ADVANCES : (Unsecured considered Good)</b>				
a) Loan to Companies		1,15,00,000		55,00,000
b) Advances recoverable in cash or in kind or for value to be received		18,77,416		18,77,416
c) Interest accrued on Deposits		6,48,762		6,27,918
		<u>1,40,26,178</u>		<u>80,05,334</u>
<b>VII CURRENT LIABILITIES &amp; PROVISIONS :</b>				
<b>Current Liabilities</b>				
a) Sundry Creditors		1,58,694		1,09,572
b) Investor Education and Protection Fund*:				
i) Unclaimed Deposits*		3,000		3,000
ii) Interest Accrued and due on Deposits*		3,577		3,577
* No amount is due and outstanding to be credited to the fund		<u>1,65,271</u>		<u>1,16,149</u>
<b>Provisions:</b>				
a) for Gratuity		3,57,970		2,96,000
b) for Leave Salary		87,385		71,000
c) for Income Tax (Net of Advance Tax and Tax Deducted at Source)		16,27,669		5,30,361
		<u>20,73,024</u>		<u>8,97,361</u>
<b>TOTAL CURRENT LIABILITIES &amp; PROVISIONS</b>		<u>22,38,295</u>		<u>10,13,510</u>
<b>VIII PROFIT &amp; LOSS ACCOUNT:</b>				
Balance as per Last Balance Sheet		(6,65,37,164)		(7,54,06,023)
Profit for the Year		51,05,780		1,05,18,429
Tax relating to Previous Years		9,872		4,54,116
Transfer to Statutory Reserve		(10,21,156)		(21,03,686)
		<u>(6,24,42,668)</u>		<u>(6,65,37,164)</u>
<b>IX OTHER INCOME:</b>				
1. Interest Receipts (Gross)				
(on deposit with banks and Income Tax Refund)		32,68,568		55,20,668
(TDS Rs. 6,71,121 Last year Rs. 5,44,269)				
2. Other Income (Commission, Brokerage etc.,)		125		343
3. Dividend Income		1,03,285		
		<u>33,71,978</u>		<u>55,21,011</u>
<b>X SALARIES, ADMINISTRATIVE &amp; OTHER EXPENSES:</b>				
1) Salaries, Wages and Bonus		28,31,023		22,24,979
2) Contribution to Provident Fund & Other Funds		4,29,094		68,985
3) Staff Welfare Expenses		80,351		74,629
4) Rent		2,36,355		1,75,600
5) Rates & Taxes		5,700		90,533
6) Advertisement & Business Promotion		64,916		26,262
7) Insurance		23,836		34,353
8) Audit Fees - Statutory Audit	11,030		11,236	
- Expenses Reimbursement	7,877		15,000	
- Other Capacity	<u>11,236</u>		<u>1,20,000</u>	
9) Travelling and Conveyance		30,143		1,46,236
10) Printing and Stationery		32,566		32,217
11) Bank Charges		49,109		28,661
12) Postage, Telegram & Telephone charges		2,052		1,997
13) Repairs & Maintenance - Others		96,146		92,547
14) Legal Expenses		2,13,446		2,08,512
15) Miscellaneous Expenses		4,55,979		5,92,336
		<u>1,57,661</u>		<u>2,47,462</u>
		<u>47,08,377</u>		<u>40,45,309</u>
<b>XI INTEREST:</b>				
Interest Paid - under provisions of Income Tax Act, 1961 and Interest Tax Act, 1972		54,889		19,30,418
		<u>54,889</u>		<u>19,30,418</u>
<b>XII DEPRECIATION:</b>				
Under WDV Method as prescribed under Schedule XIV of the Companies Act, 1956		965		1,303
		<u>965</u>		<u>1,303</u>

