

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



BOARD OF DIRECTORS

SRI. R RAMAKRISHNAN

SRI. S E S MANI

SRI. S RAMAKRISHNAN

SECRETARY

SRI. R KRISHNAN

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

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

Green Initiative in the Corporate Governance

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

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Shareholders of the Company will be held at the Narada Gana Sabha Trust (MINI HALL) New No. 314 (Old No. 254) T T K Road, Alwarpet, Chennai 600 018 on **Friday the 26th September 2014 at 10.00 a.m.** to transact the following business:

ORDINARY BUSINESS :

- 1) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED that the Audited Balance Sheet as at 31st March 2014, the statement of Profit and Loss and cash flow statement for the year ended 31st March 2014, together with the Report of the Directors' and the Auditors' Report, be and are hereby approved and adopted."
- 2) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution :
"RESOLVED that M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, Auditors of the Company, (Registration No.004207S with the Institute of Chartered Accountants of India), be and are hereby re-appointed as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting for a term of three consecutive years, till the conclusion of the Annual General Meeting of the Company for the financial year 2016-2017, subject to ratification at every annual general meeting, on such remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

SPECIAL BUSINESS :

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

Chennai
7th August 2014

By order of the Board
R Krishnan
Company Secretary

Notes:

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

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

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

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

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

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

Item No. 3

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

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

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

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

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

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

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

Item No. 4

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

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

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

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

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

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

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

Item No. 5

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

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

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

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

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

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

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

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

Sri R Ramakrishnan

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

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

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

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

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

Sri S Ramakrishnan

Sri S Ramakrishnan, aged 69 years is an Automobile Engineering Graduate from Madras Institute of Technology, Madras and a Post-Graduate Diploma from Indian Institute of Management, Ahmedabad (IIMA). He has 41 years experience in various capacities in the field of Engineering, Treasury and Finance.

Sri S Ramakrishnan is a Director in Lakshminarayana Ancillaries Limited, Chennai, UFL Properties Private Limited, Chennai, GAEA Technologies India Private Limited, Chennai and GAEA Technologies Consulting India Private Limited, Chennai. He is not a member of any committee in the above Companies.

As on date, he holds 200 equity shares jointly with his wife

Sri S E S Mani

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

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

DIRECTORS' REPORT TO THE SHARE HOLDERS

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

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

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

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

4. **MANAGEMENT DISCUSSION AND ANALYSIS**

Classification by RBI

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

Business Review

The Company continues to concentrate upon recovery of overdue receivables. Even while pursuing the legal route, the Company attempts negotiations with customers for early recovery of debts. During the year, the Company has collected an amount of Rs. 120.05 lakhs during the year.

Future Outlook

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

5. **DEPOSITS**

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

6. **DIRECTORS**

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

In terms of Section 149(1) read with Section 149(5) of the Companies Act 2013, the independent directors are eligible to hold office for a term upto five consecutive years on the board. During the period, they will not be liable to 'retire by rotation' as per the provisions of the Companies Act 2013.

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

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

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

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

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

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

SECRETARIAL AUDITOR

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

8. CORPORATE GOVERNANCE

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

9. INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT 1956

The Company is a Non-Banking Finance Company and is not engaged in manufacturing activity of any kind. The disclosure of information regarding conservation of energy is therefore not applicable to the company. There was no foreign exchange earning or outgo for the company during the year. The Company has nothing to report with regard to technology absorption.

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

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

11. PERSONNEL

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

12. GENERAL

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

CHENNAI
30th May 2014

R RAMAKRISHNAN
DIRECTOR

S RAMAKRISHNAN
DIRECTOR

SUNDARAM & SRINIVASAN
Chartered Accountants

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

CERTIFICATE

To the members of Upasana Finance Limited, Chennai 600 004.

