

NUCENT FINANCE LIMITED
Annual Report 1999-2000

BOARD OF DIRECTORS

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

**VICE PRESIDENT &
COMPANY SECRETARY**

Mr. Ravi Rajagopal

AUDITORS

M. R. Daga & Co.
Chartered Accountants

REGISTERED OFFICE

Pressman House
10A Lee Road
Calcutta 700 020

Report  junction.com

Notice

Notice is hereby given that the Sixteenth Annual General Meeting of the company will be held at Kala Kunj, 48 Shakespeare Sarani, Calcutta 700 017 on Saturday, 23rd September, 2000 at 10.00 a.m. to transact the following business :

As Ordinary Business

1. To adopt the audited accounts of the company for the year ended 31st March, 2000 together with the Directors' and Auditor's Reports thereon.
2. To appoint a Director in place of Mr V K Goenka who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and authorise the Board to fix their remuneration.

AS SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s) the following resolution as special resolution :
 "RESOLVED THAT pursuant to Section 81(1A) of the Companies Act, 1956 and subject to such consents, permissions, sanctions and/or guidelines as may be necessary, the Board of Directors of the company be and is hereby authorised to offer, issue and allot on preferential allotment basis equity shares, preference shares, debentures, bonds or other securities whether or not convertible into equity shares to Institutions, Banks, Bodies Corporates or other investors (collectively referred to as investors) as the Board may in its absolute discretion decide whether or not such investors are members of the company and such offer issue and allotment be made at such time or times in such tranche or tranches, at such price or prices and on such terms and conditions as the Board may decided in accordance with the applicable rules, regulations and guidelines provided that the aggregate sum to be raised by such issue(s) will not exceed Rs.10 crores."
 5. To consider and if thought fit to pass with or without modification(s), the following resolution as special resolution :
 "RESOLVED THAT the existing clause (5) of the Main Objects of the Memorandum of Association be deleted and the following clause be substituted in its place :
 To carry on the business of developing, maintaining, improving, designing, evaluating, transmitting, processing, collecting, storing, setting up, marketing, selling, exporting, importing, licencing and dealing in all kinds of internet web enabled services and products, internet based solutions including all kinds of e-commerce solutions, facilitating e-commerce transactions, designing, developing and hosting all types of portals for various business and customer needs and all kinds of IT related services and solutions and to carry on the business either solely or enter into joint ventures or partnerships for facilitating such business.
 6. 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 altered as follows:
 a) In Article 2 in place of the definition of 'Member' the following be added :
 'Member' means the duly registered holder of shares or shares of any class of the company from time to time and will also include the beneficial owner as defined in Article 15A.
 b) After the existing Article 15, the following new Article 15A be added under heading 'Dematerialisation of Securities' :
 15(A)(1) The provisions of this Article shall apply notwithstanding anything to the contrary contained in Definitions :
 (2) (i) For the purposes of this Article :
 'Beneficial Owner' means a person or persons whose name is recorded as such with a depository; 'SEBI' means the Securities & Exchange Board of India established under section 3 of the Securities & Exchange Board of India Act, 1992.
 'Depository' means a company which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992 and wherein the securities of the company are dealt with in accordance with the provisions in the Depositories Act, 1996.
 'Security' means such security as may be specified by 'SEBI' from time to time.
- Dematerialisation of Securities :**
- (ii) The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
 Option for Investors :
 - (iii) Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.
 If a person opts to hold his Security with a depository, the company shall intimate such depository the details of allotment of the security.
- Securities on depositories to be in fungible form :**
- (iv) All securities of the Company held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities of the company held by it on behalf of the beneficial owners.
- Rights of depositories and beneficial owners :**
- (v) a) Notwithstanding anything to the contrary contained in the Act a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security of the company on behalf of the beneficial owner.

- b) Save as otherwise provided in (a) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents :

- (vi) Notwithstanding anything contained in the Act to the contrary, where securities of the company are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities :

- (vii) Nothing contained in Section 108 of the Act, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of securities dealt with in a depository :

- (viii) Notwithstanding anything in the Act, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of Securities held in a depository :

- (ix) Nothing contained in the Act regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

Registers and Index of beneficial owners :

- (x) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."

- c) After the existing clause 8A, the following new Article 8B be added :
Notwithstanding anything contained in these Articles, the company shall be entitled to purchase its own shares in terms of the provisions contained in Section 77A, 77AA and 77B of the Companies Act, 1956 or any amendment or modification thereto.

Place : Calcutta

Date : 30th June, 2000Ravi 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 explanatory statement pursuant to Section 173(2) of the Companies Act 1956 in respect of the special Business is annexed hereto.
3. The Register of Members and the share Transfer Register of the Company will remain closed from Thursday, 14th September, 2000 to Saturday, 23rd September, 2000 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item 4**

The company is exploring the possibility of infusion of funds by way of a preferential issue. The proposed resolution is required to be passed in terms of Section 81(1A) of the Companies Act, 1956.
Dr Niren Suchanti and Mr Navin Suchanti may be deemed to be interested in the resolution to the extent of their shareholding in the company.
The Directors recommend adoption of the resolution.

