

**TWENTY SEVENTH ANNUAL REPORT**

FOR THE YEAR ENDED

31ST MARCH 2012



**BOARD OF DIRECTORS**

**SRI. R RAMAKRISHANAN**

**SRI. S E S MANI**

**SRI. S RAMAKRISHNAN**

**SECRETARY**

**SRI. R KRISHNAN**

**BANKERS**

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

**AUDITORS**

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

**REGISTERED OFFICE**

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

**Green Initiative in the Corporate Governance**

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

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Shareholders of the Company will be held at the Narada Gana Sabha Trust (MINI HALL) New No. 314 (Old No. 254), T T K Road, Alwarpet, Chennai 600 018 on Monday the 17<sup>th</sup> September 2012 at 10.00 A M to transact the following business:

**Ordinary Business**

1. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that the Audited Balance Sheet as at 31st March 2012, the Statement of Profit and Loss for the year ended 31st March 2012 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 re-appointed as a Director of the Company."
3. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, Auditors of the Company, (Registration No.004207S with the Institute of Chartered Accountants of India) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the Audit."

Chennai  
18<sup>th</sup> May, 2012

By Order of the Board  
**R KRISHNAN**  
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 Office of the Company's Share Transfer Agents viz. Integrated Enterprises (India) Limited, Kences Tower , 2nd Floor, No.1 Ramakrishna Street, T Nagar, North Usman Road, Chennai 600 017 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 holding shares in physical form, are requested to notify/send the following to the Registrar and Share Transfer Agent of the Company
  - a) any change in their address/mandate/bank details
  - b) Nomination in Form 2B, in duplicate as provided under Section 109A of the Companies Act, 1956, in case they have not been sent earlier.
  - c) Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 7th September 2012 to 17th September 2012 (both days inclusive.)
6. 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 share 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.
7. 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.

Born on 15th May 1937, Sri R Ramakrishnan is a Bachelor of Science from Madras University. He underwent training in Tata Iron & Steel Company Limited, Jamshedpur. He is lifetime Member of Wire Association International, USA. He started Indian Reinforcing Co (Welded Mesh) Pvt Ltd in 1958 and Concord Arai Pvt Ltd in 1965. He was a Member of Indian Advisory Board, Standard Chartered Bank for 6 years during 1987 to 1993. He was a Director of IndusInd Bank Limited, Mumbai, for 8 years from 1996 to 2004. He was a Director of SRP Tools Limited, Chennai, from 1990 to 2005. Sri R Ramakrishnan has more than 53 years of managerial experience in manufacturing, marketing as an entrepreneur. He has 19 years experience in Finance and Banking. He has been associated with the Company since June 2003.

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

**Directorship :**

Chairman	-	Indian Reinforcing Co (Welded Mesh) Private Ltd.
Managing Director	-	Concord Arai Pvt Ltd
Director	-	Yekediar Farms Pvt Ltd, Yekediar Holdings & Properties Pvt Ltd, Yekediar Estates Pvt Ltd, Yekediar Coconuts Pvt Ltd, Sundram Fasteners Limited

**Committee Membership :**

Sundram Fasteners Limited	-	Investor / Shareholders Grievance Committee – Chairman Audit Committee – Member
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**DIRECTORS' REPORT TO THE SHARE HOLDERS**

The Directors are pleased to present the Twenty Seventh Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2012.

<b>1. FINANCIAL RESULTS:</b>	<b>2011-2012</b>	<b>Rs.in lakhs</b>	<b>2010-2011</b>
Income from Operations	<b>376.54</b>		99.69
Other Income	<b>18.86</b>		13.27
Profit/(Loss) before Interest & Depreciation	<b>339.86</b>		57.16
Less: Interest	-		1.07
Less: Depreciation	-		0.01
Profit before Tax	<b>339.86</b>		56.08
Less : Provision for Tax	<b>104.20</b>		(19.10)
Profit after Tax	<b>235.66</b>		75.18
Add: Balance brought forward	<b>(517.21)</b>		(583.86)
Amount available for appropriation	<b>(281.56)</b>		(508.68)
Less: Appropriations			
Transfer to Statutory Reserve	<b>47.13</b>		8.53
Balance Carried Over	<b>(328.69)</b>		(517.21)

**2. DIVIDEND:**

In view of the accumulated losses, the Directors are unable to recommend any dividend on equity shares for the year ended 31st March 2012.

**3. MANAGEMENT DISCUSSION AND ANALYSIS****Classification by RBI**

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

**Business Review**

The Company continues to concentrate upon recovery of overdue receivables. Even while pursuing the legal route, the Company attempts negotiations with customers for early recovery of debts. During the year, the Company has collected an amount of Rs. 313.45 lakhs during the year.

**Future Outlook**

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

**4. DEPOSITS**

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

**5. DIRECTORS**

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

**6. AUDITORS**

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

**7. 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.

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

**9. DIRECTORS' RESPONSIBILITY STATEMENT****The Directors confirm that:**

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

**10. PERSONNEL**

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

**11. 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  
18<sup>th</sup> May 2012

**R RAMAKRISHNAN**  
DIRECTOR

**S RAMAKRISHNAN**  
DIRECTOR

**SUNDARAM & SRINIVASAN**  
Chartered Accountants

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

**CERTIFICATE**

To the members of Upasana Finance Limited, Chennai 600 004

We have examined the Compliance of the conditions of Corporate Governance by **Upasana Finance Limited**, Chennai ("The Company") for the year ended 31st March 2012, 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 Clause 49 of the above-mentioned Listing Agreements.

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

**For SUNDARAM & SRINIVASAN**  
Regn. No. 004207S  
**CHARTERED ACCOUNTANTS**

Chennai  
Date : 18<sup>th</sup> May 2012

**P. MENAKSHISUNDARAM**  
PARTNER  
Membership No.217914

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2012**

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

**MANDATORY REQUIREMENTS**

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

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

**2. Board of Directors**

**a. Composition and Category of Directors**

The Board comprises of 3 Non-Executive Directors, all of are independent All information as required under Annexure 1A to Clause 49 is being made available to the Board.