We have examined the Compliance of the conditions of Corporate Governance by Upasana Finance Limited, Chennai ("The Company") for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

For SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
Regn. No. 004207S
P. MENAKSHISUNDARAM
PARTNER
Membership No.F217914

Chennai
Date : 30th May 2014

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

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

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

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

2. Board of Directors**a. Composition and Category of Directors**

The Board comprises of 3 Non-Executive Directors, all of them are independent.

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

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

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

The following table gives details pertaining to attendance of Directors at the board meetings and at the last annual general meeting and number of companies and committees where they are Director/Member:

Name of the Director	Attendance		No. of Directorships in Public Limited Companies (including this Company)	Committee memberships (including this Company)	
	Board	AGM		Chairman	Member
Sri R Ramakrishnan	4	Yes	2	3	1
Sri S Ramakrishnan	4	Yes	2	Nil	2
Sri S E S Mani	4	Yes	1	Nil	2

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

None of the Directors is a member of more than ten Board-level Committees or Chairman of more than five such Committees, as required under Clause 49 of the listing agreement, across all companies in which they are directors.

All information as required under Annexure 1A to Clause 49 is being made available to the Board.

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. 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.

d. Prevention of Insider Trading

The Company has framed a code of conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This Code is applicable to all Board members / officers / designated employees. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information

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 30th April 2013, 12th August 2013, 6th November 2013 and 10th February 2014.

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 2013. Sri R Krishnan, 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, Secretary of the Company is the Compliance Officer of the Company. During the year, 15 queries and 2 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 at 31st March 2014.

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
2012-2013	Narada Gana Sabha (Mini Hall), Chennai	15/09/2013	10.00 A.M.
2011-2012	Narada Gana Sabha (Mini Hall), Chennai	17/09/2012	10.00 A.M.
2010-2011	Narada Gana Sabha (Mini Hall), Chennai	25/09/2011	10.00 A.M.

All the resolutions set out in the respective notices were passed by the shareholders. No Postal Ballots were required to be used for voting at these meetings. No Special Resolution is proposed to be passed by Postal Ballot at the ensuing Annual General Meeting. The Companies Act, 2013 has mandated listed Companies to facilitate its shareholders to vote through electronic means. Consequent to this, the Company has entered in to agreement with NSDL for providing E-voting facility to its shareholders

Brief background, functional experience of the Director seeking appointment / 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 2013.

Name of the Director	Number of Equity Shares	% of Holding
R Ramakrishnan	-	-
S Ramakrishnan	200	0.0046
S E S Mani	1000	0.0281

Materially significant related party transactions during the year ended 31st March 2014.

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.

Instances of non compliance

There were no instances 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 Agreements with the Stock exchanges.

The Company has complied with all mandatory requirements. Adoption of non-mandatory requirements is provided under Item No. 10 of this report.

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

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2014 (Contd.)**9. General Shareholder Information**

1	Annual General Meeting, Date and Time and Venue	26th September 2014, 10.00 AM. Narada Gana Sabha Mini Hall, New No. 254 (Old No. 314) T T K Road, Alwarpet, Chennai 600 018
2	Financial Calendar 2014-2015 First Quarter Results Half-Yearly Results Third Quarter Results Annual Results for the year ending 31st March 2015	On or before 14.08.2014 On or before 14.11.2014 On or before 14.02.2015 On or before 30.05.2015
3	Book Closure date	22/09/2014 to 26/09/2014
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 2014-2015.
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 15 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 31.03.2014	Data in statement form – Enclosed
9	Distribution of Shareholding as on 31.03.2014	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. 3452971 Nos. of equity shares is held in dematerialized form with NSDL and CDSL as on 31st March 2014. 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 : corpseiv@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 E.mail : rkn1967@gmail.com
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	www.upasanafinance.com

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2014 (Contd.)**10. NON - MANDATORY REQUIREMENTS****1) The Board**

All the Independent Directors contribute effectively to the business carried on by the Company. In view of the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, it is proposed to appoint Independent Directors for a period of five consecutive years at this Annual general meeting.