Item 5

In order to provide specifically for the business related to internet technologies and e-commerce more specifically in the objects clause, it is proposed to alter the Memorandum of Association suitably.
None of the Directors are interested in the resolution.
The Directors recommend adoption of the resolution.

Item 6

The shares of the company have been notified under the compulsory dematerialised segment by the Securities & Exchange Board of India. In order to make the Articles of Association in conformity with the provisions of the Depositories Act and the Companies Act, it is proposed to alter the Articles of Association.

The Companies Act, 1956 now provides for purchase of its own shares by a company subject to certain stipulations. It is proposed to include such power in the Articles of the company in conformity with the Companies Act, 1956.

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

The Directors recommend adoption of the resolution.

Place : Calcutta

Date : 30th June, 2000Ravi Rajagopal
Vice President
& Company Secretary

Directors' Report

NUCENT FINANCE LIMITED

DIRECTORS' REPORT**To the Shareholders of NuCent Finance Limited**

Your Directors present their sixteenth Annual Report together with the audited accounts for the year ended 31st March, 2000.

Financial Results

The financial results of the Company are summarised below :

	(Rs. in lacs)
Income from operations	1235.68
Gross Profit	454.27
Depreciation	920.97
Provisions for doubtful debts and diminution in value of investments	11.07
Provision for earlier year written back	375.99
Net Loss	101.78

Dividend

In view of the losses, the Board of Directors do not recommend any dividend.

Operations

Your Company has not undertaken any fresh fund based operations during the year. The income accrued during the year pertains to disbursements made in prior years.

Restructuring Operations

As mentioned in the previous report, the restructuring operations undertaken by the company with the objective of making the company debt free has yielded positive results. During the year under review and in the current year, the company has been able to arrive at negotiated settlements for retirement of debts with ICICI Bank Ltd, Federal Bank Ltd, Oriental Bank of Commerce Ltd, Allahabad Bank, ICICI Limited, IDBI Limited, SIDBI and ICICI Securities of Finance Co. Ltd. in respect of cash credit limits, term loans and Debentures outstanding aggregating Rs.44590.94 lacs. Negotiations are also on with remaining banks and institutions for settlement. It is also actively pursuing for recoveries from its non performing assets and have initiated appropriate legal proceedings.

There has been a sharp reduction in interest amount which stood reduced to Rs.668.67 lacs as compared to 1553.60 lacs in the previous year. Besides the company has been able to bring down its operative expenses to Rs.97.96 lacs from Rs.128.82 lacs in the previous year.

Diversification

Your Directors are pleased to inform the commencement of operations of NuCent Technologies, a division of your company set up for a major foray into internet technologies

and e-commerce solutions. NuCent Technologies has already set up Design and Development centres at Calcutta and Mumbai. The division concentrates on providing multimedia, internet and e-commerce solutions to businesses, offers strategic positioning, marketing advice to dot.com start ups and identifies and launching of niche web portals.

The division has already launched three niche portals : **artstall.com**, an art portal which offers Indian art and artefacts for buyers world wide besides other services like e-greetings. The art portal has been featured among 100 hot dots in the country in a study carried out by India's leading IT and computer magazine **computers@home**. The portal has 700 works of artists from different parts of the country on display. The portal is becoming extremely popular as more and more artists and buyers of Indian Art are signing up.

koolindians.com, an exclusive youth portal which meets the requirements of the Indian youth. The youth portal provides free e-mail, chat, e-greetings, music, movies, health, opinion polls contests amongst various other features. The portal has been reviewed and chosen to bear the 2000-2001 Golden Web Awards by the International Association of Web Masters and Designers (IAWMD) for excellence in Web Design, Content and Creativity.

studyworldwide.net an educational portal, provides students wishing to study abroad, proper advice and counselling. The portal has tied up with a number of universities and colleges who it will represent in India. Amongst the institutions with whom agreements have already been signed are North Brook College, Sussex, UK, The Swiss Hotel Management School, Webster University Thailand, Northwest Missouri State University, Maryville, USA, International College of Hospitality Management "Cesar Ritz" Connecticut, USA and Bethany Lutheran College, Minnesota, USA.

These portals are in niche areas and it is expected that their valuations shall appreciate in the coming years.

The division has received and executed orders for web development and maintenance for prestigious corporate houses.

NuCent Technologies also proposes to tie-up and build alliances with specialist technology companies. Necessary corporate restructuring shall be undertaken, if necessary, to ensure continued focussed growth of this division.

Directors' Report

NUCENT FINANCE LIMITED

Preferential Issue

The company is exploring the possibility of infusion of funds by way of a preferential issue for which your approval is being sought at the ensuing Annual General Meeting.