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

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

During the financial year 2011-2012 the Board met 5 times on 30th April 2011, 12th May 2011, 5th August 2011, 10th November 2011 and 9th February 2012. 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 Board Members and the Senior Management of the Company. This Code of Conduct is displayed in the website of the Company [www.upasanafinance.com](http://www.upasanafinance.com). Further, all Board Members and the Senior Management of the Company have affirmed their adherence to the Code. A declaration signed by Sri S Ramakrishnan, Director to this effect is enclosed at the end of this report.

**3. Audit Committee**

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

Meetings and attendance during the year.

Four Meetings of the Audit Committee were held during the year on 12th May 2011, 5th August 2011, 10th November 2011 and 9th February 2012.

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

The Chairman of the Audit Committee was present at the Annual General Meeting held on 15th September 2011. Sri R Krishnan, Secretary, acts as Secretary of the Audit Committee.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2012 (Contd.)****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, Secretary of the Company is the Compliance Officer of the Company. During the year, 40 queries/complaints were received from shareholders/ investors and other agencies, all of which have been resolved. The Company has no transfer application pending for registration as on 31st March 2012.

**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
2010-2011	Narada Gana Sabha (Mini Hall), Chennai	15/09/2011	10.00 A.M.
2009-2010	The Music Academy (Mini Hall), Chennai	28/09/2010	02.00 P.M.
2008-2009	The Music Academy (Mini Hall), Chennai	29/09/2009	02.45 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. No Special Resolution is proposed to be passed by Postal Ballot at the ensuing Annual General Meeting.

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 31st March 2012.

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

Materially significant related party transactions during the year ended 31st March 2012

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.

The Company has fully complied with all matters relating to Capital Market and Listing Agreement with the Stock Exchanges.

**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.

The Financial Results are displayed on the website of the Company, [www.upasanafinance.com](http://www.upasanafinance.com)

The Management Discussion and Analysis Report forms part of this Annual Report.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2012 (Contd.)**

**9. General Shareholder Information**

1	Annual General Meeting, Date and Time and Venue	17th September 2012, 10.00 AM, Narada Gana Sabha Trust (Mini Hall), New No.314,(Old No.254), T.T.K. Road, Alwarpet, Chennai - 18
2	Financial Calendar 2012-2013 First Quarter Results Half-Yearly Results Third Quarter Results Annual Results for the year ending 31st March 2013	On or before 14.08.2012 On or before 14.11.2012 On or before 14.02.2013  On or before 30.05.2013
3	Book Closure date	07/09/2012 to 17/09/2012
4	Listing of Equity Shares on Stock Exchanges	The equity shares of the Company are listed with Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE). The Company has paid the annual listing fees to the Stock Exchanges for the year 2012-13
5	Registrar and Transfer Agents	Integrated Enterprises (India) Limited, Kences Towers, II Floor No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 are acting as common agency for all investor servicing activities relating to both electronic and physical segments.
6	Stock Code  ISIN No. for Company's Equity shares in Demat Form Depository Connectivity	Madras Stock Exchange - UPASANFIN Bombay Stock Exchange - 511764 INE819K01014  National Securities Depository Limited (NSDL) Central Depository Services (India) Limited (CDSL)
7	Share Transfer System	All the transfer of shares in physical form are processed and approved by the Share Transfer and Shareholder/Investor Grievance Committee Share Transfers/Remat requests are processed within a period of 30 days from the date of receipt. Demat requests are processed within a period of 10 days from the date of receipt in compliance with the Listing / SEBI Guidelines,  ➤ A Practising Company Secretary carried out Secretarial Audit on "Dematerialised Equity Shares and Equity Shares in physical form" every quarter and the necessary Reports are filed with the Stock Exchanges. The Equity Shares in Dematerialised form and Physical form tally with the issued/paid-up and listed capital of the Company. ➤ 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.
8	Pattern of Shareholding as on 31.03.2012	Data in statement form – Enclosed
9	Distribution of Shareholding as on 31.03.2012	Data in statement form – Enclosed
10	Share Performance/ Share Price Data – High/Low	Data in statement form - Enclosed
11	Dematerialisation of Shares  Details of public funding obtained in the last three years  Outstanding GDRs / ADRs / Warrants or any convertible instruments  Registrar and Share Transfer Agent of the Company	Shares of the Company can be held and traded in electronic form. 3105700 Nos. of equity shares is held in dematerialized form with NSDL and CDSL as on 31 <sup>st</sup> March 2012.  No capital has been raised in the last three years.  Not issued  Integrated Enterprises (India) Limited, Kences Towers, II Floor No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 Telephone 044 – 28140801 – 803 / Fax : 044-28142479, 2814 3378 E-mail corperserv@integratedindia.in
12	Address for communication	III Floor, Auras Corporate Centre, No.98 A, Dr Radhakrishnan Salai, Mylapore, Chennai 600 004. Phone : 044- 28478605
13	Compliance Officer	Sri R Krishnan, Secretary III Floor, Auras Corporate Centre, No.98 A, Dr Radhakrishnan Salai, Mylapore, Chennai 600 004. Phone: 044-28478605
14	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: upasana_shares@yahoo.com for redressal of complaints.
15	Website	Website of the Company is www.upasanafinance.com

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2012 (Contd.)**

**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 31.03.2012**

Number of Shares	Shareholders		Shareholders	
	Nos.	%	Nos.	%
Up to 100	4,656	84.12	4,65,300	10.87
101 250	376	6.79	75,100	1.76
251 500	311	5.62	1,14,400	2.68
501 1000	130	2.35	99,800	2.33
1001 5000	46	0.83	86,200	2.01
5001 10000	6	0.11	44,600	1.04
10001 and above	10	0.18	33,92,600	79.31
<b>Total</b>	<b>5,535</b>	<b>100.00</b>	<b>42,78,000</b>	<b>100.00</b>

**Categories/Pattern of Shareholding as on 31.03.2012**

Category	Shares	%Holding
Promoters	30,00,200	70.13
Directors	400	0.01
Banks	3,07,200	7.18
Private Corporates	27,800	0.65
Non - Resident Indians	71,900	1.68
Resident Individuals	8,70,500	20.35
<b>Total</b>	<b>42,78,000</b>	<b>100.00</b>

**Share Price Data Bombay Stock Exchange Limited**

Month	Price - Rs.		Index - Sensex	
	High	Low	High	Low
Apr - 2011	53.70	53.70	19,811	18,976
May - 2011	No Trading		19,254	17,786
Jun - 2011	No Trading		18,873	17,314
Jul - 2011	No Trading		19,132	18,131
Aug - 2011	51.05	46.10	18,440	15,766
Sep - 2011	43.80	41.65	17,212	15,801
Oct - 2011	No Trading		17,908	15,745
Nov - 2011	39.60	39.60	17,702	15,479
Dec - 2011	No Trading		17,004	15,136
Jan - 2012	No Trading		17,259	15,358
Feb - 2012	No Trading		18,524	17,062
Mar - 2012	37.65	37.65	18,041	16,921

May 18, 2012

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 2012.

