



Central Finance Limited

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15th
**ANNUAL
REPORT
1998-1999.**

**OUR BUSINESS POLICY AND PHILOSOPHY**

Customer focus as all-round concern.

Prudence in business decisions.

Earning good returns at minimum risk.

Investment in building motivated staff.

Perseverance in whatever we aim at.

DIRECTORS

MR. PRIYAKANT M. DALAL

CHAIRMAN

MR. VIPUL P. DALAL

MR. BHARAT J. SHAH

MR. PARIMAL MERCHANT

MR. H.S. SAWHNEY

EXECUTIVE DIRECTOR

MR. JAYANAND GOVINDARAJ

MR. GANESH RAJAGOPALAN

MR. HIREN H. SHAH

EXECUTIVE DIRECTOR

BANKERS

BANK OF PUNJAB LTD.
CORPORATION BANK

AUDITORS

M/S. C.C. DALAL & CO.

REGISTERED OFFICE

507, MAKER CHAMBERS 'V',
NARIMAN POINT,
MUMBAI - 400 021.

CORPORATE OFFICE

310, MAKER CHAMBERS 'V',
NARIMAN POINT,
MUMBAI - 400 021.

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Central Finance Limited**NOTICE**

NOTICE is hereby given that the 15th Annual General Meeting of the members of Central Finance Ltd., will be held on Friday, the 30th July, 1999 at 4.00 P.M. at 310, Maker Chambers 'V', Nariman Point, Mumbai 400021 to transact the following business:

1. To receive and adopt the Audited Accounts for the year ended 31st March, 1999 and the Report of the Directors and the Auditors.
2. To appoint a Director in place of Shri Jayanand Govindaraj who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Ganesh Rajagopalan who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Hiren H Shah who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

NOTES

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 28th July, 1999 to Thursday, 29th July, 1999 (both days inclusive).
- 4) Shareholders who desire any information as regard Accounts are requested to write to the Company at least one week before the date of the meeting so as to enable the Management to keep the information ready.

By Order of the
Board of Directors

HIREN H SHAH
EXECUTIVE DIRECTOR

Place : Mumbai.

Dated : 16th June 1999.



DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present their Fifteenth Annual Report on the working of the Company. The audited statement of accounts for the year ended 31st March, 1999 is also placed before you.

FINANCIAL RESULTS

	(RS. IN LACS)	
	YEAR ENDED 31.3.99	YEAR ENDED 31.3.98
Income from Operations & Other Income	108.21	212.60
Profit before Interest, depreciation, extraordinary items & tax	68.37	166.05
Interest	15.20	53.95
Depreciation	15.53	25.22
Profit before Extraordinary items & tax	37.64	86.88
Extraordinary items	36.54	33.52
Profit Before Tax	1.10	53.36
Tax Provision	0.00	28.00
Profit After Tax	1.10	25.36
Add : Balance brought forward	51.41	51.83
Less: Prior period adjustments	0.60	0.69
Balance available for Appropriation	51.91	76.50
APPROPRIATIONS		
Proposed Dividend	—	14.40
Tax on Proposed Dividend	—	1.44
Transfer to Statutory Reserve	0.28	5.25
Transfer to General Reserve	—	4.00
Balance Carried forward	51.63	51.41

DIVIDEND

Due to negligible profits earned by your Company during the year, your directors have not recommended a dividend.

OPERATIONS

The year under review has been extremely crucial for your company. Your company has completed a major restructuring exercise during the year. As a part of the restructuring process your company has discontinued all corporate finance, leasing and debt market related activities.

The capital market division has performed well during the current year inspite of sluggish capital markets. The income from investment activities aggregated to Rs.71 lakhs out of the total income of Rs.92 lakhs.

As a part of the restructuring exercise, your company has sold the assets held under the corporate finance division and repaid its entire portfolio of fixed deposits and unsecured loans. The investment activities are proposed to be pursued only out of own funds.

CURRENT EVENTS

Open Offer for purchase of shares

The promoters alongwith their friends, relatives and associates in the Company are interested in divesting their equity stake in the Company. Accordingly, they have entered into a Memorandum of Understanding (MOU) with M/s. Zircon Finance & Leasing Private Ltd., for the sale of 70.34% of the subscribed and paid-up equity shares of the Company. Pursuant to the MOU, subject to the approval of the Securities and Exchange Board of India (SEBI), Zircon Finance and Leasing Private Limited has made an open offer to the shareholders of your Company for the purchase of 20% of the subscribed and paid up share capital of the company at a price of Rs.18/- per share. The date of opening of the offer is scheduled at July 12, 1999.

SUBSIDIARY COMPANIES

M/s. Central Finance Securities Limited ceased to be a subsidiary of the company during the year under consideration.

DIRECTORS

Shri Jayanand Govindaraj, Shri Ganesh Rajagopalan and Shri Hiren H. Shah retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

M/s. C.C. Dalal and Co., Chartered Accountants, Mumbai, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

PARTICULARS OF EMPLOYEES

There are no employees covered under the provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DEPOSITS

The Company had no overdue or unclaimed deposits as at 31st March, 1999.

ENERGY CONSERVATION AND FOREIGN EXCHANGE

The Company has no activity relating to conservation of energy or technology absorption. The Company does not have any foreign exchange earnings or outgo.

APPRECIATION

The Directors wish to place on record their appreciation of the devoted services of the Staff and Officers for their contribution to the performance of the Company and to our valued Clients, Auditors, Bankers, Depositors, and Shareholders for their support.

For and on behalf of the
Board of Directors

HIREN H SHAH
EXECUTIVE DIRECTOR.

Place : Mumbai
Date : 16th June, 1999.