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. The Company is in the process of formulating a whistle blower policy as required under the Companies Act, 2013 and Clause 49 (II) (F) of the Listing Agreement.

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 31.03.2014

Number of Shares	Shareholders		Shareholders	
	Nos.	%	Nos.	%
Up to	4764	84.23	4,55,992	10.66
101 250	382	6.75	76,056	1.78
251 500	312	5.52	1,15,105	2.69
501 1000	131	2.32	1,00,612	2.35
1001 5000	53	0.94	1,05,035	2.45
5001 10000	6	0.10	44,400	1.04
10001 and above	8	0.14	33,80,800	79.03
Total	5656	100.00	42,78,000	100.00

Categories/Pattern of Shareholding as on 31.03.2014

Category	Shares	% Holding
Promoters	30,00,200	70.13
Directors	1200	0.03
Banks	3,07,200	7.18
Private Corporates	28,769	0.67
Non - Resident Indians	64,200	1.50
Resident Individuals	8,76,431	20.49
Total	42,78,000	100.00

Share Price Data Bombay Stock Exchange Limited

Month	Price - Rs.		Index - Sensex	
	High	Low	High	Low
Apr - 2013	19.15	18.00	19,622.68	18,144.22
May - 2013	18.00	17.40	20,443.62	19,451.26
Jun - 2013	18.00	16.30	19,860.19	18,467.16
Jul - 2013	17.10	14.70	20,351.06	19,126.82
Aug - 2013	16.60	15.90	19,569.20	17,448.71
Sep - 2013	17.85	15.40	20,739.69	18,166.17
Oct - 2013	14.55	14.65	21,205.44	19,254.72
Nov - 2013	13.92	12.57	21,321.53	20,137.67
Dec - 2013	12.08	8.91	21,483.74	20,568.70
Jan - 2014	8.47	7.30	21,409.66	20,343.78
Feb - 2014	8.44	8.44	21,140.51	19,963.12
Mar - 2014	8.86	8.45	22,467.21	20,920.98

May 30, 2014

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 31st March 2014.

S Ramakrishnan

Director

Independent Auditors' Report to the Members of Upasana Finance Limited, Chennai for the year ended 31st March 2014

To the Members of Upasana Finance Limited, Chennai

Report on the Financial Statements

We have audited the accompanying financial statements of Upasana Finance Limited, Chennai ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and Notes to Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 2014;
- 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) 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;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**P. MENAKSHISUNDARAM
PARTNER
Membership No.F217914**

**Chennai
Date : 30th May 2014**

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

We report that :

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.
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 2014 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.

Nature of Demand	Amount (Rs. Lakhs)	Forum where the dispute is pending
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
CHARTERED ACCOUNTANTS
Regn. No. 004207S**

**P. MENAKSHISUNDARAM
PARTNER
Membership No.F217914**

**Chennai
Date : 30th May 2014**

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	As at 31.03.2014		As at 31.03.2013	
I EQUITY AND LIABILITIES :					
1) Shareholders' Funds					
a) Share Capital	1	4,27,80,000		4,27,80,000	
b) Reserves and Surplus	2	6,63,76,520	10,91,56,520	5,04,69,110	9,32,49,110
2) Non - Current Liabilities					
(a) Long Term Provisions	4	11,35,285	11,35,285	11,21,261	11,21,261
3) Current Liabilities					
(a) Other Current Liabilities	3	3,51,355		3,24,456	
(b) Short Term Provisions	4	21,964	3,73,319	19,363	3,43,819
TOTAL			11,06,65,124		9,47,14,190
II ASSETS :					
1) Non - Current Assets					
(a) Non-current investments	5			-	
(b) Long-term loans and advances	6	18,77,416		18,77,416	
(c) Other non-current assets	7	-	18,77,416	-	18,77,416
2) Current Assets					
(a) Current investments	5	6,24,71,347		5,28,83,429	
(b) Cash and cash equivalents	8	3,08,24,626		2,50,62,842	
(c) Short-term loans and advances	6	1,24,15,982		1,22,02,146	
(d) Other Current Assets	7	30,75,753	10,87,87,708	26,88,357	9,28,36,774
TOTAL			11,06,65,124		9,47,14,190

