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**NUCENT FINANCE LIMITED**  
**Annual Report 1998-99**

**BOARD OF DIRECTORS**

Dr. Niren Suchanti, *Chairman & Managing Director*  
Mr. V.K. Goenka  
Mr. P. Brahmachari  
Mr. Navin Suchanti

**VICE PRESIDENT &  
COMPANY SECRETARY**

Mr. Ravi Rajagopal

**AUDITORS**

**M. R. Daga & Co.**  
Chartered Accountants

**REGISTERED OFFICE**

10A Lee Road  
Calcutta 700 020

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## Notice

Notice is hereby given that the Fifteenth Annual General Meeting of the members of NuCent Finance Limited will be held at Science City Mini Auditorium, JBS Haldane Avenue, Calcutta 700 046 on Monday, the 27th of September, 1999 at 11.30 a.m. to transact the following business:

### ORDINARY BUSINESS

- i) To consider and adopt the audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
- ii) To appoint a Director in place of Mr P Brahmachari who retires by rotation and being eligible offers himself for re-appointment.
- iii) To appoint a Director in place of Mr Navin Suchanti who retires by rotation and being eligible offers himself for re-appointment.
- iv) To appoint the Auditors and authorise the Board to fix their remuneration.

### SPECIAL BUSINESS

- v) To consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolution :  
"RESOLVED THAT the Articles of Association of the company be and is hereby altered by addition of the following Article 8A after Article 8 of Articles of Association :  
8A. Subject to necessary approvals by the shareholders and other confirmation, if any, and subject to the provisions contained in Section 100 to 104 of the Companies Act, 1956 including any amendments thereto, the Board shall be authorised to reduce the number of shares and/or the amount paid thereon to such number of shares and/or to such amount paid-up on the shares issued by the company as may be determined and approved by the Board."
- vi) To consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolution :  
"RESOLVED THAT notwithstanding anything contained in any prospectus or letter of offer issued at any time by the company, 1,34,45,425 equity shares of the company presently listed at 'The Stock Exchange, Ahmedabad' and 'the Delhi Stock Exchange Association Ltd' be delisted from the said stock exchanges with effect from 1st April, 2000."  
Further, "RESOLVED THAT the Board of Directors be and is hereby authorised to undertake all necessary action required for giving effect to the above resolution."
- vii) To consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolution :  
"RESOLVED THAT notwithstanding anything contained in the Letter of offer dated January 20, 1995, 22,15,700 14% Non-Convertible Debentures allotted by the company and presently listed at The Stock Exchange Mumbai, The Stock Exchange Ahmedabad and The Delhi Stock Exchange Association Ltd be delisted from the said stock exchanges with effect from 1st April, 2000."  
Further, "RESOLVED THAT the Board of Directors be and is hereby authorised to undertake all necessary action required for giving effect to the above resolution."
- viii) To consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolution :  
"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable, the Articles of Association of the company be altered by addition of the following new Article 18A after the existing Article 18 :  
Nomination 18A : Notwithstanding anything in Articles 18, a holder or joint holders of shares or debentures may nominate in accordance with the provisions of Section 109A of the Companies Act, 1956 and in the manner prescribed thereunder, a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of such holders. Any nominations so made shall be dealt with by the company in accordance with the provisions of Section 109B of the Companies Act, 1956"

Place: Calcutta  
Date : 31st May, 1999

Ravi Rajagopal  
Vice-President &  
Company Secretary

### Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself on a poll and the proxy need not be a member of the company. Proxy forms should be deposited at the registered Office of the Company not less than 48 hours before the time fixed for the meeting.
2. The Register of Members and the share Transfer Register of the Company will remain closed from 17th September, 1999 to 27th September, 1999 (both days inclusive).

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item V

The company has discontinued all fund based business and has exited from the financial services and is presently focussed on retirement of its debts and operational restructuring. In order to undertake alternative business, the present share capital of the company may be required to be reduced in future as a part of the restructuring exercise. The Articles of Association is proposed to be amended to provide for the reduction of share capital, subject to the provisions of the Companies Act, 1956 and any amendments thereof.

Dr Niren Suchanti and Mr Navin Suchanti may be considered as interested in the resolution to the extent of their shareholding by the company.

The Directors recommend adoption of the resolution.