S Ramakrishnan  
Director



**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 31ST MARCH, 2012**

1. We have audited the attached Balance Sheet of M/s. Upasana Finance Limited, Chennai 600 004 as at 31st March, 2012, the Statement of Profit and Loss 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, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss 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 31st March 2012 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;
  - 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 31st March 2012;
    - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
    - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For SUNDARAM & SRINIVASAN**  
**Regn. No. 004207S**  
**CHARTERED ACCOUNTANTS**

**P. MENAKSHISUNDARAM**  
**PARTNER**  
**Membership No.217914**

**Chennai**  
**Date : 18<sup>th</sup> May 2012**

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

1. The Company has no fixed Assets.
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 not granted any secured or unsecured loan, to companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
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 under 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.

**ANNEXURE REFERRED TO IN PARA 3 OF OUR REPORT OF EVEN DATE (Contd.)**

6. The Company has not accepted any deposit from the public during the year.
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 31st March 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, following are the details of the disputed dues in respect of income-tax, wealth tax, sales tax, customs duty, excise duty, services tax and cess that was not paid to the concerned authorities.

<b>Nature of Demand</b>	<b>Amount (Rs. Lakhs)</b>	<b>Forum where the dispute is pending</b>
Income Tax Assessment Year 2009-2010	7.48	Commissioner of Income Tax (Appeals)

10. The Company's accumulated losses are less than fifty percent of the net worth of the Company at the end of financial year. 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 investments in mutual funds 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 the Company has not availed any long-term or 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  
Regn. No. 004207S  
CHARTERED ACCOUNTANTS**

**P. MENAKSHISUNDARAM  
PARTNER  
Membership No.217914**

**Chennai  
Date : 18<sup>th</sup> May 2012**

## BALANCE SHEET AS AT 31ST MARCH 2012

₹

Particulars	Note No.	As at 31.03.2012		As at 31.03.2011	
<b>I EQUITY AND LIABILITIES :</b>					
<b>1) Shareholders' Funds</b>					
a) Share Capital	1	4,27,80,000		4,27,80,000	
b) Reserves and Surplus	2	4,35,40,256	8,63,20,256	1,99,74,718	6,27,54,718
<b>2) Non - Current Liabilities</b>					
(a) Long Term Provisions	4	8,99,979	8,99,979	8,38,968	8,38,968
<b>3) Current Liabilities</b>					
(a) Other Current Liabilities	3	3,35,141		2,27,845	
(b) Short Term Provisions	4	17,015	3,52,156	15,730	2,43,575
<b>TOTAL</b>			<b>8,75,72,391</b>		<b>6,38,37,261</b>
<b>II ASSETS :</b>					
<b>1) Non - Current Assets</b>					
(a) Non-current investments	5	1,57,03,232		1,37,19,884	
(b) Long-term loans and advances	6	18,77,416		18,77,416	
(c) Other non-current assets	7	-	1,75,80,648	53,00,000	2,08,97,300
<b>2) Current Assets</b>					
(a) Current investments	5	3,93,64,309		2,19,17,365	
(b) Cash and cash equivalents	8	1,65,66,430		70,26,909	
(c) Short-term loans and advances	6	1,18,26,852		1,21,25,703	
(d) Other Current Assets	7	22,34,152	6,99,91,743	18,69,984	4,29,39,961
<b>TOTAL</b>			<b>8,75,72,391</b>		<b>6,38,37,261</b>

R RAMAKRISHNAN  
Director

S E S MANI  
Director

S RAMAKRISHNAN  
Director

As per our report annexed  
for SUNDARAM & SRINIVASAN  
Regn. No. 004207S  
Chartered Accountants

Chennai  
18th May, 2012

R KRISHNAN  
Secretary

P MENAKSHISUNDARAM  
Partner  
Membership No. 217914

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

₹

Sl.No.	Particulars	Note No.	Year Ended 31.03.2012	Year Ended 31.03.2011
I	<b>Revenue From Operations</b>	9	<b>3,76,54,035</b>	99,68,404
II	<b>Other Income</b>	10	<b>18,85,816</b>	13,27,005
III	<b>Total Revenue</b>		<b>3,95,39,851</b>	1,12,95,409
IV	<b>Expenses</b>			
	Employee benefit expense	11	<b>42,39,973</b>	39,08,643
	Depreciation and amortization expenses		-	530
	Finance Costs	12	-	1,07,257
	Other Expenses	13	<b>13,14,162</b>	16,71,590
	Total Expenses		<b>55,54,135</b>	56,88,020
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>3,39,85,716</b>	56,07,389
VI	<b>Exceptional items</b>		-	-
VII	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>3,39,85,716</b>	56,07,389
VIII	<b>Extraordinary Items</b>		-	-
IX	<b>Profit before tax (VII- VIII)</b>		<b>3,39,85,716</b>	56,07,389
X	<b>Tax expense :</b>			
	(1) Current tax		<b>1,04,19,199</b>	13,44,740
	(2) Deferred tax		-	-
	(3) Earlier years		<b>979</b>	(32,54,700)
XI	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>2,35,65,538</b>	75,17,349
XII	<b>Profit/(loss) from discontinuing operations</b>		-	-
XIII	<b>Tax expense of discontinuing operations</b>		-	-
XIV	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-
XV	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>2,35,65,538</b>	75,17,349
XVI	<b>Earnings per equity share :</b>			
	(1) Basic		<b>5.51</b>	1.76
	(2) Diluted		<b>5.51</b>	1.76
	No of Equity Shares of Rs.10 each		<b>42,78,000</b>	42,78,000

