

# Centrum Finance Limited

## Twenty-First Annual Report

1998 - 99



Certified True Copy

Centrum Finance Limited

A handwritten signature in black ink, appearing to read "Angela".

Authorised Signatory



## BOARD OF DIRECTORS

Mr Berjis M Desai	Chairman
Mr Philip Thomas	
Mr B K Khare	
Mr P K Byramjee	
Mr G N Gidwani	
Mr Rajesh Nanavaty	
Mr Chandir Gidwani	Managing Director

## BANKERS

The Ratnakar Bank Limited  
ABN AMRO Bank  
Standard Chartered Bank  
Citibank N.A.

## AUDITORS

F K Mody & Co.,  
Chartered Accountants,  
408, Bharat Diamond Bourse,  
Above Swastik Cinema, Lamington Road,  
Mumbai - 400 004.

## REGISTERED & CORPORATE OFFICE

Bombay Mutual Building,  
2nd Floor, Dr D N Road, Fort,  
Mumbai - 400 001.  
Tele # 266 2435 / 5268 / 4611 Fax # 266 3458  
E-mail : [centrum@bom2.vsnl.net.in](mailto:centrum@bom2.vsnl.net.in)

## FOREX DIVISION

14, Elphinstone House,  
A K Nayak Marg, Fort,  
Mumbai - 400 001.  
Tele # 200 4681 / 82 / 83

## BRANCHES

Bangalore \* Delhi \* Chennai \* Calcutta \* Pune \* Ahmedabad \* Surat \* Hyderabad \* Goa



## DIRECTOR'S REPORT

To,  
THE MEMBERS

Your Directors have pleasure in presenting the Twenty-first Annual Report together with the audited accounts of the company for the year ended 30th June, 1999.

### 1. Financial Results for the year ended 30<sup>th</sup> June, 1999:

Gross Income	Rs.53,23,61,270.00
Profit before Depreciation and tax	Rs. 2,33,25,958.00
Depreciation	Rs. 1,90,65,920.00
Profit before Tax	Rs. 42,60,038.00
Provision for Tax	Rs. 8,23,882.00
Profit after Tax	Rs. 34,36,156.00
Surplus B/F from Previous year	Rs. 2,30,33,985.00
Surplus carried to Balance Sheet	Rs. 2,64,70,141.00

### 2. Business Environment :

In line with the Business Plan for the financial year, your Company further consolidated its position in the Fee-based business.

In Investment Banking activity your company as a Category I Merchant Banker climbed to the No. 6<sup>th</sup> position for debt mobilisation in the league tables. Your Company launched the Project Loan Syndication activity

Your company also launched Centrum Consulting, a separate division of Infrastructure Consultancy and Advisory Services.

However due to the downtrend in the Industrial development activity and the Economy in the Country there were few Assignments which were being chased by many financial intermediaries. This put tremendous pressure on the margins in fee based activities due to competitive pressures.

In order to further strengthen the position and presence the company expanded its operations to 6 locations thereby incurring substantial investment in infrastructure and manpower. As such the bottomline of your Company continued to remain under strain in the financial year.

### 3. Dividend :

Considering the fact that Your Company is still consolidating its position in the Industry and it is endeavoring to enhance the Networth of the Company, your Directors recommend that to skip payment of Dividend for the current financial year.

### 4. Directors :

Mr. P. K. Byramjee & Mr. Rajesh Nanavaty, Director of the company, retire at the forthcoming Annual General Meeting and being eligible offers themselves for reappointment. Mr. K. P. Byramjee was appointed as Additional Director of the Company on 26.2.1999 and he ceases to hold office on the date of Annual General Meeting under section 260 of the Companies Act, 1956. The Company has received notice from a shareholder of the Company proposing his candidature for the post of Director of the Company. The Board recommends his appointment.



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**5. Auditors :**

M/s F. K. Mody & Co., Chartered Accountants, Auditors of the Company hold office until the ensuing Annual General Meeting. It is proposed to reappoint M/s F. K. Mody & Co., as auditors till the conclusion of next Annual General Meeting. The Directors recommend his reappointment.

**6. Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988:**

The Company has no activities relating to conservation of Energy or Technology Absorption. There were no foreign exchange earnings during this year. The Company had no major foreign exchange outgoes except in respect of business travel, which amounts to Rs. 25.91 lacs.

**7. Employees :**

The details relating to the employees getting remuneration of Rs. 25,000/- per month or Rs. 3,00,000/- per annum or more are given in the annexure which forms part of this report. The said annexure has not been enclosed with this report. The Members who are interested in availing copy of the said annexure may contact the Company at its Registered office during office hours.

**8. Y2K Compliance:**

The Directors are pleased to state that our Company is Y2K compliant.

**9. Appreciation :**

The Board expressed its sincere appreciation to the Staff, Bankers, Financial Institutions, clients, Depositors and Shareholders for their contribution and support.

By Order of the Board  
For Centrum Finance Limited

Sd/-  
Chandir Gidwani  
Managing Director

Mumbai: 4<sup>th</sup> November, 1999

**AUDITORS' REPORT**

Report on the Accounts for the year ended 30th June, 1999 in compliance with Section 227 (2) of the Companies Act, 1956.

We have audited the attached Balance Sheet of Centrum Finance Limited as at 30th June, 1999 and also Profit & Loss Account of the Company for the year ended on that date annexed thereto and report that:

(1) As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of provisions of section 227 (4A) of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraph 4 and 5 of the Said Order.

(2) Further to our comments in the annexure referred to in paragraph (1) above

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion the company has kept proper books of accounts as required by law so far, as appears from our examination of those books.
- c) The Balance Sheet and Profit and Loss Account are in agreement with books of accounts.
- d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply in all material terms with the Accounting Standards prescribed in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to explanation given to us the Balance Sheet and Profit & Loss Account read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - i.) in the case of the Balance Sheet of the state of affairs as at 30th June, 1999 and
  - ii.) In the case of Profit and Loss Account of the profit of the company for the year ended on that date.

F.K. Mody & Co.,  
Chartered Accountants

Mumbai  
Dated : 4<sup>th</sup> November, 1999

Surendra Nijsure  
Partner