#### Item VI & VII

The equity shares and Non-Convertible Debentures (NCDs) issued by the company are presently listed at the Stock Exchanges at Calcutta, Mumbai, Delhi, Ahmedabad and the National Stock Exchange (NSE). The trading volumes of the shares and NCDs at the Delhi and Ahmedabad Stock Exchanges have been very low while there is hardly any trading of NCDs. The shares and NCDs are also listed at the National Stock Exchange which has wider reach over 260 cities with around 4000 terminals which is available to the shareholders and investors intending to deal in the shares and NCDs of the Company. It is proposed to delist the shares and NCDs of the company from Delhi and Ahmedabad Stock Exchanges with effect from April 01, 2000. The delisting will also save costs incurred by the company towards listing fees.

Dr Niren Suchanti and Mr Navin Suchanti are interested in the resolution to the extent of their shareholdings.

#### Item VIII

The Companies (Amendment) Act, 1998 has provided for nomination facility for shares and debentureholders. It is therefore proposed to incorporate a new article in the Articles of Association of the company providing for nomination facility in accordance with the provisions of Sections 109A and 109B of the Companies Act, 1956.

None of the Directors are interested or concerned in the above resolution.

Place: Calcutta  
Date : 31st May, 1999

Ravi Rajagopal  
Vice-President &  
Company Secretary

## Directors Report

NUCENT FINANCE LIMITED

### TO THE SHAREHOLDERS OF NUCENT FINANCE LIMITED

Your Directors present their Fifteenth Annual Report together with the audited accounts for the year ended 31st March, 1999.

#### FINANCIAL RESULTS

The financial results of the company are summarised below :

	Rs. in lacs
Income from operations	1878.97
Gross profit	181.75
Depreciation	1315.14
Provisions for doubtful debts and diminution in value of investments	3289.88
Provision for earlier year written back	411.50
Provision for taxation	-
Net Loss	4011.77

The non-performing assets and other credit exposures have been considered as loss assets and full provision has been made thereof.

#### DIVIDEND

In view of the losses, your Directors regret their inability to recommend any dividend.

#### OPERATIONS

The year under review witnessed an extremely precarious and volatile financial environment which affected the operations of the company.

#### RESTRUCTURING OPERATIONS

The company is now focussed on a restructuring operation with the objective of reducing its debts. The focus in the current year therefore will be as under :

**Recoveries** : Legal proceedings, both civil and criminal are being pursued against defaulting clients.

**Settlement of Debts** : Negotiations have been initiated with institutions and banks in respect of their outstandings seeking certain reliefs.

**Reduction of Costs** : A strong mechanism has been put in place to reduce costs at all levels.

#### DIVERSIFICATION INTO HOUSING DEVELOPMENT

The present year's budget has given a great fillip to the development of housing. The company is exploring the possibilities of entering this sector.

#### CHANGE OF NAME

As approved by you at the last Annual General Meeting, the

name of the company has been changed to **NuCent Finance Limited** from **Pressman Limited** after receipt of necessary approvals.

#### SUBSIDIARIES

NuCent Share and Stock Broking Services Limited (formerly, Pressman Share and Stock Broking Services Ltd), a subsidiary of the company and corporate member of the Calcutta Stock Exchange has reported a net profit of Rs.0.59 lacs during the year under review.

NuCent Securities Limited (formerly, Pressman Finance Ltd) another subsidiary of the company and a member of the National Stock Exchange (NSE) has reported a net profit of Rs.1.86 lacs during the year under review.

As required under section 212(1)(e) of the Companies Act, 1956 particulars relating to the subsidiaries of the company are enclosed.

#### FUTURE PROSPECTS

Your Directors are pursuing settlement proposals with the Bank and Institutions. This would enable the company to completely retire its debts, which is a pre-requisite for the revival of the company.

The company has recalled all its public deposits for premature repayment. The unclaimed deposits as on 31st March, 1999 was Rs.73.59 lacs.

#### DIRECTORS

Mr Navin Suchanti and Mr P Brahmachari retire by rotation and being eligible offer themselves for re-appointment.

During the year, Mr R L Gaggar has resigned as a Director. The Directors appreciate the services rendered by him.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the company is not engaged in any manufacturing activities the information under Section 217(i)(c) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1968 is not annexed hereto.

#### LISTING REQUISITES

The shares of the company are listed at Calcutta, Mumbai, Delhi, Ahmedabad and National Stock Exchange and the listing fees of these stock exchanges have been paid till 1999-2000.

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## Directors Report

The operations of the company are Y2K compliant.

**AUDITORS**

M/s M R Daga & Co. Auditors, who retire offer themselves for re-appointment.

