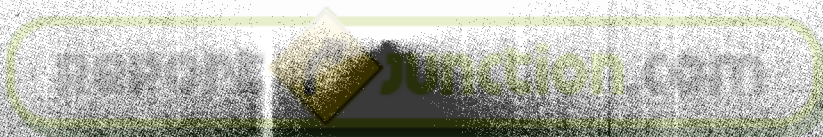
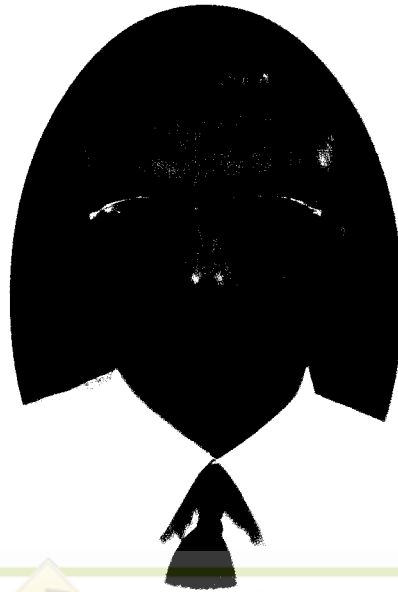


# CENTRUM

*Your aim is our only target*





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## Centrum Finance Limited

### BOARD OF DIRECTORS

Mr. Berjis M. Desai *Chairman*  
Mr. Gobind N. Gidwani  
Mrs. Mahakhurshid K. Byramjee  
Mr. P. G. Kakodkar  
Mr. Manmohan Shetty  
Mr. Ibrahim S. Belselah  
Mr. Rajesh V. Nanavaty  
Mr. Rishad K. Byramjee  
Mr. Chandir G. Gidwani *Managing Director*

### COMPANY SECRETARY

Mr. Khushroo Driver

### BANKERS

The Ratnakar Bank Limited  
HDFC Bank Limited  
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 OFFICE

Bombay Mutual Building,  
2nd Floor, Dr D N Road, Fort, Mumbai - 400 001.  
Tele # 2266 2434 / 5268 / 4611 Fax # 2266 3458  
E-mail : [info@centrum.co.in](mailto:info@centrum.co.in)  
**Website : [centrum.co.in](http://centrum.co.in)**

### CORPORATE OFFICE

Khetan Bhavan, 5th Floor,  
198, J. Tata Road, Churchgate, Mumbai - 400 020.  
Tele # 2202 3838 Fax # 2204 6096

### BRANCHES

Ahmedabad \* Bangalore \* Baroda \* Chennai \* Delhi \* Hyderabad \* Kolkata \* Pune \* Surat

**Centrum Finance Limited**

ANNUAL REPORT 2002-2003

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting their Twenty Fifth Annual Report together with the Audited Accounts of your Company for the year ended 30<sup>th</sup> June 2003.

**Financial Highlights***Rupees in '000*

Particulars	Year ended 30th June, 2003 Amount	Year ended 30th June, 2002 Amount
Gross Income from Operations	95,567	79,110
Extraordinary Income	—	—
Profit before depreciation and tax	14,309	13,117
Less: depreciation	7,064	7,021
Profit Before Tax	7,245	6,096
Less: Provision for taxation	2,111	3,768
Profit After Tax	5,134	2,328
Less: Proposed Dividend	488	488
Income Tax on Proposed Dividend	63	—
Balance of Profit for the year	4,583	982
Balance of Profit for earlier years	33,215	32,233
Transfer to general Reserve Account	—	—
Balance carried forward	37,799	33,215

**Performance Review**

The year under review has seen a marked improvement in the overall economic environment and more specifically in the capital markets.

Your Company has further consolidated its leadership position in the debt markets and has improved its ranking in the league tables to 3<sup>rd</sup> position on an All India Basis. (Source: Prime Database)

The Equities team has been reactivated in keeping with the revival of the overall sentiment in the equity markets. Your Company has already bagged a number of assignments to be executed in the immediate future and the business pipeline seems very encouraging.

