

# **TWENTY SIXTH ANNUAL REPORT**

FOR THE YEAR ENDED

31ST MARCH 2011



**BOARD OF DIRECTORS**

**SRI. R RAMAKRISHANAN**

**SRI. S E S MANI**

**SRI. S RAMAKRISHNAN**

**SENIOR MANAGER  
FINANCE & SECRETARY**

**SRI. R KRISHNAN**

**BANKERS**

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

**AUDITORS**

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

**REGISTERED OFFICE**

**III Floor  
Auras Corporate 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 SIXTH 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 Thursday the 15th September 2011 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 2011, the Profit and Loss Account for the year ended 31st March 2011 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 S E S Mani, 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."

By Order of the Board

Chennai  
12<sup>th</sup> May, 2011

**R KRISHNAN**  
Senior Manager - Finance & Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER
2. The instrument appointing proxy should be deposited 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 Tower , 2<sup>nd</sup> 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 5<sup>th</sup> September 2011 to 15<sup>th</sup> September 2011 (both days inclusive.)
6. The equity shares of the Company are listed with the following Stock Exchanges:

Madras Stock Exchange Limited Exchange Building 11 Second Line Beach Chennai 600 001.	The Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001.
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The listing Fees for the year 2011-2012 has been paid to the above Stock Exchanges.

7. At this Annual General Meeting Sri S E S Mani, Director, retires by rotation and being eligible, offers himself for re-appointment. The particulars of Sri S E S Mani, Director as required to be furnished under the Listing Agreement are provided hereunder.  
Sri S E S Mani, aged 69 years is a Mechanical Engineering Graduate. He has 38 years of experience in various capacities in the fields of Engineering and Finance.  
He is not a Director in any other Company. As on date, he holds 200 equity shares.

**DIRECTORS' REPORT TO THE SHARE HOLDERS**

The Directors are pleased to present the Twenty Sixth Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2011.

	<b>Rs.in lakhs</b>	
<b>1. FINANCIAL RESULTS :</b>	<b>2010-2011</b>	<b>2009-2010</b>
Income from Operations	<b>73.00</b>	61.90
Other Income	<b>39.96</b>	47.66
Profit/(Loss) before Interest & Depreciation	<b>112.96</b>	109.56
Less: Interest	<b>1.07</b>	Nil
Less: Depreciation	<b>0.01</b>	0.01
Profit before Tax	<b>56.08</b>	63.47
Less : Provision for Tax	<b>13.45</b>	12.76
Profit after Tax	<b>42.63</b>	50.71
Add: Balance brought forward	<b>(583.86)</b>	(624.43)
Amount available for appropriation	<b>(541.23)</b>	(573.72)
Less: Appropriations		
Transfer to Statutory Reserve	<b>8.53</b>	10.14
Tax relating to earlier years	<b>32.55</b>	Nil
Balance Carried Over	<b>(517.21)</b>	(583.86)

**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 2011.

**3. TRADING IN EQUITY SHARES OF THE COMPANY**

The Bombay Stock Exchange Limited (BSE) had revoked the suspension in trading of equity shares of the Company with effect from 6<sup>th</sup> September 2010 vide its notification dated 31<sup>st</sup> August 2010. The Company Shares are traded in BSE under the script Code 511764.

**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. 40.74 lakhs.

**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**

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

**7. AUDITORS**

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

**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.

DIRECTORS' REPORT TO THE SHARE HOLDERS (Contd.)

**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 and technology absorption are therefore not applicable to the company. There was no foreign exchange earning or outgo for the company during the year.

**10. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that:

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

**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  
12<sup>th</sup> May 2011

R RAMAKRISHNAN  
DIRECTOR

S RAMAKRISHNAN  
DIRECTOR

**SUNDARAM & SRINIVASAN**  
Chartered Accountants

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

**CERTIFICATE**

To the members of Upasana Finance Limited, Chennai 600 004

We have examined the Compliance of the conditions of Corporate Governance by Upasana Finance Limited, Chennai ("The Company") for the year ended 31<sup>st</sup> March 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

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

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

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

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

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

Chennai  
Date : 12<sup>th</sup> May 2011

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

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2011**

(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 2010-2011 the Board met 4 times on 30<sup>th</sup> April 2010, 11<sup>th</sup> August 2010, 9<sup>th</sup> November 2010 and 11<sup>th</sup> February 2011. 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	2	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 30<sup>th</sup> April 2010, 12<sup>th</sup> August 2010, 9<sup>th</sup> November 2010 and 11<sup>th</sup> February 2011.