R RAMAKRISHNAN  
Director

S E S MANI  
Director

S RAMAKRISHNAN  
Director

As per our report annexed  
for SUNDARAM & SRINIVASAN  
Regn. No. 004207S  
Chartered Accountants

Chennai  
18th May, 2012

R KRISHNAN  
Secretary

P MENAKSHISUNDARAM  
Partner  
Membership No. 217914

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012**

₹

Particulars	Year Ended 31.03.2012		Year Ended 31.03.2011	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit / (Loss) before Tax		<b>3,39,85,716</b>		56,07,389
<b>Adjustments For :</b>				
Depreciation	-		530	
Tax relating to earlier years	<b>(979)</b>		32,54,700	
Profit on sale of Mutual Funds	<b>(6,62,618)</b>		(4,27,034)	
Profit on sale of Asset	-		(482)	
		<b>(6,63,597)</b>		28,27,714
<b>Operating Profit before Extra ordinary items &amp; Working Capital changes :</b>		<b>3,33,22,119</b>		84,35,103
<b>Adjustments For Changes in Working Capital :</b>				
Loans and Advances and other current assets	<b>(2,59,416)</b>		(7,12,216)	
Other Current Liabilities and provisions	<b>1,69,592</b>		(3,73,067)	
		<b>(89,824)</b>		(10,85,283)
Cash Generated From Operations		<b>3,32,32,295</b>		73,49,820
Less: Direct Taxes Paid (Net)		<b>1,02,25,100</b>		11,39,000
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(a)</b>	<b>2,30,07,195</b>		62,10,820
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Sale of Investments		<b>77,02,490</b>		1,03,76,356
Purchase of Investments		<b>(2,71,32,782)</b>		(1,94,22,374)
Profit on sale of mutual funds		<b>6,62,618</b>		4,27,034
Sale value of Asset		-		2,000
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(b)</b>	<b>(1,87,67,674)</b>		(86,16,984)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(c)</b>	-		-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(a+b+c)</b>	<b>42,39,521</b>		(24,06,164)
<b>CASH AND CASH EQUIVALENTS - Opening Balance</b>		<b>1,23,26,909</b>		1,47,33,073
<b>CASH AND CASH EQUIVALENTS - Closing Balance</b>		<b>1,65,66,430</b>		1,23,26,909
<b>CASH AND CASH EQUIVALENTS include :</b>				
<b>With Scheduled Banks :</b>				
i) Cash on hand		<b>8,163</b>		5,471
ii) Current Accounts		<b>4,58,267</b>		25,21,438
iii) Deposit Accounts		<b>1,61,00,000</b>		98,00,000
		<b>1,65,66,430</b>		1,23,26,909

R RAMAKRISHNAN  
Director

S E S MANI  
Director

S RAMAKRISHNAN  
Director

As per our report annexed  
for SUNDARAM & SRINIVASAN  
Regn. No. 004207S  
Chartered Accountants

Chennai  
18th May, 2012

R KRISHNAN  
Secretary

P MENAKSHISUNDARAM  
Partner  
Membership No. 217914

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**
**1. SHARE CAPITAL**

₹

Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2011
<b>a</b>	<b>Authorised</b>		
	5,00,000 Cumulative Redemable Preference Shares of Rs.100 each	<b>5,00,00,000</b>	5,00,00,000
	50,00,000 Equity Shares of Rs.10 each	<b>5,00,00,000</b>	5,00,00,000
		<b>10,00,00,000</b>	10,00,00,000
<b>b</b>	<b>Issued</b>		
	42,78,000 Equity Shares of Re 10 each	<b>4,27,80,000</b>	4,27,80,000
<b>c</b>	<b>Subscribed and Paid-up</b>		
	42,78,000 Equity Shares of Re 10 each fully paid up	<b>4,27,80,000</b>	4,27,80,000

**d Reconciliation of number of shares**

Sl. No.	Equity Shares	As at 31.03.2012		As at 31.03.2011	
		No of Shares	Value in Rs.	No of Shares	Value in Rs.
1	Balance at the beginning of the year	<b>42,78,000</b>	4,27,80,000	42,78,000	4,27,80,000
2	Add: Shares issued during the year	-	-	-	-
3	Bonus Shares issued during the year	-	-	-	-
4	Balance as at the end of the year	<b>42,78,000</b>	4,27,80,000	42,78,000	4,27,80,000

**e Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Sl. No.	Name of the Share Holder	No of Shares	Shares as % of Total No of Shares	No of Shares	Shares as % of Total No of Shares
1	Suresh Krishna	<b>6,87,650</b>	<b>16.08</b>	6,87,650	16.08
2	Usha Krishna	<b>9,37,650</b>	<b>21.92</b>	9,37,650	21.92
3	Preethi Krishna	<b>4,58,300</b>	<b>10.71</b>	4,58,300	10.71
4	Arathi Krishna	<b>4,58,300</b>	<b>10.71</b>	4,58,300	10.71
5	Arundathi Krishna	<b>4,58,300</b>	<b>10.71</b>	4,58,300	10.71
6	Oriental Bank of Commerce	<b>3,07,200</b>	<b>7.18</b>	3,07,200	7.18
	Sub Total	<b>33,07,400</b>	<b>77.31</b>	33,07,400	77.31
7	Total No of shares of the Company	<b>42,78,000</b>	<b>100.00</b>	42,78,000	100.00

**f Shares allotted as fully paid up by way of Bonus shares during 5 years immediately preceding March 31, 2012 Equity shares allotted as fully paid up bonus shares by capitalization of reserve : NIL**

**g Terms/rights attached to shares :**

The Company has two class of shares viz., Redeemable Preference shares having a face value of Rs. 100/- each and Equity shares having a face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share. As and when, the company declares dividend it will be paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The terms and conditions of redeemable preference shares will be determined at the time of issue of such shares.