Future Prospects

The internet era has thrown exciting opportunities for the service sector. Your company is making appropriate usage of its infrastructure and experience in the service sector. The commencement of operations of its technology division is the first step in this direction.

With the settlement of debts, your company's foray in the domain of internet technologies, web development and e-commerce solutions is expected to provide a platform for stabilised future growth.

Subsidiaries

NuCent Share and Stock Broking Services Limited, a subsidiary of the company and corporate member of the Calcutta Stock Exchange has reported a net profit of Rs 0.75 lacs during the year under review.

NuCent Securities Limited another subsidiary of the company and a member of the National Stock Exchange (NSE) has reported a net profit of Rs 2.57 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.

Fixed Deposits

The company has unclaimed deposits of Rs.1,95,089 as on 31st March, 2000. The company has been sending reminders to these depositors to surrender their fixed deposit receipts for repayment.

Directors

Mr Purnabrata Brahmachari resigned as Director with effect from 30th June, 2000. Your Directors record their appreciation for his contribution during his tenure as Director.

Mr V K Goenka retires by rotation and being eligible offers himself for re-appointment.

Dematerialisation of shares

Your company has signed necessary agreements with the National Securities Depository Limited and the Central Depository Services Limited for dematerialisation of its equity shares. Consequently shareholders can now hold the equity shares in the electronic form. The Securities and Exchange Board of India has notified the shares to the company under the compulsory dematerialised segment with effect from 24th July 2000.

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 2000-01.

Auditors

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

Particulars of Employees

There were no employees 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 banks in settlement of its debts for restructuring the operations of the company.

Regd Office :
10A Lee Road
Calcutta 700 020
Date : 30th June, 2000

On behalf of the Board

Dr Niren Suchanti
Chairman & Managing Director

Auditors' Report

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of NUCENT FINANCE LIMITED as at 31st March, 2000 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 6 regarding treatment of gratuity payable to employee 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, 2000 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 the previous 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

- | | |
|---|---|
| <p>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.</p> | <p>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 2000 for a period exceeding six months from the date they became payable.</p> |
| <p>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 on Non-Performing assets. However in our opinion reasonable steps have been taken by the company where parties are not regular in payment.</p> | <p>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.</p> |
| <p>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.</p> | <p>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.</p> |
| <p>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.</p> | <p>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.</p> |
| <p>xii) The Company has an internal audit system which is broadly commensurate with the size and nature of its business.</p> | <p>xviii) The provision of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the company.</p> |
| <p>xiii) The Company has been regular in depositing Provident Fund & Employees State Insurance dues with the appropriate authorities during the year.</p> | <p>xix) Other provisions of the said order are not applicable to the Company during the year under review.</p> |

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

11 Clive Row, Calcutta 700 001
30th June, 2000

Balance Sheet

NUCENT FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2000

	Schedule	As at 31.03.2000 Rs.	As at 31.03.1999 Rs.
SOURCES OF FUNDS			
Share Capital	A	13,31,73,179	13,31,71,104
Reserves & Surplus	B	32,89,88,314	32,89,88,314
		<u>46,21,61,493</u>	<u>46,21,59,418</u>
LOAN FUNDS			
Secured Loans	C	55,47,25,592	70,35,68,205
		<u>55,47,25,592</u>	<u>70,35,68,205</u>
	TOTAL	<u>1,01,68,87,085</u>	<u>1,16,57,27,623</u>
APPLICATION OF FUNDS			
Fixed Assets	D		
Gross Block		101,54,07,936	1,01,60,33,220
Less: Depreciation		44,90,84,201	38,74,52,705
Net Block		<u>56,63,23,735</u>	<u>62,85,80,515</u>
Less : Lease Adjustment Account		21,95,10,983	18,95,10,392
Less : Provision as per prudential Norms		1,02,07,278	2,68,55,856
		<u>33,66,05,474</u>	<u>41,22,14,267</u>
Investments	E	6,90,74,388	6,95,74,388
Current Assets, Loans & Advances	F	40,41,98,347	43,64,45,887
Less : Current Liabilities & Provisions	G	10,26,99,826	5,35,15,737
Net Current Assets		<u>30,14,98,521</u>	<u>38,29,30,150</u>
Miscellaneous Expenditure	H	60,95,018	75,73,410
Debit Balance of Profit & Loss Account		<u>30,36,13,684</u>	<u>29,34,35,408</u>
		<u>1,01,68,87,085</u>	<u>1,16,57,27,623</u>
NOTES ON ACCOUNTS	O		

As per our Report Annexed

For M R DAGA & CO.,
Chartered Accountants

M R DAGA

Proprietor

11 Clive Row, Calcutta 700 001
30th June, 2000Dr Niren Suchanti, *Chairman & Managing Director*
Navin Suchanti, *Director*
Ravi Rajagopal, *Vice President & Company Secretary*