Name of the Director	No. of meetings attended
R Ramakrishnan	4
S Ramakrishnan	4
S E S Mani	2

The Chairman of the Audit Committee was present at the Annual General Meeting held on 28<sup>th</sup> September 2010. Sri R Krishnan, Senior - Manager Finance and Secretary, acts as Secretary of the Audit Committee

**Brief Description and terms of reference:**

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

**4. Remuneration / Compensation Committee**

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

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2011 (Contd.)

**5. Investor/ Shareholder Grievance Committee**

The Share Transfer and Investor/Shareholder Grievance Committee of the Board comprises of Sri R Ramakrishnan, Chairman, Sri S E S Mani and Sri S Ramakrishnan, as members. The Committee deals inter alia with redressal of Investors/ shareholders complaints. Sri R Krishnan, Senior Manager Finance and Secretary of the Company is the Compliance Officer of the Company. During the year, 53 queries/complaints were received from shareholders/ investors and other agencies, all of which have been resolved. The Company has no transfer application pending for registration as on 31<sup>st</sup> March 2011.

**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
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.
2007-2008	The Music Academy (Mini Hall), Chennai	29/09/2008	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. Most 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 31<sup>st</sup> March 2011.

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 31<sup>st</sup> March 2011

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.

Bombay Stock Exchange Limited (BSE) has revoked suspension in trading of equity shares of the Company with effect from 6<sup>th</sup> September 2010 vide Notification 20100831-10 dated 31<sup>st</sup> August 2010.

**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 - 2011 (Contd.)

**9. General Shareholder Information**

1	Annual General Meeting Date and Time and Venue	15th September 2011, 10.00 P M. Narada Gana Sabha Trust (Mini Hall), New No.314, Old No.254, T.T.K. Road, Alwarpet, Chennai - 18
2	Financial Calendar 2011-2012 First Quarter Results Half-Yearly Results Third Quarter Results Annual Results for the year ending 31st March 2012	On or before 14.08.2011 On or before 14.11.2011 On or before 14.02.2012  On or before 31.05.2012
3	Book Closure date	05/09/2011 to 15/09/2011
4	Listing of Equity Shares on Stock Exchanges	Madras and Bombay Stock Exchanges The Company has paid the annual listing fees to the Stock Exchanges for the year 2011-12
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 Central Depository Services (India) Limited
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 31.03.11	Data in statement form – Enclosed
9	Distribution of Shareholding as on 31.03.2011	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	Shares of the Company can be held and traded in electronic form.  72500 Nos. of equity shares is held in dematerialized form with NSDL and CDSL as on 31 <sup>st</sup> March 2011.  No capital has been raised in the last three years.  Not issued



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2011 (Contd.)

	Registrar and Share Transfer Agent of the Company	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 corpserv@iepindia.com
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 Senior Manager Finance & 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

**10. 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 31.03.2011****Categories/Pattern of Shareholding as on 31.03.2011**

Number of Shares	Shareholders		Shareholders		Category	Shares	%Holding
	Nos.	%	Nos.	%			
Up to 100	4,680	84.33	4,68,000	10.95	Promoters	30,00,200	70.13
101 250	369	6.65	73,800	1.73	Directors	400	0.01
251 500	310	5.58	1,14,200	2.67	Financial	3,07,200	7.18
501 1000	127	2.29	97,200	2.27	Private Corporates	26,700	0.62
1001 5000	49	0.88	94,700	2.21	Non - Resident Indians	71,700	1.68
5001 10000	5	0.09	37,500	0.88	Resident Individuals	8,71,800	20.38
10001 and above	10	0.18	33,92,600	79.29			
Total	5,550	100.00	42,78,000	100.00	Total	42,78,000	100.00

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2011 (Contd.)