**h Shares held by holding company and subsidiary of holding company**

Sl.No	Particulars	As at 31-03-2012	As at 31-03-2011
1.	—	—	—

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)****2. RESERVES & SURPLUS**

₹

Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2011
<b>a. Share Premium</b>			
1	Balance as at the beginning of the year	<b>2,98,00,948</b>	2,98,00,948
2	Add: Transfer from Statement of Profit and Loss	-	-
	Sub Total	<b>2,98,00,948</b>	2,98,00,948
3	Less: Amount utilized	-	-
4	Balance as at the end of the year	<b>2,98,00,948</b>	2,98,00,948
<b>b. Capital Reserve</b>			
1	Balance as at the beginning of the year	<b>3,95,998</b>	3,95,998
2	Add: Transfer from Statement of Profit and Loss	-	-
	Sub Total	<b>3,95,998</b>	3,95,998
3	Less: Amount utilized	-	-
4	Balance as at the end of the year	<b>3,95,998</b>	3,95,998
<b>c. Special Reserve</b>			
1	Balance as at the beginning of the year	<b>3,14,99,034</b>	3,06,46,504
2	Add: Transfer from Surplus in Profit	<b>47,13,108</b>	8,52,530
	Sub Total	<b>3,62,12,142</b>	3,14,99,034
3	Less: Amount utilized	-	-
4	Balance as at the end of the year	<b>3,62,12,142</b>	3,14,99,034
<b>d. Capital Redemption Reserve</b>			
1	Balance as at the beginning of the year	<b>1,00,00,000</b>	1,00,00,000
2	Add: Transfer from Statement of Profit and Loss	-	-
	Sub Total	<b>1,00,00,000</b>	1,00,00,000
3	Less: Amount utilized	-	-
4	Balance as at the end of the year	<b>1,00,00,000</b>	1,00,00,000
<b>e. Surplus in Statement of Profit and Loss</b>			
1	Balance as at the beginning of the year	<b>(5,17,21,262)</b>	(5,83,86,081)
2	Profit/(Loss) for the Year	<b>2,35,65,538</b>	75,17,349
3	Balance available for appropriation (1+2)	<b>(2,81,55,724)</b>	(5,08,68,732)
<b>Appropriations :</b>			
4	Transfer to Special Reserve	<b>47,13,108</b>	8,52,530
5	Amount appropriated during the year	<b>47,13,108</b>	8,52,530
6	Balance as the end of the year (3-9)	<b>(3,28,68,832)</b>	(5,17,21,262)
<b>Reserves and Surplus (a+b+c+d+e)</b>		<b>4,35,40,256</b>	1,99,74,718

**3. Other liabilities**

Sl. No.	Particulars	Long Term / Non-current		Short Term / Current	
		As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
1	Statutory Dues	-	-	77,862	26,036
2	Outstanding Liabilities	-	-	2,57,278	2,01,808
3	Non Statutory dues	-	-	1	1
<b>Total</b>		<b>-</b>	<b>-</b>	<b>3,35,141</b>	<b>2,27,845</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)**
**4. Provisions**

₹

Sl. No.	Particulars	Long Term / Non-current		Short Term / Current	
		As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
1	Provision for Leave Salary	1,09,913	97,919	1,111	989
2	Provision for Gratuity	7,90,066	7,41,049	15,904	14,741
		<b>8,99,979</b>	8,38,968	<b>17,015</b>	15,730

**5. Investments**

Sl. No.	Particulars	Long Term / Non-current		Short Term / Current	
		As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
1	<b>Non-Trade (Valued at Cost unless otherwise stated) Investments in Mutual Funds-Unquoted</b>				
a	14,99,817.085 (Last year 14,16,829.203) units of Rs.10 each in Sundaram Ultra Short Term Fund	—	—	<b>1,50,44,425</b>	1,42,14,875
b	Nil (Last year 1,56,059.802) units of Rs.10/- each Reliance Regular Savings Plan	—	—	—	20,00,000
c	Nil (Last year 1,50,033.416) units of Rs. 10.0045 each in Birla Sun Life FMP	—	—	—	15,02,490
d	8,65,885.700 (Last year 8,65,885.700) units of Rs.10 each in Reliance FMP Series VII	—	86,58,857	<b>86,58,857</b>	—
e	Nil (Last year 3,20,000) units of Rs. 10.00 each in Sundaram FTP AY Series	—	—	—	32,00,000
f	Nil (Last year 1,00,000) units of Rs. 10.00 each in L&T FMP	—	—	—	10,00,000
g	5,06,102.697 (Last year 5,06,102.697) units of Rs.10/- each Reliance FMP Series XIX	—	50,61,027	<b>50,61,027</b>	—
h	2,00,000 (Last year Nil) units of Rs.10/- each in Sundaram FTP Series AT 18 Month	—	—	<b>20,00,000</b>	—
i	2,00,000 (Last year Nil) units of Rs.10/- each in DWS Fixed Term Fund Series 87	—	—	<b>20,00,000</b>	—
j	2,00,000 (Last year Nil) units of Rs.10/- each in Sundaram FTP Series BB 366 Days	—	—	<b>20,00,000</b>	—
k	2,10,000 (Last year Nil) units of Rs.10/- each in Tata Mutual Fund	—	—	<b>21,00,000</b>	—
l	4,00,000 (Last year Nil) units of Rs.10/- each in Sundaram FTP Series BQ	<b>40,00,000</b>	—	—	—
m	2,50,000 (Last year Nil) units of Rs.10/- each in Religare FMP Series X Plan A	—	—	<b>25,00,000</b>	—
n	2,00,000 (Last year Nil) units of Rs.10/- each in DWS Fixed Term Fund Series 93	<b>20,00,000</b>	—	—	—
o	1,70,000 (Last year Nil) units of Rs.10/- each in Religare FMP	<b>17,00,000</b>	—	—	—
p	2,00,000 (Last year Nil) units of Rs.10/- each in Religare FMP XII	<b>20,00,000</b>	—	—	—
q	2,50,000 (Last year Nil) units of Rs.10/- each in Sundaram FTP Series CK 18 months	<b>25,00,000</b>	—	—	—
r	3,50,323 (Last year Nil) units of Rs.10/- each in Sundaram FTP Series CP 370 days	<b>35,03,232</b>	—	—	—
	<b>Total</b>	<b>1,57,03,232</b>	1,37,19,884	<b>3,93,64,309</b>	2,19,17,365