R RAMAKRISHNAN
Director

S E S MANI
Director

S RAMAKRISHNAN
Director

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

Chennai
30th May, 2014

R KRISHNAN
Secretary

P MENAKSHISUNDARAM
Partner
Membership No. F217914

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Sl.No.	Particulars	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
I	Revenue From Operations	9	2,63,92,496	1,37,89,486
II	Other Income	10	270	289
III	Total Revenue		2,63,92,766	1,37,89,775
IV	Expenses			
	Employee benefit expense	11	46,30,442	44,90,961
	Finance Costs	12	-	-
	Other Expenses	13	9,53,743	9,40,217
	Total Expenses		55,84,185	54,31,178
V	Profit before exceptional and extraordinary items and tax (III-IV)		2,08,08,581	83,58,597
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		2,08,08,581	83,58,597
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII- VIII)		2,08,08,581	83,58,597
X	Tax expense :			
	(1) Current tax		49,01,171	14,29,743
	(2) Deferred tax		-	-
	(3) Earlier years		-	-
XI	Profit (Loss) for the period from continuing operations (IX-X)		1,59,07,410	69,28,854
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		1,59,07,410	69,28,854
XVI	Earnings per equity share :			
	(1) Basic		3.72	1.62
	(2) Diluted		3.72	1.62
	No of Equity Shares of Rs.10 each		42,78,000	42,78,000

R RAMAKRISHNAN
Director

S E S MANI
Director

S RAMAKRISHNAN
Director

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

Chennai
30th May, 2014

R KRISHNAN
Secretary

P MENAKSHISUNDARAM
Partner
Membership No. F217914

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before Tax		2,08,08,581		83,58,597
Adjustments For :				
Tax relating to earlier years		-		
Profit on sale of Mutual Funds	(33,06,856)		(28,78,073)	
		(33,06,856)		(28,78,073)
Operating Profit before Extra ordinary items & Working Capital changes :		1,75,01,725		54,80,524
Adjustments For Changes in Working Capital :				
Loans and Advances and other current assets	(12,71,403)		(12,20,242)	
Other Current Liabilities and provisions	43,524		2,12,945	
		(12,27,879)		(10,07,297)
Cash Generated From Operations		1,62,73,846		44,73,227
Less: Direct Taxes Paid (Net)	42,31,000	42,31,000	10,39,000	10,39,000
NET CASH FROM OPERATING ACTIVITIES	(a)	1,20,42,846		34,34,227
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Sale of Investments		3,14,78,403		2,46,85,028
Purchase of Investments		(4,10,66,321)		(2,25,00,916)
Profit on sale of mutual funds		33,06,856		28,78,073
Sale value of Asset		-		-
NET CASH USED IN INVESTING ACTIVITIES	(b)	(62,81,062)		50,62,185
C. CASH FLOW FROM FINANCING ACTIVITIES :				
NET CASH USED IN FINANCING ACTIVITIES	(c)	-		-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(a+b+c)	57,61,784		84,96,412
CASH AND CASH EQUIVALENTS - Opening Balance		2,50,62,842		1,65,66,430
CASH AND CASH EQUIVALENTS - Closing Balance		3,08,24,626		2,50,62,842
CASH AND CASH EQUIVALENTS include :				
With Scheduled Banks :				
i) Cash on hand		9,846		12,311
ii) Current Accounts		2,64,695		3,50,531
iii) Deposit Accounts		3,05,50,085		2,47,00,000
		3,08,24,626		2,50,62,842