**Share Price Data Bombay Stock Exchange Limited**

Month	Price - Rs.		Index - Sensex	
	High	Low	High	Low
Apr - 2010	Trading Suspended		17,970.02	17,380.08
May - 2010	Trading Suspended		17,386.08	16,022.48
Jun - 2010	Trading Suspended		17,876.55	16,572.03
Jul - 2010	Trading Suspended		18,130.98	17,441.44
Aug - 2010	Trading Suspended		18,454.94	17,971.12
Sep - 2010	60.25	47.60	20,117.38	18,205.87
Oct - 2010	No Trading		20,687.88	19,872.15
Nov - 2010	No Trading		21,004.96	19,136.61
Dec - 2010	No Trading		20,509.09	19,242.36
Jan - 2011	No Trading		20,561.05	18,327.76
Feb - 2011	No Trading		18,506.82	17,463.04
Mar - 2011	No Trading		19,445.22	17,839.05

May 12, 2011

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 2011.

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, 2011**

1. We have audited the attached Balance Sheet of M/s. Upasana Finance Limited, Chennai 600 004 as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted the audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, (the Act) we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
  - i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.

AUDITORS' REPORT TO THE MEMBERS OF UPASANA FINANCE LIMITED, CHENNAI 600 004 FOR THE YEAR ENDED 31.03.2011 (Contd.)

- v) On the basis of written representations received from directors of the company, as on 31st March 2011 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 2011;
- b) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For SUNDARAM & SRINIVASAN**

Regn. No. 004207S

CHARTERED ACCOUNTANTS

**P. MENAKSHISUNDARAM**

PARTNER

Membership No.217914

**Chennai**

Date : 12<sup>th</sup> May 2011

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

1. The Company has no fixed Assets as on year end dated.
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 property 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 31<sup>st</sup> March 2011 for a period of more than six months from the date they became payable.  
(c) According to the information and explanations given to us, there are no 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.
10. The Company has accumulated loss at the end of financial year. However, the Company has not incurred any cash loss during the year and in the immediately preceding year.

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

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 fund in respect of which, the Company is maintaining adequate and proper records.
15. According to the information and explanations furnished to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans during the year under review.
17. According to the information and explanations furnished to us and on overall examination of the balance sheet of the company we report that 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 : 12<sup>th</sup> May 2011

**BALANCE SHEET AS ON 31ST MARCH 2011**

Particulars	Schedule	As on 31.03.2011		As on 31.03.2010	
		Rs	Rs	Rs	Rs
<b>I SOURCES OF FUNDS :</b>					
1) Shareholders' Funds:					
a) Capital	I	4,27,80,000		4,27,80,000	
b) Reserves & Surplus	II	7,16,95,980		7,08,43,450	
<b>TOTAL</b>			11,44,75,980		11,36,23,450
<b>II APPLICATION OF FUNDS :</b>					
1) Fixed Assets :					
a) Gross Block	III	-		1,22,291	
b) Less : Depreciation		-		1,20,243	
Net Block			-		2,048
2) Investments	IV		3,56,37,249		2,65,91,231
3) Current Assets, Loans & Advances :					
a) Cash & Bank Balances	V	1,23,26,909		1,47,33,073	
b) Loans & Advances	VI	1,58,73,103		1,53,66,627	
		2,82,00,012		3,00,99,700	
Less Current Liabilities & Provisions	VII	10,82,543		14,55,610	
Net Current Assets			2,71,17,469		2,86,44,090
4) Profit & Loss Account	VIII		5,17,21,262		5,83,86,081
<b>TOTAL</b>			11,44,75,980		11,36,23,450
Notes on Accounts	XII				