The Project Finance and Money Markets business continue to be a mainstay of your company's activities. The volume of business done in this segment crossed Rs. 5000 crores during the year.

The company proposes to start secondary market activities both, in debt and equity to support the investment banking business in the immediate future and has started taking necessary steps in this direction.

To summarize we are excited about the opportunity that the upturn in the market has thrown up and are very confident of turning out a robust performance in the year 2003-04.

**Dividend**

Looking at the bottom line and future prospects, your directors are pleased to recommend a dividend of 1 % and it will be paid to eligible shareholders whose names stand registered in the books of the Company as on the book closure date.

## ANNUAL REPORT 2002-2003

**Directors**

Mrs. Mahakhurshid K. Byramjee, Mr. Gobind N. Gidwani and Mr. Berjis M. Desai retire by rotation and being eligible, offer themselves for re-appointment. Mr. Rishad K. Byramjee and Mr. Manmohan Shetty had been appointed as Additional Directors at the meeting of the Board of Directors held on 23<sup>rd</sup> January 2003 and 30<sup>th</sup> April 2003. They hold office up to the date of the ensuing Annual General Meeting. The Company has received notices from members proposing their candidature for appointment to the office of Director at the said meeting. Mr. Philip Thomas resigned as a Director of the Company on 30<sup>th</sup> April 2003.

**Director's Responsibility Statement**

Pursuant to the provision of section 217(2AA) of the Companies Act, 1956, the Board hereby certifies and confirm that:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affair of your company at the end of the financial year and of the profit or loss of your Company for that period;
- 3) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 4) the directors have prepared the annual accounts on a going concern basis.

**Corporate Governance**

The provisions relating to corporate governance mentioned in the Listing agreement and section 292A are currently now applicable to the Company. Your company has always strived to incorporate appropriate standards for good corporate governance, and has taken necessary steps required for implementing the corporate governance code. A detailed report on Corporate Governance is included herein.

**Subsidiary Company**

The audited statements of account of the Company's subsidiary viz; Centrumdirect Limited for the year ended 30<sup>th</sup> June 2003 together with the Report of Directors and the Auditors, as required under section 212 of the Companies Act, 1956, is attached herewith.

During the year the Company have invested a further amount of Rs. 2 Crores in its subsidiary Centrumdirect Limited.

**Auditors**

M/s. F.K. Mody & Co., Chartered Accountants, retire as auditors of the Company and have given their consent for re-appointment. The Shareholders will be required to elect auditors for the current year and fix their remuneration.

As required under the provisions of section 224 of the Companies Act, 1956, the Company has obtained a written certificate from the above auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

**Centrum Finance Limited**

ANNUAL REPORT 2002-2003

**Fixed Deposits**

The Company has not accepted any Fixed Deposits either from any member, director or public.

**Conservation of Energy and Technology Absorption**

In view of the nature of activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

**Foreign Exchange Earning and outgo**

The Company earned Rs. NIL in foreign exchange earnings during the year. There were no major foreign exchange outgoes except in respect of business travel and related expenses, which amount to Rs. 4.12 lacs (previous year Rs. 5.01)

**Particulars of Employees**

As required under section 217 (2A) of the Companies Act, 1956 and Rules there under, we confirm that there were no employees who were in receipt of remuneration of not less than Rs. 24,00,000 during the year ended 30<sup>th</sup> June 2003 or not less than Rs. 2,00,000 per month during any part of the said year.

**Acknowledgements**

The Directors have pleasure in placing on record their appreciation to its Bankers, Investors, Clients for their co-operation and support to the Company. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward to their continued co-operation.

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By order of the Board

**Chandir Gidwani**  
Managing Director

Mumbai, August 29, 2003.

## REPORT ON CORPORATE GOVERNANCE

**The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and perceived to be such by others.**

### BOARD OF DIRECTORS:

The Board of Directors of the Company comprised almost throughout the year of 9 members, 8 of whom were Non-Executive Directors. Of the Non-Executive Directors, Mr. Khushrooh P. Byramjee, Chairman of the Board of Directors expired on 24<sup>th</sup> December, 2002. Mr. Berjis M. Desai was then elected as the Chairman of the Board. The Board consists of eminent persons with considerable professional expertise and experience in investment, finance and other fields. Mr. Chandir Gidwani, is also a Director on the Board of the promoter company, M/s. Business Match Services India Limited.