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

R RAMAKRISHNAN
Director

S E S MANI
Director

S RAMAKRISHNAN
Director

Chennai
30th May, 2014

R KRISHNAN
Secretary

P MENAKSHISUNDARAM
Partner
Membership No. F217914

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. SHARE CAPITAL

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
a	Authorised		
	5,00,000 Cumulative Redemable Preference Shares of Rs.100 each	5,00,00,000	5,00,00,000
	50,00,000 Equity Shares of Rs.10 each	5,00,00,000	5,00,00,000
		10,00,00,000	10,00,00,000
b	Issued		
	42,78,000 Equity Shares of Re 10 each	4,27,80,000	4,27,80,000
c	Subscribed and Paid-up		
	42,78,000 Equity Shares of Re 10 each fully paid up	4,27,80,000	4,27,80,000

d Reconciliation of number of shares

Sl. No.	Equity Shares	As at 31.03.2014		As at 31.03.2013	
		No of Shares	Value in Rs.	No of Shares	Value in Rs.
1	Balance at the beginning of the year	42,78,000	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	42,78,000	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, Chennai	6,87,650	16.08	6,87,650	16.08
2	Usha Krishna, Chennai	13,95,950	32.63	9,37,650	21.92
3	Preethi Krishna, Chennai	-	-	4,58,300	10.71
4	Arathi Krishna, Chennai	4,58,300	10.71	4,58,300	10.71
5	Arundathi Krishna, Chennai	4,58,300	10.71	4,58,300	10.71
6	Oriental Bank of Commerce, New Delhi	3,07,200	7.18	3,07,200	7.18
	Sub Total	33,07,400	77.31	33,07,400	77.31
7	Total No of shares of the Company	42,78,000	100.00	42,78,000	100.00

f Shares allotted as fully paid up by way of Bonus shares during 5 years immediately preceding March 31, 2014
Equity shares allotted as fully paid up bonus shares by capitalization of reserve : NIL

g Shares held by holding company and subsidiary of holding company

Sl.No	Particulars	As at 31-03-2014	As at 31-03-2013
1.	Nil	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

2. RESERVES & SURPLUS

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
	a. Share Premium		
1	Balance as at the beginning of the year	2,98,00,948	2,98,00,948
2	Add: Transfer from Statement of Profit and Loss	-	-
	Sub Total	2,98,00,948	2,98,00,948
3	Less: Amount utilized	-	-
4	Balance as at the end of the year	2,98,00,948	2,98,00,948
	b. Capital Reserve		
1	Balance as at the beginning of the year	3,95,998	3,95,998
2	Add: Transfer from Statement of Profit and Loss	-	-
	Sub Total	3,95,998	3,95,998
3	Less: Amount utilized	-	-
4	Balance as at the end of the year	3,95,998	3,95,998
	c. Special Reserve		
1	Balance as at the beginning of the year	3,75,97,913	3,62,12,142
2	Add: Transfer from Statement of Profit and Loss	31,81,482	13,85,771
	Sub Total	4,07,79,395	3,75,97,913
3	Less: Amount utilized	-	-
4	Balance as at the end of the year	4,07,79,395	3,75,97,913
	d. Capital Redemption Reserve		
1	Balance as at the beginning of the year	1,00,00,000	1,00,00,000
2	Add: Transfer from Statement of Profit and Loss	-	-
	Sub Total	1,00,00,000	1,00,00,000
3	Less: Amount utilized	-	-
4	Balance as at the end of the year	1,00,00,000	1,00,00,000
	e. Surplus in Statement of Profit and Loss		
1	Balance as at the beginning of the year	(2,73,25,749)	(3,28,68,832)
2	Profit/(Loss) for the Year	1,59,07,410	69,28,854
3	Balance available for appropriation (1+2)	(1,14,18,339)	(2,59,39,978)
	Appropriations :		
4	Transfer to Special Reserve	31,81,482	13,85,771
5	Amount appropriated during the year	31,81,482	13,85,771
6	Balance as the end of the year (3-5)	(1,45,99,821)	(2,73,25,749)
	Reserves and Surplus (a+b+c+d+e)	6,63,76,520	5,04,69,110