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  
12th May, 2011

R KRISHNAN  
Secretary

P MENAKSHISUNDARAM  
Partner  
Membership No. 217914

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

Particulars	Schedule	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>INCOME :</b>		<b>Rs.</b>	<b>Rs.</b>
Income from financial and business operations (net)		<b>72,99,862</b>	61,90,012
Other Income	IX	<b>39,95,547</b>	47,65,485
		<b>1,12,95,409</b>	1,09,55,497
<b>EXPENDITURE :</b>			
Salaries, Wages, Administrative and other Expenses	X	<b>55,80,233</b>	46,08,038
Interest	XI	<b>1,07,257</b>	-
Depreciation		<b>530</b>	715
		<b>56,88,020</b>	46,08,753
Profit before Tax		<b>56,07,389</b>	63,46,744
Less : Provision for Taxation		<b>13,44,740</b>	12,76,011
Profit after tax for the year		<b>42,62,649</b>	50,70,733
<b>APPROPRIATION :</b>			
Profit after Tax		<b>42,62,649</b>	50,70,733
Less : Transfer to Statutory Reserve as per section 45 IC of Reserve Bank of India Act, 1934		<b>8,52,530</b>	10,14,146
		<b>34,10,119</b>	40,56,587
Add : Tax relating to earlier years		<b>32,54,700</b>	-
		<b>66,64,819</b>	40,56,587
Less: Brought Forward Losses of earlier Years		<b>5,83,86,081</b>	6,24,42,668
Loss Carried Over		<b>5,17,21,262</b>	5,83,86,081
Earnings per equity Share Number of shares (Face Value of Rs.10/- per Share) Basic and diluted earnings per share (in Rupees)		<b>42,78,000</b> <b>1.76</b>	42,78,000 1.19

R RAMAKRISHNAN  
Director

S E S MANI  
Director

S RAMAKRISHNAN  
Director

Chennai  
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Secretary

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P MENAKSHISUNDARAM  
Partner  
Membership No. 217914

**CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

<b>Particulars</b>	<b>Year Ended 31.03.2011</b>	Year Ended 31.03.2010
	<b>Rs.</b>	Rs.
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	<b>56,07,389</b>	63,46,744
Less:		
Interest Received	<b>26,68,542</b>	30,45,403
Dividend Received	<b>8,99,234</b>	6,87,945
Profit on Sale of Mutual Fund	<b>4,27,034</b>	10,32,085
Profit on Sale of Asset	<b>482</b>	-
Add:	<b>16,12,097</b>	15,81,311
Depreciation	<b>530</b>	715
Tax relating to earlier years	<b>32,54,700</b>	-
Operating Profit before working capital changes	<b>48,67,327</b>	15,82,026
Add: (Increase)/decrease in Loans & Advances	<b>(5,06,476)</b>	(13,40,449)
Less: (Increase)/decrease in Trade Payables & Provisions	<b>5,78,807</b>	3,41,535
Cash Generated from Operations	<b>37,82,044</b>	(99,958)
Less: Tax	<b>11,39,000</b>	17,17,161
Net cash from Operating activities - (A)	<b>26,43,044</b>	(18,17,119)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Investments	<b>(1,94,22,374)</b>	(1,19,87,946)
Sale of Investments	<b>1,03,76,356</b>	80,00,000
Interest Received	<b>26,68,542</b>	30,45,403
Dividend Received	<b>8,99,234</b>	6,87,945
Profit on Sale of Mutual Funds	<b>4,27,034</b>	10,32,085
Sale Value of Asset	<b>2,000</b>	-
Net Cash used in investing activities - " B "	<b>(50,49,208)</b>	7,77,487
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Unsecured Loans	-	-
Net Cash used in financing activities - " C "	-	-
Net increase in Cash & Cash Equivalents -"A+B+C"	<b>(24,06,164)</b>	(10,39,632)
Cash and Cash Equivalents as at the beginning	<b>1,47,33,073</b>	1,57,72,705
Cash and Cash Equivalents as at the end	<b>1,23,26,909</b>	1,47,33,073
Notes : Cash and Cash Equivalents include	-	-
a. Cash on hand	<b>5,471</b>	11,538
b. Balance with Scheduled Banks in :		
i) Current Accounts	<b>25,21,438</b>	2,21,535
ii) Fixed Deposit Account	<b>98,00,000</b>	1,45,00,000
	<b>1,23,26,909</b>	1,47,33,073