# UPASANA FINANCE LIMITED, Chennai 600 004

Particulars	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>XIII NOTES ON ACCOUNTS:</b>		
<b>I INCOME RECOGNITION AND SIGNIFICANT ACCOUNTING POLICIES:</b>		
(a) The Company is following accrual basis of accounting for both income and expenses. Finance Charges earned and Lease Rental income are net of write offs as per Reserve Bank of India Prudential Norms.		
(b) The Company accounts finance charges earned by evenly spreading it over the contract period.		
(c) In respect of overdues, prudential norms for income recognition and provisioning norms as prescribed by Reserve Bank of India for Non-Banking Finance Companies have been adhered to.		
(d) Provisioning in respect of employees gratuity and leave salary has been made as per actuarial valuation made at the end of each financial year.		
(e) The Company is accounting fixed assets at original cost. No revaluation has been done.		
(f) Depreciation is provided as under :		
1) On Written Down value method at rates as prescribed in Schedule XIV to the Companies Act, 1956 in respect of Assets owned by the Company.		
<b>II LIABILITIES DISPUTED AND NOT PROVIDED FOR :</b>		
(i) Income Tax	6,811	Nil
(ii) Employee State Insurance	73,226	73,226
<b>III OTHERS:</b>		
a. Audit Fees include:		
1) As Auditors	11,030	11,236
2) Expenses Reimbursement	7,877	15,000
3) Other capacity	11,236	1,20,000
b. Lease Income includes Lease Equalisation Charge	Nil	Nil
c. i) Expenditure in excess of 1% of revenue or Rs. 5,000/- whichever is higher included in Miscellaneous expenses.	Nil	Nil
ii) Amount payable and outstanding to Micro, Small & Medium enterprises (SME) (as defined in The Micro, Small & Medium Enterprises Development Act, 2006) The question of payment of interest or provision therefor towards belated payments does not arise as the company has not engaged any SME during the year.	Nil	Nil
iii) Amount transferred to Investor Protection and Education fund during the year Deposits along with interest accrued thereon-	Nil	1,65,869
d. Provision for Income Tax has been made as per the provisions of Income Tax Act, 1961		
e. The Company has Deferred Tax Asset. However as a measure of Prudence no Deferred Tax Asset has been recognised during the year.		
f. Related party transactions :		
(i) Where Control Exists -	Nil	Nil
(ii) Other Related Parties with whom transactions have been entered into during the year		
a) Individuals owing directly/indirectly an interest in Voting Power		
i) Suresh Krishna ii) Usha Krishna iii) Preethi Krishna iv) Arathi Krishna v) Arundathi Krishna	Nil	Nil
b) Enterprises over which above person (s) exercise significant influence		
i) Sundram Fasteners Limited ii) Upasana Engineering Limited		
iii) Sundram Fasteners Investments Limited		
i) Services Rendered	45,331	21,64,646
ii) ICD Placed	1,15,00,000	55,00,000
iii) Interest receivable	6,65,069	2,35,410
iv) Amount Outstanding	1,15,00,000	55,00,000
g. During the year the company has not given any assets on lease and no amount is outstanding to be received under lease contracts.		
h. Information furnished as required in terms of paragraph 9 BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998	Rs in lakhs	
Loans and Advances availed by the NBFC	0.00	0.00
Unclaimed other Public Deposits	0.03	0.03
Interest accrued thereon	0.04	0.04
Gross Non-performing Assets	Nil	Nil
Net Non-performing Assets	Nil	Nil
Investments in Mutual Funds	226.03	80.00
i. There is no borrowing cost attributable to qualifying assets.		
j. The Directors have waived their sitting fees.		
k. Accounting standards - Refer Annexure		
l. Previous year's figures have been regrouped wherever necessary to conform to current year's classification		
<b>R RAMAKRISHNAN</b> Director  Chennai 12 <sup>th</sup> August 2009.	<b>S E S MANI</b> Director  <b>R KRISHNAN</b> Secretary	<b>S RAMAKRISHNAN</b> Director  <b>P. MENAKSHISUNDARAM</b> Partner Membership No. 217914  As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants

# UPASANA FINANCE LIMITED, Chennai 600 004

## Annexure to Notes on Accounts for the year ended 31<sup>st</sup> March 2009

### Notes on Accounting Standards prescribed by The Institute of Chartered Accountants of India

<b>AS 1</b>	<b>Disclosure of accounting policies</b> Please refer Note No I (a) of Notes on Accounts		
<b>AS 2</b>	<b>Valuation of Inventories</b> The Company has no Inventory. Hence this standard is not applicable.		
<b>AS 3</b>	<b>Cash flow statements</b> The Cash Flow Statement is attached		
<b>AS 4</b>	<b>Events occurring after balance sheet date</b> There are no events occurring after the Balance Sheet Date that require adjustment or disclosure.		
<b>AS 5</b>	<b>Net Profit or loss for the period, prior period items and changes in accounting policies</b> There are no prior period items. There are no changes in the accounting policies of the Company from the previous year.		
<b>AS 6</b>	<b>Depreciation Accounting</b> Please refer to Note No I (f) of Notes on Accounts		
<b>AS 7</b>	<b>Accounting for Construction Contracts</b> The above standard is not applicable to the Company, as it is not engaged in the business of construction.		
<b>AS 8</b>	<b>Accounting for Research and Development</b> This standard has been withdrawn with effect from 1-4-2003.		
<b>AS 9</b>	<b>Revenue Recognition</b> Please refer to Note No. I (a), (b) and (c) of Notes on Accounts Interest income is recognized using the time proportion method based on the rates implicit in the transaction.		
<b>AS10</b>	<b>Accounting for Fixed Assets</b> Please refer to Note No I (e) of Notes on Accounts		
<b>AS11</b>	<b>Accounting for effects in foreign exchange rates</b> The Company has no foreign exchange transactions.		
<b>AS12</b>	<b>Accounting for Government Grants</b> The Company has not received any grant from the Government		
<b>AS13</b>	<b>Accounting of Investments</b> Investments are accounted at the cost of acquisition which includes stamp fee etc. Investments made during the year LIC-FMP Series 34 Reliance Fixed Horizon Series 8 Sundaram BNP Paribas Ultra ShortTerm Fund (formerly Sumdram BNP Paribas Liquid Plus) ** Including Rs. 1,03,285/- dividend reinvested.	As at <b>31.03.2009</b>	As at 31.03.2008  Nil 45,00,000 Nil 35,00,000 <b>1,46,03,285**</b>
<b>AS14</b>	<b>Accounting for Amalgamation</b> No Amalgamation was made during the year.		
<b>AS15</b>	<b>Accounting for Retirement Benefits</b> Please refer to Note No. I (d) of Notes on Accounts Contribution to Provident fund is made to the Provident Fund Organisation. Contribution to the superannuation fund is made to the scheme maintained by Life Insurance Corporation of India. All the above expenditure are debited to Profit and Loss Account. Employer's Contribution to Provident Fund Employer's Contribution to Super Annuation Fund	<b>1,41,971</b> <b>1,90,800</b>	1,11,948 1,56,510
<b>AS16</b>	<b>Borrowing Cost</b> Please refer to Note No III (i) of Notes on Accounts		
<b>AS17</b>	<b>Segment Reporting</b> The Company is engaged in the business of financing and accordingly there are no separate reportable segments.		
<b>AS18</b>	<b>Related party disclosures</b> Please refer to Note No III (f) of Notes on Accounts		
<b>AS19</b>	<b>Leases</b> The Company has not given any assets on lease during the year. The Company has taken vehicles on lease basis for the period upto five years, which are in the nature of operating leases as defined in the Accounting Standard AS-19 in respect of leases prescribed by the Institute of Chartered Accountants of India. a) Future Minimum leases payments under non cancelable operating leases in respect of lease agreements entered into on or after 1.4.2001	<b>2008-2009</b> <b>Rs.</b> <b>2,40,300</b> <b>5,96,730</b> <b>8,37,030</b> <b>2,20,275</b>	<b>2007-2008</b> <b>Rs.</b> 2,20,275 8,17,005 10,37,280 1,60,200
	b) Lease payments recognized in Profit and Loss A/c		
	c) Significant Leasing arrangements:		

# UPASANA FINANCE LIMITED, Chennai 600 004

## Annexure to Notes on Accounts for the year ended 31<sup>st</sup> March 2009 (Cont..)

### Notes on Accounting Standards prescribed by The Institute of Chartered Accountants of India

- i. Basis of determining contingent rent:  
Contingent rents are payable for excessive, improper or unauthorized use of the asset, beyond the terms of the lease agreement, prejudicially affecting the resale value of the asset, either by way of increase in lease rentals or by way of lump-sum amount, as agreed between the parties.
  - ii. Renewal/purchase options and escalation clauses:  
Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the parties. Variations in lease rentals are made in the event of a change in the basis of computation of lease rentals by the lessor.
  - iii. There are no restrictions imposed by the lease agreements, concerning dividends, additional debt and further leasing
- AS20 Earnings per share (EPS)**  
Please refer to Profit and Loss account. There is no diluted earnings per share as there are no dilutive potential equity shares.
- AS21 Consolidated financial statements**  
This Standard is not applicable to the Company.
- AS22 Accounting for taxes on Income**  
Please refer to Note No III (e) of Notes on Accounts
- AS23 Accounting for Investments in associates**  
This Standard is not applicable to the Company.
- AS24 Discontinuing Operations**  
The company has not discontinued any operations during the year.
- AS25 Interim financial Reporting**  
Quarterly financial results are published in accordance with the guidelines issued by SEBI. The recognition and measurement principles as laid down in the Standard are followed with respect to such results. Quarterly financial results are also subjected to a limited review by the Auditors as required by SEBI.
- AS26 Intangible Assets**  
The Company has no intangible assets.
- AS27 Financial Reporting of Interests in Joint Ventures**  
The Company has no Joint Ventures.
- AS28 Impairment of Assets**  
The Company has no impaired assets.
- AS29 Provision, Contingent Liabilities and Contingent Assets**  
Please refer Note No II of Notes on Accounts

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956.