**PARTICULARS OF EMPLOYEES**

There were no employees as required of the category mentioned in Section 217 (2A) of the Companies Act 1956 read with the Companies (Particular of Employees) Rules 1956 as amended.

**ACKNOWLEDGEMENT**

Your Directors acknowledge the support received from the financial institutions and the consortium of banks and look forward to their forbearance to help your company restructure its operations.

Regd Office :

10A Lee Road

Calcutta 700 020

Date : May 31, 1999

On behalf of the Board

Dr Niren Suchanti

Chairman & Managing Director

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## Auditors Report

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of NUCENT FINANCE LIMITED as at 31st March, 1999 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report that :

1. 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 accounts as required by law have been kept by the Company so far as appears from our examination of the books.
- c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion the profit & Loss Account and the Balance Sheet comply with the accounting standards referred to in section 211 (3C) of the Companies Act 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts - Subject to Note No.9 regarding non adjustment of share of profit for the year from a partnership firm (Amount not ascertainable), and Note No.7 regarding treatment of Gratuity payable to employees and encashment of leave on cash basis (Amount not ascertainable), read with the notes 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 of the Company as at 31st March, 1999 and
  - ii) In the case of Profit and Loss Account of the Loss for the year ended on that date.
2. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, and according to the information and explanation given to us in the course of our audit, we further report that :
  - i) The Company has maintained proper records of fixed assets showing quantitative details and situation thereof. Physical verification of fixed assets has been carried out by the management at reasonable intervals and no material discrepancies are stated to have been observed in physical verification as compared to book records. However, in respect of leased assets physical verification is done periodically at clients location taking into account the constraints in arranging for physical verification of assets located at the premises of various leasees.
  - ii) None of the fixed assets of the Company have been revalued during the year.
  - iii) The stock in trade have been physically verified at reasonable intervals during the year.
  - iv) In our opinion and according to the information and explanations given to us, the procedures of verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - v) No discrepancies have been noticed between the physical stock as verified and books records.
  - vi) In our opinion, the valuation of stocks is fair and proper in accordance with normally accepted accounting principles, and is on the same basis as in preceeding year.
  - vii) The Company has taken unsecured loan from companies listed in the register maintained under Section 301 of the Companies Act, 1956. The rates of interest, terms and other conditions of such loan are prima facie not prejudicial to the interest of the company. The company has not taken any loan from companies under the same management within the meaning of section 370 (1B) of the Companies Act 1956.

## Auditors Report

NUCENT FINANCE LIMITED

- viii) The rate of interest and the terms and conditions of loans granted to companies listed in register maintained under Section 301 of the Companies Act 1956 are in our opinion prima facie not prejudicial to the interest of the company.
- ix) Deposits, loans and advances in the nature of loans have been given to bodies corporate, employees and others and they have generally repaid the principal amount together with interest wherever applicable as per stipulations except as otherwise stated in Note No.6 of schedule 'P'. However in our opinion, reasonable steps have been taken by the company where parties are not regular in payment.
- x) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of plant & machinery, equipment and other assets and for sale of goods.
- xi) In our opinion and according to the information and explanations given to us the company has complied with the directives issued by the Reserve Bank of India except paragraph 12 of Non-Banking Finance Companies (Reserve Bank) Directions 1977 regarding maintenance of liquid assets and entrustment of unencumbered approved securities with scheduled commercial banks and the provisions of section 58A of the Companies Act, 1956 with regard to the deposits accepted from the public.
- xii) The Company has an internal audit system which is broadly commensurate with the size and nature of its business.
- xiii) The Company has been regular in depositing Provident Fund & Employees State Insurance dues with the appropriate authorities during the year.
- xiv) According to the information and explanations given to us and the books and records examined by us there are no undisputed amounts payable in respect of income tax, sales tax, excise duty and customs duty outstanding as at 31st March 1999 for a period exceeding six months from the date they became payable.
- xv) We have not come across any expenses charged to revenue account which in our opinion and judgement and to the best of our knowledge and belief, could be regarded as personal expenses.
- xvi) We are informed that the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefits Society do not apply to the Company.
- xvii) The Company has maintained records of transactions and contracts in respect of trading/ investments in shares, debentures and other securities. All shares, debentures and other securities have been held by the company in its own name except which are either lodged for transfer or held with valid transfer forms.
- xviii) The provision of Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the company.
- xix) Other provisions of the said order are not applicable to the Company during the year under review.