R RAMAKRISHNAN  
Director

S E S MANI  
Director

S RAMAKRISHNAN  
Director

Chennai  
12th May, 2011

R KRISHNAN  
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As per our report annexed  
for SUNDARAM & SRINIVASAN  
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Chartered Accountants

P MENAKSHISUNDARAM  
Partner  
Membership No. 217914

## SCHEDULES

Particulars		As on 31.03.2011		As on 31.03.2010
<b>I AUTHORISED :</b>	<b>Rs.</b>	<b>Rs.</b>	Rs.	Rs.
50,00,000 Equity Shares of Rs 10/- each (Last year 50,00,000 Equity Shares of Rs. 10/- each)		<b>5,00,00,000</b>		5,00,00,000
5,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each. ( Last Year 5,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each)		<b>5,00,00,000</b>		5,00,00,000
		<b>10,00,00,000</b>		10,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID-UP :</b>				
42,78,000 Equity Shares of Rs 10/- each fully paid-up (Last year 42,78,000 Equity Shares of Rs. 10/- each fully paid-up) (Includes 22,50,000 (Last Year 22,50,000) Equity Shares allotted as fully paid by way of Bonus Shares by Capitalisation of Reserves)		<b>4,27,80,000</b>		4,27,80,000
		<b>4,27,80,000</b>		4,27,80,000
<b>II RESERVES &amp; SURPLUS:</b>				
Statutory Reserve as per last Balance Sheet Add: Transfer from Profit & Loss Account during the year	<b>3,06,46,504</b> <b>8,52,530</b>		2,96,32,358 10,14,146	
		<b>3,14,99,034</b>		3,06,46,504
Share Premium as per last Balance Sheet		<b>2,98,00,948</b>		2,98,00,948
Capital Reserve as per last Balance Sheet		<b>3,95,998</b>		3,95,998
Capital Redemption Reserve as per last Balance Sheet		<b>1,00,00,000</b>		1,00,00,000
Total		<b>7,16,95,980</b>		7,08,43,450

## III - FIXED ASSETS

Particulars	Cost As on 01.04.2010 Rs.	Additions during the year Rs.	Deletion during the year Rs.	Total Cost As on 31.03.2011 Rs.	Depreciation		Deletion during the year Rs.	WDV AS ON 31.03.2011 Rs.	WDV AS ON 31.03.2010 Rs.
					Upto 31.03.2010 Rs.	For 2010 - 2011 Rs.			
Owned Vehicle	1,22,291	-	1,22,291	-	1,20,243	530	1,20,773	-	2,048
Leased	-	-	-	-	-	-	-	-	-
Total	1,22,291	-	1,22,291	-	1,20,243	530	1,20,773	-	2,048
As at 31.03.2010	1,22,291	-	-	1,22,291	1,19,528	715	1,20,243	2,048	

Particulars	Year Ended 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
<b>IV INVESTMENTS (AT COST)</b>		
14,16,829.203 (Last year 1,92,33,05,768) units of Rs.10/- each in Sundaram Ultra Short Term Fund	<b>1,42,14,875</b>	1,92,91,231
1,56,059,802 (Last year 58,04,09,190) units of Rs.10/- each in Reliance Regular Savings Fund - Debt Institutional Growth	<b>20,00,000</b>	73,00,000
15,00,33,416 (Last year Nil) units of Rs. 10.0045 each in Birla Sun Life FMP	<b>15,02,490</b>	-
8,65,885.700 (Last year Nil) units of Rs.10.00 each in Reliance FMP Series VII	<b>86,58,857</b>	-
3,20,000 (Last year Nil) units of Rs.10.00 each in Sundaram FTP AY	<b>32,00,000</b>	-
1,00,000.000 (Last year Nil) units of Rs.10.00 each in L & T FMP	<b>10,00,000</b>	-
5,06,102.697 (Last year Nil) units of Rs.10.00 each in Reliance FMP Series XIX	<b>50,61,027</b>	-
(Market Value Rs.3,59,52,510/- Last year Rs.2,66,80,234/-)	<b>3,56,37,249</b>	2,65,91,231