I	Registration Details:	Registration No. <b>11503</b>	State Code : <b>18</b>	Balance Sheet Date : <b>31 / 03 / 2009</b>
II	Capital Raised during the Year	(Amount in Rs. Thousands)	Public Issue <b>Nil</b>	Right Issue <b>Nil</b> Bonus Issue <b>Nil</b> Private Placement <b>Nil</b>
III	Position of Mobilisation and deployment of Funds : (Amount in Rs. Thousands)			
	Total Liabilities: <b>112609</b>	Total Assets: <b>112609</b>		
	Sources of Funds:	Paid up Capital <b>42780</b>	Reserves & Surplus <b>69829</b>	Secured Loans <b>Nil</b> Unsecured Loans: <b>Nil</b>
	Application of Funds:	Net Fixed Assets <b>3</b>	Net Current Assets: <b>27560</b>	Investments: <b>22603</b> Misc. Expenditure <b>Nil</b> Accumulated Losses <b>62443</b>
IV	Performance of Company (Amount in Rs. Thousands)	Turnover <b>12512</b>	Total Expenditure <b>4764</b>	Profit (+)/ Loss(-) Before Tax <b>7748</b>
	Profit (+) / Loss (-) After Tax <b>5106</b>	Earnings per share (Rs.) <b>1.20</b>	Equity Dividend % <b>Nil</b>	
V	Generic Name of Three Principal Products/Services of Company (as per monetary terms)			
	Item Code No (ITC Code) Not Applicable	Product / Service Description : Hire Purchase, Leasing & Bill Discounting		

**R RAMAKRISHNAN**  
Director

**S E S MANI**  
Director

**S RAMAKRISHNAN**  
Director

As per our report annexed  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants

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

**R KRISHNAN**  
Secretary

**P. MENAKSHISUNDARAM**  
Partner  
Membership No. 217914



## UPASANA FINANCE LIMITED

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

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the  
attending member .....

Folio No. .... No. of shares .....

Name of Proxy\* .....

\*(If proxy attends instead of member)

I hereby register my presence at the Annual General  
Meeting.

Venue : Music Academy Kasturi Srinivasan Hall  
(Mini Hall) (Old No. 306) New No. 168,  
T.T.K. Road, Chennai - 600 014.

Date : Tuesday, 29th September 2009.

Time : 2.45 p.m.

*Signature of member/proxy*

### REQUEST TO MEMBERS

1. Members and their proxies/bodies corporate should bring the attendance slip duly filled in for attending the meeting.
2. Members are requested to avoid being accompanied by non-member and/or children.
3. Members are requested to bring their copies of annual report to the meeting as the Company is unable to provide another copy in view of the increased cost of paper.
4. Members are requested to be in their seats at the meeting hall before the scheduled time for commencement of the annual general meeting to avoid interruption in the proceedings.
5. Members are requested to intimate the Registered Office of the Company, changes if any, in their registered address.
6. Members intending to appoint proxies are requested to complete the proxy form sent herewith and deposit the same with the Registered Office of the Company at least 48 hours before the time fixed for holding the meeting.
7. If you and/or your family members are receiving more than one copy of the annual report and other communications and would like to avoid duplication, kindly advise to enable to mail only one copy. This will help us avoid wastage.

.....Tear here.....



## UPASANA FINANCE LIMITED

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

### PROXY FORM

Folio

No.\*

I/We ..... being a Member / Members

of Upasana Finance Limited hereby appoint.....

if ..... in the district of ..... or failing him.....

if ..... in the district of ..... as my/our proxy to attend and vote for me/us and

on my/our behalf at the Annual General Meeting of the company to be held on 29.09.2009 and at any

jourment thereof. Signed this ..... day of ..... 2009.

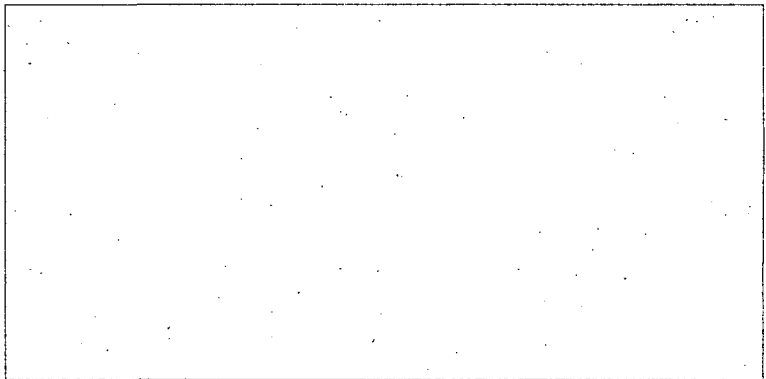
For Office Use	
Proxy No. ....	
Date of receipt	
No. of shares	

Affix  
30 Paise  
Revenue  
Stamp

The instrument appointing proxy should be deposited with Registered Office of the Company at least 48 hours before the commencement of the meeting  
to fill in the particulars as given in the address slip.

**BOOK POST  
(U.C.P)**

**To**



If undelivered please return to:  
**UPASANA FINANCE LIMITED**  
III Floor, Auras Corporate Centre  
No.98-A, Dr. Radhakrishnan Salai, Mylapore,  
Chennai - 600 004.