3. Other liabilities

Sl. No.	Particulars	Long Term / Non-current		Short Term / Current	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
1	Statutory Dues	—	—	69,480	82,893
2	Outstanding Liabilities	—	—	2,81,874	2,41,562
3	Non Statutory dues	—	—	1	1
	Total	—	—	3,51,355	3,24,456

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

4. Provisions

Sl. No.	Particulars	Long Term / Non-current		Short Term / Current	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
1	Provision for Leave Salary	1,07,641	1,18,085	1,363	1,193
2	Provision for Gratuity	10,27,644	10,03,176	20,601	18,170
	Total	11,35,285	11,21,261	21,964	19,363

5. Investments

Sl. No.	Particulars	Long Term / Non-current		Short Term / Current	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
1	Non-Trade (Valued at Cost unless otherwise stated) Investments in Mutual Funds-Unquoted				
a	12,95,554.723 (Last year 14,62,437.258) units of Rs.10 each in Sundaram Ultra Short Term Fund	—	—	1,30,04,281	1,46,79,281
b	NIL (Last year 9,70,017.055) units of Rs.10 each in Reliance FMP Series	—	—	—	97,00,171
c	NIL (Last year 2,00,000) units of Rs.10/- each in IDBI FMP Series II (May 2012) I	—	—	—	20,00,000
d	NIL (Last year 4,00,000) units of Rs.10/- each in Sundaram FTP Series BQ	—	—	—	40,00,000
e	30,99,178.114 (Last year Nil) units of Rs.10/- each in Sundaram Mutual Ultra Direct Fund	—	—	3,11,27,835	—
f	NIL (Last year 2,00,000) units of Rs.10/- each in DWS Fixed Term Fund Series 93	—	—	—	20,00,000
g	NIL (Last year 1,70,000) units of Rs.10/- each in Religare FMP Series - IX Plan F	—	—	—	17,00,000
h	NIL (Last year 2,00,000) units of Rs.10/- each in Religare FMP XII	—	—	—	20,00,000
l	NIL (Last year 2,50,000) units of Rs.10/- each in Sundaram FTP Series CK 18 months	—	—	—	25,00,000
j	NIL (Last year 3,50,323) units of Rs.10/- each in Sundaram FTP Series CP 370 days	—	—	—	35,03,232
k	62,551.24 (Last year 62,551.24) units of Rs.10/- each in Kotak Bond Fund	—	—	20,00,000	20,00,000
l	46,022.152 (Last year 46,022.152) units of Rs.10/- each in Sundaram Bond Fund	—	—	35,00,000	35,00,000
m	12,79,190.128 (Last year 2,89,005.225) units of Rs.10/- each in Sundaram Ultra Short Term Fund Regular Daily Dividend	—	—	1,28,39,231	29,00,745
n	NIL (Last year 2,40,000) units of Rs.10/- each in DSP Black Rock Mutual Fund	—	—	—	24,00,000
	Total	—	—	6,24,71,347	5,28,83,429

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
a	Aggregate Value of Quoted Investments	—	—
b	Aggregate Value of Unquoted Investments	6,24,71,347	5,28,83,429
	Total (a+b)	6,24,71,347	5,28,83,429
c	Aggregate provision for diminution in value of investments	—	—
d	Net Asset Value of Mutual Fund Units	6,29,01,181	5,75,69,718

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

Sl. No.	Particulars	Non-current		Current	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
a	Loans and Advances to Related Parties (refer note on related party)	—	—	1,15,00,000	1,15,00,000
	(A)	—	—	1,15,00,000	1,15,00,000
b	Other loans and advances				
	Advance Income-tax (net of provision for taxation)	—	—	9,15,982	7,02,146
	Balance with statutory / government authorities	18,77,416	18,77,416	—	—
	Advances recoverable in Cash or in kind	—	—	—	—
	(B)	18,77,416	18,77,416	9,15,982	7,02,146
	Total (A+B)	18,77,416	18,77,416	1,24,15,982	1,22,02,146