## SCHEDULES (Contd.)

Particulars	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
<b>V CASH AND BANK BALANCES:</b>		
a) Cash and Stamps on hand	5,471	11,538
b) Balance with Scheduled Banks in :		
i) Current Accounts	25,21,438	2,21,535
ii) Fixed Deposit Account (Non lien)	98,00,000	1,45,00,000
	<b>1,23,26,909</b>	1,47,33,073
<b>VI LOANS &amp; ADVANCES : (Unsecured considered good)</b>		
a) Loan to Companies	1,15,00,000	1,15,00,000
b) Advances recoverable in cash or in kind or for value to be received	18,77,416	18,77,416
c) Interest accrued on Deposits	18,69,984	19,89,211
d) Advance Tax	6,25,703	-
	<b>1,58,73,103</b>	1,53,66,627
<b>VII CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
a) Sundry Creditors	2,27,845	1,41,139
	<b>2,27,845</b>	1,41,139
<b>PROVISIONS</b>		
i) for Gratuity	7,55,790	3,65,130
ii) for Leave Salary	98,908	89,240
iii) for Income Tax	-	8,60,101
	<b>8,54,698</b>	13,14,471
	<b>10,82,543</b>	14,55,610
<b>VIII PROFIT &amp; LOSS ACCOUNT</b>		
Balance as per last Balance Sheet	(5,83,86,081)	(6,24,42,668)
Profit for the Year	42,62,649	50,70,733
Tax relating to previous years	32,54,700	-
Transfer to Statutory Reserve	(8,52,530)	(10,14,146)
	<b>(5,17,21,262)</b>	(5,83,86,081)
<b>IX OTHER INCOME</b>		
1. Interest Receipts (Gross) (on deposit with banks and Income Tax Refund) (TDS Rs. 2,44,120/- Last Year Rs. 3,26,418/-)	26,68,542	30,45,403
2. Other Income ( Commission, Brokerage etc.)	255	52
3. Dividend Income	8,99,234	6,87,945
4. Profit on sale of Mutual Funds	4,27,034	10,32,085
4. Profit on Sale of Assets	482	-
	<b>39,95,547</b>	47,65,485

**SCHEDULES (Contd.)**

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
	Rs.	Rs.	Rs.	Rs.
<b>X SALARIES, ADMINISTRATIVE &amp; OTHER EXPENSES</b>		<b>29,88,651</b>		29,73,493
1) Salaries, Wages & Bonus		<b>8,52,698</b>		3,74,282
2) Contribution to Provident & Other Funds		<b>67,294</b>		75,618
3) Staff Welfare Expenses		<b>2,54,938</b>		2,56,267
4) Rent		<b>5,200</b>		3,000
5) Rates & Taxes		<b>81,520</b>		63,720
6) Advertisement & Business Promotion		<b>18,277</b>		25,161
7) Insurance			11,030	
8) Audit Fees - Statutory Audit	<b>10,000</b>		3,309	
- Expenses Reimbursement	<b>2,500</b>		-	
- Other Capacity	<b>42,425</b>			
9) Traveling and Conveyance		<b>54,925</b>		14,339
10) Printing and Stationery		<b>17,374</b>		19,831
11) Bank Charges		<b>35,605</b>		32,863
12) Postage, Telegram & Telephone charges		<b>3,925</b>		2,079
13) Repairs & Maintenance - Others		<b>81,157</b>		91,172
14) Legal Expenses		<b>2,30,920</b>		2,32,358
15) Miscellaneous Expenses		<b>3,60,275</b>		2,89,304
		<b>5,27,474</b>		1,54,551
		<b>55,80,233</b>		46,08,038
<b>XI INTEREST</b>				
Interest Paid - Others		<b>1,07,257</b>		-
		<b>1,07,257</b>		-