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)**

₹

Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2011
a	Aggregate Value of Quoted Investments	—	—
b	Aggregate Value of Unquoted Investments	5,50,67,541	3,56,37,249
	<b>Total (a+b)</b>	5,50,67,541	3,56,37,249
c	Aggregate provision for diminution in value of investments	—	—
d	Net Asset Value of Mutual Fund Units	5,75,69,718	3,59,52,510

**6. Loans and advances (Unsecured, Considered good unless stated otherwise)**

Sl. No.	Particulars	Non-current		Current	
		As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
a	<b>Loans and Advances to Related Parties (refer note on related party)</b>	—	—	1,15,00,000	1,15,00,000
	<b>(A)</b>	—	—	1,15,00,000	1,15,00,000
b	<b>Other loans and advances</b>				
	Advance Income-tax (net of provision for taxation)	—	—	3,26,852	6,25,703
	Balance with statutory / government authorities	18,77,416	18,77,416	—	—
	Advances recoverable in Cash or in kind	—	—	—	—
	<b>(B)</b>	18,77,416	18,77,416	3,26,852	6,25,703
	<b>Total (A+B)</b>	18,77,416	18,77,416	1,18,26,852	1,21,25,703

**7. Other Assets (Unsecured, considered good unless stated otherwise)**

a	Non-Current Bank Balance (refer note 8)	—	53,00,000	—	—
	<b>(A)</b>		53,00,000		—
b	Unamortized expenditure	—	—	—	—
	Interest accrued on Deposits	—	—	—	18,69,984
	<b>(B)</b>	—	—	22,34,152	18,69,984
	<b>Total (A+B)</b>	—	53,00,000	22,34,152	18,69,984

**8. Cash and Cash Equivalents**

a	<b>Balances with Bank</b>				
	i) Current Account	—	—	4,58,267	25,21,438
	ii) Deposit Accounts-maturity less than 3 months	—	—	—	—
	iii) Dividend Warrant Accounts	—	—	—	—
	Cheque drafts on hand	—	—	—	—
	Cash on hand	—	—	8,163	5,471
	<b>Sub-total</b>	—	—	4,66,430	25,26,909
b	<b>Other Bank Balances</b>				
	Deposits with original maturity for more than 12 months	—	53,00,000	53,00,000	45,00,000
	Deposits with original maturity for more than 3 months but less than 12 months	—	—	1,08,00,000	—
	Margin Money Deposit	—	—	—	—
	Less: shown under Other Assets (Note 7)	—	53,00,000	—	—
	<b>Sub-total</b>	—	—	1,61,00,000	45,00,000
	<b>Total</b>	—	—	1,65,66,430	70,26,909

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

₹

Note No.	Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>9</b>	<b>Revenue from Operations</b>		
a)	i) Interest Income	27,65,176	26,68,542
	ii) Bad Debts recovered	3,13,45,000	40,74,000
	<b>Sub Total</b>	<b>3,41,10,176</b>	67,42,542
<b>b)</b>	<b>Other financial services</b>		
	Service Charges	35,43,859	32,25,862
	<b>Sub Total</b>	<b>35,43,859</b>	32,25,862
	<b>Total</b>	<b>3,76,54,035</b>	99,68,404
<b>10</b>	<b>Other Income</b>		
	Dividend Income	12,22,912	8,99,234
	Net gain/(loss) on sale of investments	6,62,618	4,27,034
	Profit on sale of Assets	—	482
	Brokerage	286	255
	<b>Sub Total</b>	<b>18,85,816</b>	13,27,005
<b>11</b>	<b>Employee Benefit Expenses</b>		
	Salaries, Wages, Bonus and Allowances	36,88,524	29,88,651
	Employees Provident and Other Funds	4,86,097	8,52,698
	Staff & Labour welfare expenses	65,352	67,294
	<b>Sub Total</b>	<b>42,39,973</b>	39,08,643
<b>12</b>	<b>Finance Cost</b>		
a)	Interest expense	—	1,07,257
	<b>Sub Total</b>	<b>—</b>	1,07,257
<b>13</b>	<b>Other Expenses</b>		
a)	Rent	2,54,200	2,54,938
b)	Rates & Taxes	37,077	5,200
c)	Advertisement	75,118	81,520
d)	Insurance	57,732	18,277
e)	Repairs & Maintenance - others	—	—
f)	Misc Expenses (refer note no.14)	8,90,035	13,11,655
	<b>Sub Total</b>	<b>13,14,162</b>	16,71,590
<b>14</b>	<b>Misc Expenses</b>		
a)	Remuneration to Auditors	50,000	54,925
b)	Travelling and Conveyance	1,98,472	2,48,294
c)	Printing and Stationery	37,672	35,605
d)	Bank Charges	942	3,925
e)	Postage and Telephone	69,800	81,157
f)	Legal Expenses	2,87,400	3,60,275
g)	Demat Expenses	1,04,639	1,05,514
h)	BSE Lising Revocation Exepnses	—	3,20,000
i)	Misc Exp-Others	1,41,110	1,01,960
	<b>Sub Total</b>	<b>8,90,035</b>	13,11,655