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

a	Non-Current Bank Balance (refer note 8)	—	—	—	—
	(A)	—	—	—	—
b	Unamortized expenditure	—	—	—	—
c	Interest accrued on Deposits	—	—	30,75,753	26,88,357
	(B)	—	—	30,75,753	26,88,357
	Total (A+B)	—	—	30,75,753	26,88,357

8. Cash and Cash Equivalents

a	Balances with Bank				
	i) Current Account	—	—	2,64,695	3,50,531
	ii) Deposit Accounts-maturity less than 3 months	—	—	—	—
	iii) Dividend Warrant Accounts	—	—	—	—
	Cheque drafts on hand	—	—	—	—
	Cash on hand	—	—	9,846	12,311
	Sub-total	—	—	2,74,541	3,62,842
b	Other Bank Balances				
	Deposits with original maturity for more than 12 months	—	—	—	—
	Deposits with original maturity for more than 3 months but less than 12 months	—	—	3,05,50,085	2,47,00,000
	Margin Money Deposit	—	—	—	—
	Less: shown under Other Assets (Note 7)	—	—	—	—
	Sub-total	—	—	3,05,50,085	2,47,00,000
	Total	—	—	3,08,24,626	2,50,62,842

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2014 (Contd.)

SI No.	Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
9	Revenue from Operations		
a)	i) Interest Income	47,76,856	34,55,201
	ii) Bad Debts recovered	1,20,04,986	26,78,326
	Sub Total	1,67,81,842	61,33,527
b)	Other financial services		
	i) Service Charges	39,38,108	37,42,285
	ii) Dividend Income	23,65,690	10,35,601
	iii) Net gain/(loss) on sale of investments	33,06,856	28,78,073
	Sub Total	96,10,654	76,55,959
	Total	2,63,92,496	1,37,89,486
10	Other Income		
	Brokerage	270	289
	Sub Total	270	289
11	Employee Benefit Expenses		
	Salaries, Wages, Bonus and Allowances	40,45,948	37,47,943
	Employees Provident and Other Funds	5,13,502	6,75,014
	Staff & Labour welfare expenses	70,992	68,004
	Sub Total	46,30,442	44,90,961
12	Finance Cost		
a)	Interest expense	—	-
	Sub Total	—	-
13	Other Expenses		
a)	Rent	13,900	1,10,005
b)	Rates & Taxes	4,950	18,717
c)	Advertisement	91,524	97,735
d)	Insurance	65,749	47,066
e)	Misc Expenses (refer note no.14)	7,77,620	6,66,694
	Sub Total	9,53,743	9,40,217
14	Misc Expenses		
a)	Remuneration to Auditors	25,000	21,000
b)	Travelling and Conveyance	1,86,488	1,89,056
c)	Printing and Stationery	39,995	39,365
d)	Bank Charges	1,749	1,116
e)	Postage and Telephone	77,195	80,302
f)	Legal Expenses	2,26,000	96,250
g)	Demat Expenses	1,08,704	1,15,430
h)	Misc Exp-Others	1,12,489	1,24,175
	Sub Total	7,77,620	6,66,694