**All the other non-executive Directors are Independent Directors.**

### BOARD MEETINGS:

Six Board Meetings were held at Mumbai during the year under review.

The Board Meetings were held on 31<sup>st</sup> July 2002, 30<sup>th</sup> October 2002, 4<sup>th</sup> December 2002, 31<sup>st</sup> December 2002, 23<sup>rd</sup> January 2003 and 30<sup>th</sup> April 2003. Mr. Khushrooh P. Byramjee expired on 24<sup>th</sup> December, 2002. He had attended 3 Board Meetings during the year prior to his demise. Details of the attendance at Board Meetings by the other Directors, together with the number of their Directorships and memberships of the SEBI-designated Board Committees of companies are as follows:

Name of Directors	Category of Directorship	Board Meetings attended during 2002-2003	No. of Directorship in other Companies including directorship in Private Companies	No. of membership on Board Committees of Other Companies
Mr. Chandir Gidwani	Managing Director	6	9	1
Mr. Berjis M. Desai	Chairman	3	23	3
Mr. Rishad Byramjee	Director	1	17	1
Mr. Gobind Gidwani	Director	-	2	1
Mrs. Mahakurshid Byramjee	Director	2	23	-
Mr. Manmohan Shetty	Director	-	9	-
Mr. P.G. Kakodkar	Director	1	12	1
Mr. Rajesh V. Nanavaty	Director	6	1	2
Mr. Ibrahim Belsalah	Director	-	-	-

Eight Non Independent & Non-Executive

Four Directors had attended the last Annual General Meeting held on 31st December, 2003.



**Centrum Finance Limited**

ANNUAL REPORT 2002-2003

**COMMITTEES OF DIRECTORS:**

The Board has constituted the following Committees of Directors:

**AUDIT COMMITTEE:**

The Audit Committee constituted in accordance with the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998 as also in compliance with the listing guidelines on Corporate Governance, as mandated by the Stock Exchange, comprised 3 independent Directors, viz. Mr. Berjis M. Desai (Chairman of the Committee), Mr. Rajesh V. Nanavaty, & Mr. P. G. Kakodkar.

The Audit Committee was formed recently and hence no meetings have been held so far.

The Audit Committee will report its findings to the full Board at the subsequent meeting and its recommendations will be dealt with by the management.

**REMUNERATION COMMITTEE:**

The Remuneration Committee comprising Mr. Gobind N. Gidwani, (Chairman of the Committee), Mr. Berjis M. Desai and Mr. Rajesh V. Nanavaty has been recently formed. Though currently the Company does not pay any remuneration to any Directors, the Company thought fit to have such a Committee in place for the future. The Committee has been authorized to determine the remuneration package for any Executive Directors as well as the remuneration payable to the non-executive Directors from year to year and to distribute the same amongst all or some of the Directors such proportion or manner as the Committee may decide.

**SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE:**

This Committee comprising 3 Directors viz. Mr. Berjis M. Desai (Chairman of the Committee), Mr. Chandir Gidwani and Mr. Rishad K. Byramjee met 3 times during the year. Mr. Khushroo Driver, Company Secretary is the Compliance Officer.

The Committee approves and monitors transfers, transmissions consolidation etc. of shares issued by the Company. The Committee also monitors redressal of complaints from shareholders.

The Registrars had received correspondence on 3 matters in the aggregate during the year-ended June 2003. There were, inter alia, no queries regarding dividends, no requests for ECS mandate, 1 requests regarding change of address, no requests for split/consolidation of shares, 1 query for loss of share certificates. There were no queries pending for more than 21 days during the year and no share transfers or other matters were pending as on 30th June, 2003.

**DISCLOSURES:**

- (i) There were no material pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and any investments in shares and fixed deposits with the Company on normal terms.
- (ii) There were no material transactions of the Company with its Promoters, Directors, management or their relatives that may have potential conflict with the interest of the Company at large.
- (iii) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.