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)**

₹

Note No.	Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>15</b>	<b>Remuneration to Auditors consist of :</b>		
a)	Auditor	10,000	10,000
b)	For Taxation Matters	35,000	42,425
c)	For Reimbursement of expenses	5,000	2,500
	<b>Sub Total</b>	<b>50,000</b>	<b>54,925</b>
<b>16</b>	<b>Information furnished in terms of Paragraph 9BB of Non-Banking Financial Companies Oprudnetial Norms (Reserve bank) Directors, 1998</b>		
	Break-up of Loans availed		
	Loand and Advances availed	—	—
	Unclaimed other Public Depsoits	—	—
	Break-up of Loans and advances made		
	Unsecured	1,15,00,000	1,15,00,000
	Break-up of Investments		
	Current Investments- other than related parties - Mutual Fund units	3,93,64,309	2,19,17,365
	Long Term other than related parties - Mutual Fund Units	1,57,03,232	1,37,19,884
	Gross Non-performing Assets	—	—
	Net Non-performing Assets	—	—
<b>17</b>	<b>Details as required by AS 15</b>		
	<b>PROVIDENT FUND</b>		
	Contribution to Provident Fund is made to the Provident Fund Organisation. Employer's Contribution to Provident Fund recognised as Expense	1,71,998	1,56,363
	<b>SUPERANNUATION</b>		
	Contribution to the Superannuation Fund is made to the scheme maintained by Life Insurance Corporation of India.		
	Employer's Contribution to Superannuation Fund recognised as Expense	2,26,806	2,07,816
	<b>GRATUITY</b>		
	Provsion for gratuity is made on the basis of actuarial valuation made at the end of financial year.		
	The following tables summarise the components of the net benefit expenses recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for Gratuity		
	<b>Profit and Loss Account</b>		
	<b>Net employee benefit expense (recognised in Employee Cost)</b>		
	Current Service cost	46,068	—
	Interest cost on benefit obligation	60,463	—
	Expected return on plan assets	—	—
	Benefits paid	—	—
	Net actuarial (gain)/Loss recognised in the year	(56,351)	—
	Past service cost	—	—
	Liability not accounted as on 31.03.11	—	—
	<b>Net benefit expense</b>	<b>50,180</b>	3,90,660
	<b>Actual return on plan assets</b>	<b>—</b>	<b>—</b>
	<b>Balance Sheet</b>		
	<b>Details of Provision for Gratuity</b>		
	Present value of Defined benefit obligation	8,05,970	—
	Fair value of plan assets	—	—
	Difference	8,05,970	—
	Unrecognised past service cost	—	—
	Plan Liability (recognised in Balance Sheet)	8,05,970	7,55,790
	<b>Changes in present value of the defined benefit obligation are as follows :</b>		
	Present value of Defined benefit obligation as at April 1,2011	7,55,790	—
	Interest Cost	60,463	—
	Current Service Cost	46,068	—
	Past Service Cost	—	—
	Benefits paid	—	—
	Acturial loss/(gain) on obligation	(56,351)	—
	Defined benefit obligation as at March 31,2012	8,05,970	7,55,790

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)**

₹

Note No.	Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
	<b>Changes in the fair value of plan assets are as follows:</b>		
	Fair value of plan assets as at April 1, 2012	—	—
	Expected return	—	—
	Contribution by employer	—	—
	Benefits paid	—	—
	Actuarial gain	—	—
	Fair value of plan assets as at March 31, 2012	—	—
	The gratuity scheme is unfunded and the actuarial liability is shown in the Balance Sheet		
	<b>Leave Salary - Compensated Absences</b>		
	The Company also extends defined benefit plans in the form of Compensated absences to employees.		
	The employee Benefits towards Compensated absences are provided based on actuarial valuation made at the end of the year.		
	Employee benefits towards Compensated absences recognised in the Profit and Loss Account as follows:		
	a) Current service cost		
	b) Interest Cost	17,764	—
	c) Actuarial loss/(gain) on obligation	4,568	—
	d) Total	73,403	—
	<b>Actuarial Assumptions :</b>	95,735	89,595
	The Principal assumptions used in determining gratuity benefit obligation and determining company's liability towards employee benefits under compensated absences are furnished below:		
	Discount rate	8%	8%
	The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion, attrition and relevant factors, such as supply and demand in the employment market.		
	<b>Related Party Transactions</b>		
18	i) Where Control exists		
	ii) Other related parties with whom transactions have been entered into during the year	—	—
	a) Individuals owning directly/indirectly an Interest in Voting Power		
	i) Suresh Krishna ii) Usha Krishna iii) Preethi Krishna iv) Arathi Krishna v) Arundathi Krishna		
	<b>Enterprises over which above person (s) exercise significant influence</b>	—	—
	i) Sundram Fasteners Limited, Chennai		
	a) Services rendered		
	ii) Upasana Engineering Limited, Chennai	35,43,859	32,25,862
	a) ICD Outstanding		
	b) Interest Received/receivable	1,15,00,000	1,15,00,000
	iii) TVS Infotech Limited, Chennai	11,50,000	11,50,000
	a) Services availed		
19	Significant Accounting Policies / compliance of Accounting Standards issued by the Institute of Chartered Accountants of India.	32,675	—
20	During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for the preparation and presentation of its financial statements. Accordingly, the Company has reclassified/ regrouped/ amended the previous year figures in accordance with the requirements applicable in the current year.	<b>Annexure</b>	

R RAMAKRISHNAN  
Director

S E S MANI  
Director

S RAMAKRISHNAN  
Director

Chennai  
18th May, 2012

R KRISHNAN  
Secretary

As per our report annexed  
for SUNDARAM & SRINIVASAN  
Regn. No. 004207S  
Chartered Accountants

P MENAKSHISUNDARAM  
Partner  
Membership No. 217914

**ANNEXURE TO NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

**Notes on Accounting Policies / Compliance of Accounting Standards prescribed by the Institute of Chartered Accountants of India**

**AS 1 Disclosure of accounting policies**

The Company is following accrual basis of accounting for both income and expenses.

**AS 2 Valuation of Inventories**

The Company has no Inventory. Hence this standard is not applicable.

**AS 3 Cash flow statements**

The Cash Flow Statement is attached

**AS 4 Events occurring after balance sheet date**

There are no events occurring after the Balance Sheet Date that require adjustment or disclosure.

**AS 5 Net Profit or loss for the period, prior period items and changes in accounting policies**

There are no prior period items. There are no changes in the accounting policies of the Company from the previous year.

**AS 6 Depreciation Accounting**

The Company has no fixed assets.

**AS 7 Accounting for Construction Contracts**

The above standard is not applicable to the Company, as it is not engaged in the business of construction.

**AS 8 Accounting for Research and Development**

This standard has been withdrawn with effect from 1-4-2003.

**AS 9 Revenue Recognition**

Interest income is recognized using the time proportion method based on the rates implicit in the transaction.