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

Note No.	Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
15	Remuneration to Auditors consist of :		
a)	Auditor	10,000	10,000
b)	For Taxation Matters	-	-
c)	For Company Law Matters	-	-
d)	For Management Services	-	-
e)	For Other Services	-	-
f)	For Reimbursement of expenses	15,000	11,000
	Sub Total	25,000	21,000
16	Information furnished in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve bank) Directions, 1998		
	Break-up of Loans availed		
	Loans and Advances availed	-	-
	Unclaimed other Public Deposits	-	-
	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	6,24,71,347	5,28,83,249
	Long Term other than related parties - Mutual Fund Units	-	-
	Gross Non-performing Assets	-	-
	Net Non-performing Assets	-	-
17	Details as required by AS 15		
	PROVIDENT FUND		
	Contribution to Provident Fund is made to the Provident Fund Organisation. Employer's Contribution to Provident Fund recognised as Expense	1,94,517	1,82,267
	SUPERANNUATION		
	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	2,52,900	2,39,310
	GRATUITY		
	Provision 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 statement of profit and loss and the funded status and amounts recognised in the balance sheet for Gratuity		
	Statement of Profit and Loss		
	Net employee benefit expense (recognised in Employee Cost)		
	Current Service cost	54,623	55,358
	Interest cost on benefit obligation	81,708	64,478
	Expected return on plan assets	-	-
	Benefits paid	-	-
	Net actuarial (gain)/Loss recognised in the year	(1,09,432)	(95,540)
	Past service cost	-	-
	Liability not accounted as on 31.03.14	-	-
	Net benefit expense	26,899	2,15,376
	Actual return on plan assets	-	-
	Balance Sheet		
	Details of Provision for Gratuity		
	Present value of Defined benefit obligation	10,48,245	10,21,346
	Fair value of plan assets	-	-
	Difference	10,48,245	10,21,346
	Unrecognised past service cost	-	-
	Plan Liability (recognised in Balance Sheet)	10,48,245	10,21,346
	Changes in present value of the defined benefit obligation are as follows :		
	Present value of Defined benefit obligation as at April 1,2013	10,21,346	8,05,970
	Interest Cost	81,708	64,478
	Current Service Cost	54,623	55,358
	Past Service Cost	-	-
	Benefits paid	-	-
	Actuarial loss/(gain) on obligation	(1,09,432)	(95,540)
	Defined benefit obligation as at March 31,2014	10,48,245	10,21,346

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

Note No.	Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
	Changes in the fair value of plan assets are as follows:		
	Fair value of plan assets as at April 1, 2013	—	—
	Expected return	—	—
	Contribution by employer	—	—
	Benefits paid	—	—
	Actuarial gain	—	—
	Fair value of plan assets as at March 31, 2014	—	—
	The gratuity scheme is unfunded and the actuarial liability is shown in the Balance Sheet		
	Leave Salary - Compensated Absences		
	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	20,443	19,084
	b) Interest Cost	5,651	5,330
	c) Actuarial loss/(gain) on obligation	60,902	72,628
	d) Total	86,996	97,042
	Actuarial Assumptions :		
	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.		
18	Related Party Transactions		
	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	—	—
	Enterprises over which above person (s) exercise significant influence		
	i) Sundram Fasteners Limited, Chennai	39,38,108	37,42,285
	a) Services rendered		
	ii) Upasana Engineering Limited, Chennai		
	a) ICD Outstanding	1,15,00,000	1,15,00,000
	b) Interest Received/receivable	11,50,000	11,50,000
	iii) TVS Infotech Limited, Chennai		
	a) Services availed	14,500	14,500
19	Accounting Policies / compliance of Accounting Standards issued by the Institute of Chartered Accountants of India.	Annexure	
20	Previous year's figures have been regrouped wherever necessary to conform to current year's classification		

R RAMAKRISHNAN
Director

S E S MANI
Director

S RAMAKRISHNAN
Director

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

Chennai
30th May, 2014

R KRISHNAN
Secretary

P MENAKSHISUNDARAM
Partner
Membership No. F217914

ANNEXURE TO NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**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 Contingencies and Events occurring after the 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 of changes 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 Employee 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 Account for 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	2012-2013	2013-2014
	Upto One year	Nil	Nil
	One to Five years	Nil	Nil
	Total	Nil	Nil
b)	Lease payments recognized in Statement of Profit and Loss	Nil	96,105
c)	Significant Leasing arrangements:		

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 Statement of 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

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

AS23 Accounting for Investments in associates

This Standard is not applicable to the Company as the Company has no Associate.

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 Accounting for 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

Liabilities Disputed and Not provided for

	As at 31/03/2014	As at 31/03/2013
(i) Income Tax	7,54,891	7,54,891
(ii) Employees State Insurance	73,226	73,226