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
	Rs.	Rs.	Rs.	Rs.
<b>XII NOTES ON ACCOUNTS :</b>				
<b>I INCOME RECOGNITION AND SIGNIFICANT ACCOUNTING POLICIES:</b>				
(a) The Company is following accrual basis of accounting for both income and expenses.				
(b) Provisioning in respect of employee gratuity and leave salary has been made as per actuarial valuation made at the end of each financial year.				
(c) The company has no fixed assets				
<b>II LIABILITIES DISPUTED AND NOT PROVIDED FOR</b>				
(i) Income-tax		<b>6,811</b>		6,811
(ii) Employees State Insurance		<b>73,226</b>		73,226
<b>III OTHERS</b>				
a. Audit Fees include:				
1) As Auditors		<b>10,000</b>		11,030
2) Expenses Reimbursement		<b>2,500</b>		3,309
3) Others		<b>42,425</b>		-

## SCHEDULES (Contd.)

Particulars	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
b. Amount transferred to Investor Protection and Education Fund during the year. Deposits along with interest accrued thereon.	-	6,577
c. Provision for Income Tax is made as per the provisions of Income Tax Act, 1961.		
d. The Company has Deferred Tax Asset. However as a measure of Prudence no Deferred Tax Asset has been recognised during the year.		-
e. Related party transactions:		
(i) Where Control exists:	Nil	Nil
(ii) Other Related Parties with whom transactions have been entered into during the Year		
I		
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	Nil	Nil
b) Enterprises over which above person(s) exercise significant influence		
i) Sundram Fasteners Limited, Chennai		
ii) Upasana Engineering Limited, Chennai		
iii) Sundram Fasteners Investments Limited, Chennai		
i) Services rendered	32,25,862	-
ii) ICD Placed	1,15,00,000	1,15,00,000
iii) Interest Received / receivable	10,35,000	10,35,000
iv) Amount Outstanding	1,15,00,000	1,15,00,000
f. During the year the Company has not given any assets on lease		
g. Information furnished as required in terms of paragraph 9 BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998	<b>Rs. in lacs</b>	<b>Rs. in lacs</b>
Loans and Advances availed by the NBFC	0.00	0.00
Unclaimed other Public Deposits	0.00	0.00
Interest accrued thereon	0.00	0.00
Gross Non-performing Assets	Nil	Nil
Net Non-Performing Assets	Nil	Nil
Investment in Mutual Fund	356.37	265.91
h. There is no borrowing cost attributable to qualifying assets.		
i. The Directors have waived their sitting fees.		
j. Accounting Standards - Refer Annexure.		

R RAMAKRISHNAN  
Director

S E S MANI  
Director

S RAMAKRISHNAN  
Director

Chennai  
12th May, 2011

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 Accounts for the year ended 31<sup>st</sup> March 2011****Notes on Accounting Standards prescribed by The Institute of Chartered Accountants of India****AS 1 Disclosure of accounting policies**

Please refer Note No I (a) of Notes on Accounts

**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.

Investments made during the year

	As at 31/03/2011 Rs.	As at 31//03/2010 Rs.
a) Sundaram Ultra Short Term Fund Including Rs. 8,96,749/- (last year Rs. 6,87,945) dividend reinvested.	8,96,749/-	46,87,945/-
b) Reliance Regular Savings Fund – Debt Institutional – Growth	20,00,000/-	73,00,000/-
c) Birla Sun Life Fixed Term Plan – Series CK – Growth	15,02,490/-	- Nil -
d) L & T FMP-III (February 366A)	10,00,000/-	- Nil -
e) Sundaram FTP AY 366	32,00,000/-	- Nil -
f) Reliance Fixed Horizon Fund - XVII Series 7 – Growth	86,58,857/-	- Nil -
g) Reliance Fixed Horizon Fund - XIX Series 13 – Growth	50,61,027/-	- Nil -

**Redeemed during the year**

a) Sundaram Ultra Short Term Fund	59,73,099/-	- Nil -
b) Reliance Regular Savings Fund – Debt Institutional – Growth	73,00,000/-	- Nil -

**Annexure to Notes on Accounts for the year ended 31<sup>st</sup> March 2011****Notes on Accounting Standards prescribed by The Institute of Chartered Accountants of India****AS14 Accounting for Amalgamation**

No Amalgamation was made during the year.