**MEANS OF COMMUNICATION:**

The unaudited quarterly results are published in one English and one vernacular newspaper in August 2002, November 2002, January 2003 and May 2003. The audited results for the year will be published in the above newspapers in August 2003. The results are also displayed on the EDIFAR web-site.

Management Discussion and Analysis forms part of the Director's Report.



## ANNUAL REPORT 2002-2003

**General Shareholder Information:**

<b>Annual General Meeting</b>	17 <sup>th</sup> October, 2003 at 5.00p.m. Khetan Bhuvan, Mumbai – 400 020.
<b>(Date, time and venue)</b>	10-10-2003 to 17-10-2003
<b>Book Closure Date</b>	Final dividend of Rs. 0.10 per Ordinary Share (1%) for the year ended 30 <sup>th</sup> June, 2003, will be paid within 30 days from the date of the Annual General Meeting.
<b>Dividend Payment</b>	The Stock Exchange, Mumbai, Dalal Street, Mumbai – 400 001.
<b>Listing on Stock Exchanges</b>	Listing fees have been paid upto the year ended 30 <sup>th</sup> June, 2003 to the Stock Exchange.
<b>Stock Code</b>	501150
<b>ISIN</b>	INE 660C01019

Market Price Data	Share prices of The Company for the period July, 2002 & June 2003 BSE	
July, 2002	117.00	117.00
August, 2002	117.00	117.00
September, 2002	116.95	116.95
October, 2002	174.00	138.00
November, 2002	174.00	174.00
December, 2002	209.00	198.60
January, 2003	198.60	198.60
February, 2003	198.60	198.60
March, 2003	198.60	198.60
April, 2003	198.60	198.60
May, 2003	198.60	198.60
June, 2003	238.50	238.25

**Registrars & Share Transfer Agents :****INTIME SPECTRUM REGISTRY LIMITED**

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078

Tel No: 2592 3837 • Fax No: 2567 2693 • Email: isrl@intimespectrum.com

**Business Hours :**

Monday to Friday : 10.00 a.m. to 5.00 p.m.

Saturdays : 10.00 a.m. to 1.00 p.m.

**Centrum Finance Limited**

ANNUAL REPORT 2002-2003

**REGISTERED OFFICE**Bombay Mutual Building, 2<sup>nd</sup> Floor, Dr. D. N. Road, Fort, Mumbai – 400 001Tel. 2266 2434 • Fax 2266 3458 • e-mail [info@centrum.co.in](mailto:info@centrum.co.in)**Business Hours :**

Monday to Friday : 9.30 a.m. to 6.00 p.m.

Saturdays : 9.30 a.m. to 2.00 p.m.

**SHARE TRANSFER SYSTEM**

Shares lodged for transfer at the Registrars' address are normally processed within 21 days from the date of lodgment, and requests for dematerialization of shares are processed and the confirmation is given to the depositories within 21 days from the date of lodgment, if the documents are clear in all respects.

The Company Secretary who is also the Compliance Officer verifies the transfer Register sent by the Registrars. The Share Transfer and Investors' Grievance Committee approves the transfer of shares and debentures. Correspondence such as change of address, mandates, etc. are processed by the Registrars within 21 days. Investors' grievances, if any, are resolved by the Compliance Officer, failing which, they would be referred to the Investors' Grievance Committee.

**Distribution of Shareholding as on 30th June, 2003**

	No. of Shares	%
<b>Promoter Company and other Companies:</b>		
<b>Indian Promoter</b>		
Business Match Services India Limited	2300250	47.13
<b>Other Companies</b>		
M. Dinshaw & Co. Pvt. Ltd.	900000	18.44
Casby Logistics Private Limited	184629	3.78
Kaikobad Byramjee & Son (Agency) Private Limited	900300	18.44
<b>Directors</b>		
Ms. M. K. Byramjee	436500	8.94
Financial Institutions/Banks/Insurance Companies and State Governments	Nil	Nil
Non-residents/FIIs	Nil	Nil
Other Bodies Corporate	Nil	Nil
Others	159321	3.27