**AS10 Accounting for Fixed Assets**

The Company has no fixed assets.

**AS11 Accounting for effects in foreign exchange rates**

The Company has no foreign exchange transactions.

**AS12 Accounting for Government Grants**

The Company has not received any grant from the Government

**AS13 Accounting of Investments**

Investments are accounted at the cost of acquisition which includes stamp fee etc.

**AS14 Accounting for Amalgamation**

No Amalgamation was made during the year.

**AS15 Accounting for Retirement Benefits**

Please refer to Note No.17 of Notes to Financial statements

**AS16 Borrowing Cost**

There is no borrowing cost attributable to qualifying assets.

**AS17 Segment Reporting**

The Company is engaged in the business of financing and accordingly there are no separate reportable segments.

**AS18 Related party disclosures**

Please refer to Note No 18 of Notes to Financial Statements.

**AS19 Leases**

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>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
		₹
Up to one year	<b>96,105</b>	2,40,300
One to Five years	<b>NIL</b>	96,105
Total	<b>96,105</b>	3,56,405

**ANNEXURE TO NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012 (Contd.)****Notes on Accounting Policies / Compliance of Accounting Standards prescribed by the Institute of Chartered Accountants of India (Contd.)**

	As at 31.03.2012	As at 31.03.2011
		₹
b) Lease payments recognized in Profit and Loss A/c	<b>2,40,300</b>	2,40,300
c) Significant Leasing arrangements:		
<b>i. Basis of determining contingent rent:</b>		
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.		
<b>ii. Renewal/purchase options and escalation clauses:</b>		
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.		
<b>iii. There are no restrictions imposed by the lease agreements, concerning dividends, additional debt and further leasing</b>		
<b>AS20 Earnings per share (EPS)</b>		
Please refer to Profit and Loss account. There is no diluted earnings per share as there are no dilutive potential equity shares.		
<b>AS21 Consolidated financial statements</b>		
This Standard is not applicable to the Company.		
<b>AS22 Accounting for taxes on Income</b>		
Provision for Income Tax is made as per the provisions of Income Tax Act, 1961. The Company has Deferred Tax Asset. However as a measure of Prudence no Deferred Tax asset has been recognised during the year		
<b>AS23 Accounting for Investments in associates</b>		
This Standard is not applicable to the Company as the Company has no Associate.		
<b>AS24 Discontinuing Operations</b>		
The company has not discontinued any operations during the year.		
<b>AS25 Interim financial Reporting</b>		
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.		
<b>AS26 Intangible Assets</b>		
The Company has no intangible assets.		
<b>AS27 Financial Reporting of Interests in Joint Ventures</b>		
The Company has no Joint Ventures.		
<b>AS28 Impairment of Assets</b>		
The Company has no impaired assets.		
<b>AS29 Provision, Contingent Liabilities and Contingent Assets</b>		
Liabilities Disputed and Not provided for		
		₹
	<b>As at 31.03.2012</b>	As at 31.03.2011
l) Income Tax	<b>7,54,891</b>	6,811
ii) Employees State Insurance	<b>73,226</b>	73,226



# 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 ENTRANCE OF THE MEETING HALL

Name of the attending Member/

Proxy\* .....

Folio No / DP Id & Client Id.....No.of  
shares.....

Venue : Narada Gana Sabha Trust (Mini Hall),  
New No.314, (Old No.254), T.T.K. Road,  
Alwarpet, Chennai - 600 018

Date : Monday 17th September 2012

Time : 10.00 am

*Signature of Member/Proxy\**

### REQUEST TO MEMBERS

1. Member 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-members and/or children
3. Members are requested to bring 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 intending to appoint proxies are requested to complete the proxy form sent herewith and deposit the same with either at the Registered Office of the Company or with the RTA at least 48 hours before the time fixed for holding the meeting.
6. 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 us to enable us to mail only one copy. This will help us avoid wastage.
7. Members are advised to bring photo identity proof for easy identification.

\* strike out whichever is not applicable

Members / Proxy holders are requested to bring copies of annual report and the attendance slip to the Annual General Meeting. No attendance slip will be issued at AGM venue.

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



# UPASANA FINANCE LIMITED

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

## PROXY FORM

Folio No. / DP Id & Client Id\* .....

I We.....being a member / members  
of UPASANA FINANCE LIMITED hereby appoint.....  
of .....in the district of .....of failing him.....  
of .....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 17.09.2012 and at any adjournment  
thereof Signed this .....day of .....2012

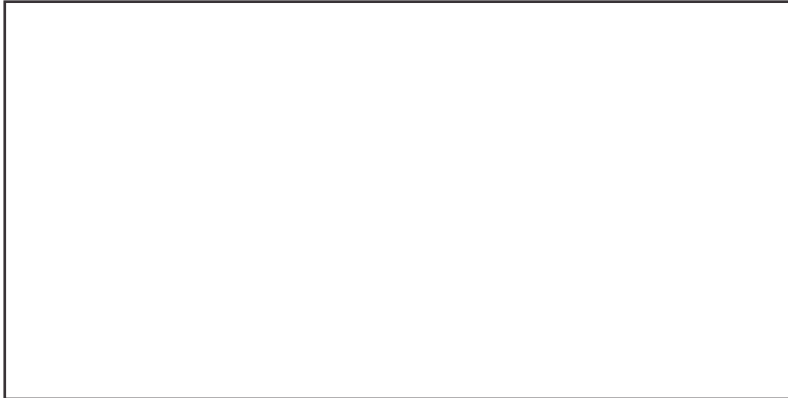
For Office Use	
Proxy No.	
Date of receipt	
No. Of shares	

Affix  
Re. 1  
Revenue  
Stamp

N.B: The instrument appointing proxy be deposited with the RTA at least 48 hours before the commencement of the meeting. The Proxy need not be a Member of the Company  
\*Please fill in the particulars as given in the address slip.

# BOOK POST

To



**If undelivered please return to :**  
**Integrated Enterprises (India) Limited**  
**Kences Towers, II Floor No. 1 Ramakrishna Street,**  
**North Usman Road, T Nagar, Chennai 600 017**  
**Unit : Upasana Finance Limited**