For M R DAGA & CO.  
Chartered Accountants  
M R DAGA  
Proprietor

11 Clive Row, Calcutta 700 001  
31st May, 1999

## Balance Sheet

## BALANCE SHEET AS AT 31ST MARCH, 1999

	Schedule	As at 31.03.1999 Rs.	As at 31.03.1998 Rs.
<b>SOURCES OF FUNDS</b>			
Share Capital	A	13,31,71,104	13,31,71,104
Reserves & Surplus	B	38,53,91,314	49,31,32,775
		<b>51,85,62,418</b>	<b>62,63,03,879</b>
<b>LOAN FUNDS</b>			
Secured Loans	C	70,35,68,205	75,90,69,478
Unsecured Loans	D	—	19,97,20,989
		<b>70,35,68,205</b>	<b>95,87,90,467</b>
	<b>TOTAL</b>	<b>1,22,21,30,623</b>	<b>1,58,50,94,346</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	E		
Gross Block		1,01,60,33,220	1,16,38,41,175
Less: Depreciation		38,74,52,705	32,78,47,799
Net Block		62,85,80,515	83,59,93,376
Less : Lease Adjustment Account		13,31,07,392	12,18,30,696
Less : Provision as per prudential Norms		2,68,55,856	—
		46,86,17,267	71,41,62,680
Investments	F	6,95,74,388	10,93,25,337
Current Assets, Loans & Advances	G	43,64,45,887	89,98,64,026
Less : Current Liabilities & Provisions	H	5,35,15,738	14,73,09,499
Net Current Assets		38,29,30,149	75,25,54,527
Miscellaneous Expenditure	I	75,73,410	90,51,802
Debit Balance of Profit & Loss Account		29,34,35,409	—
		<b>1,22,21,30,623</b>	<b>1,58,50,94,346</b>
NOTES ON ACCOUNTS	P		

As per our Report Annexed

For M R DAGA & CO.,  
Chartered AccountantsM R DAGA  
Proprietor  
11 Clive Row, Calcutta 700 001  
31st May, 1999Dr Niren Suchanti, *Chairman & Managing Director*  
Navin Suchanti, *Director*  
Ravi Rajagopal, *Vice President & Company Secretary*

## Profit and Loss Account

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

	Schedule	For the year ended 31.03.1999 Rs.	For the year ended 31.03.1998 Rs.
<b>INCOME</b>			
Leasing	J	13,86,52,255	26,03,96,612
Hire Purchase	K	3,44,04,841	4,72,02,381
Merchant Banking Operations		—	86,000
Trade Finance Operations		60,22,007	3,96,05,132
Income from other operations	L	88,17,584	1,38,41,256
		<u>18,78,96,687</u>	<u>36,11,31,381</u>
<b>EXPENDITURE</b>			
Administrative & Other Expenses	M	1,28,82,206	2,21,13,254
Interest	N	15,53,60,425	18,90,37,719
Miscellaneous Expenditure written-off	O	14,78,392	14,78,392
		<u>16,97,21,023</u>	<u>21,26,29,365</u>
Gross Profit		1,81,75,664	14,85,02,016
Depreciation		13,15,14,384	13,21,67,866
Provision as per Prudential Norms		31,67,58,816	1,09,91,360
Diminution in value of Investments		1,22,29,221	74,78,400
Provision for earlier year written back		4,11,49,887	1,24,73,927
Profit / (Loss) before taxation		<u>(40,11,76,870)</u>	<u>1,03,38,317</u>
Provision for taxation		—	15,00,000
Net Profit / (Loss)		<u>(40,11,76,870)</u>	<u>88,38,317</u>
Balance brought down from previous Year		24,19,009	1,53,80,692
Profit / (Loss) before appropriation		<u>(39,87,57,861)</u>	<u>2,42,19,009</u>
<b>APPROPRIATIONS</b>			
Transfer to Reserve Fund		—	18,00,000
Transfer from General Reserve		10,53,22,452	—
Transfer to Debenture Redemption Reserve		—	2,00,00,000
Profit / (Loss) Carried forward		<u>(29,34,35,409)</u>	<u>24,19,009</u>
		<u>(39,87,57,861)</u>	<u>2,42,19,009</u>

## NOTES ON ACCOUNTS

P

As per our Report Annexed

For M R DAGA & CO.,  
Chartered AccountantsM R DAGA  
Proprietor  
11 Clive Row, Calcutta 700 001  
31st May, 1999Dr Niren Suchanti, Chairman & Managing Director  
Navin Suchanti, Director  
Ravi Rajagopal, Vice President & Company Secretary