**AS15 Accounting for Retirement Benefits**

Please refer to Note No. I (b) of Notes on Accounts

Contribution to Provident Fund is made to the Provident Fund Organisation. Contribution to the Superannuation Fund is made to the scheme maintained by Life Insurance Corporation of India.

All the above expenditure are debited to Profit and Loss Account.

	As at 31/03/2011 Rs.	As at 31/03/2010 Rs.
Employer's Contribution to Provident Fund	1,56,363	1,41,971
Employer's Contribution to Superannuation Fund	2,07,816	1,90,800

Provision for Leave Salary and Gratuity has been made on the basis of actuarial valuation.

Amount debited to Profit and Loss Account;

Gratuity	3,90,660	7,160
Leave Salary	89,595	75,239

**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 - Gratuity	8.00%	8.00%
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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.

**AS16 Borrowing Cost**

Please refer to Note No III (h) of Notes on Accounts

**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 III (e) of Notes on Accounts

**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

	2019-2011 Rs.	2009-2010 Rs.
Upto One year	2,40,300	2,40,300
One to Five years	96,105	3,36,405
More than Five years	-	-
Total	3,56,405	5,76,705

b) Lease payments recognized in Profit and Loss A/c

	2,40,300	2,40,300
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**Annexure to Notes on Accounts for the year ended 31<sup>st</sup> March 2011**

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

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 Profit and Loss account. There is no diluted earnings per share as there are no dilutive potential equity shares.

**AS21 Consolidated financial statements**

This Standard is not applicable to the Company.

**AS22 Accounting for taxes on Income**

Please refer to Note No III (c) of Notes on Accounts

**AS23 Accounting for Investments in associates**

This Standard is not applicable to the Company.

**AS24 Discontinuing Operations**

The company has not discontinued any operations during the year.

**AS25 Interim financial Reporting**

Quarterly financial results are published in accordance with the guidelines issued by SEBI. The recognition and measurement principles as laid down in the Standard are followed with respect to such results. Quarterly financial results are also subjected to a limited review by the Auditors as required by SEBI.

**AS26 Intangible Assets**

The Company has no intangible assets.

**AS27 Financial Reporting of Interests in Joint Ventures**

The Company has no Joint Ventures.

**AS28 Impairment of Assets**

The Company has no impaired assets.

**AS29 Provision, Contingent Liabilities and Contingent Assets**

Please refer Note No II of Notes on Accounts



# 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 : Thursday 15th September 2011

Time : 10.00 am

### 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 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.

*Signature of Member/Proxy\**

\* 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 15.09.2011 adjournment thereof  
Signed this .....day of .....2011

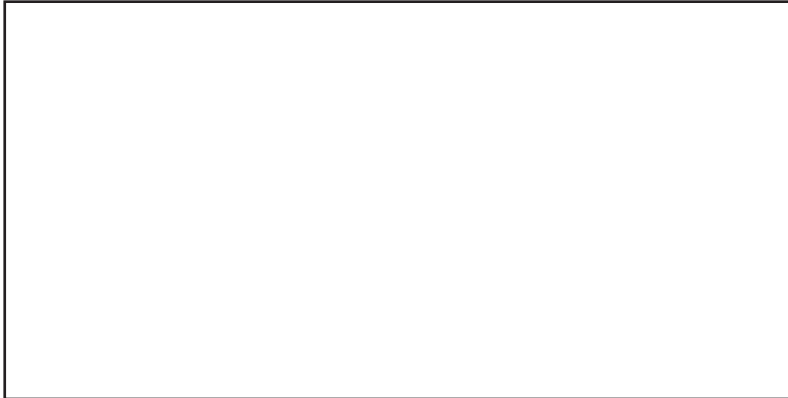
For Office Use	
Proxy No.	
Date of receipt	
No. Of shares	

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**