

NuCent Finance Limited

Annual Report 2000-2001

BOARD OF DIRECTORS

Dr Niren Suchanti, Chairman & Managing Director
Mr V K Goenka
Mr Navin Suchanti
Mr Peter Savio Coelho
Mr Suresh Shivkumar Banka

COMPANY SECRETARY

Mr Annada Sankar Mukhopadhyay

AUDITORS

M R Daga & Co.
Chartered Accountants

REGISTERED OFFICE

Pressman House,
10A, Lee Road,
Kolkata 700 020

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Notice

NUCENT FINANCE LIMITED

Notice is hereby given that the Seventeenth Annual General Meeting of the company will be held at Kala Kunj, 48 Shakespeare Sarani, Kolkata 700 017 on Saturday, 29th September, 2001 at 10.30 a.m. to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended March 31, 2001 and the Balance Sheet as on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr Navin Suchanti, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the company for the period commencing from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to 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 Ordinary Resolution:
"RESOLVED THAT Mr Peter Savio Coelho be and is hereby appointed as Director of the company."
5. To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:
"RESOLVED THAT Mr Suresh Shivkumar Banka be and is hereby appointed as Director of the company."
6. To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:
"RESOLVED THAT the equity shares of the company be delisted from Delhi and Ahmedabad Stock Exchanges in accordance with the relevant laws, rules, regulations or guidelines and subject to such approvals as may be necessary and in compliance with such conditions and modification and modifications as may be necessary for the purpose."
"RESOLVED FURTHER THAT the Board of Directors of the company (hereinafter referred to as the "Board" which shall be deemed to include any committee thereof exercising the powers conferred by the Board) be and is hereby authorised to seek voluntary delisting, to take all necessary steps in this regard as it may in its absolute discretion deem necessary, and to settle any question, difficulties, doubts that may arise in regard to delisting of the existing shares and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to any Director or Company Secretary or any person whom the Board may consider suitable to do various acts, deeds and things required to be done on this behalf.

By Order of the Board

Regd. Office :
Pressman House,
10A Lee Road,
Calcutta 700 020
Date : 30th June, 2001

A S Mukhopadhyay
Company Secretary

Notes :

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and on poll to vote in his stead. A proxy need not be a member of the company. The Proxies to be effective, should be deposited at the Registered Office of the company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Register of the Company will remain closed from Tuesday, 18th September, 2001 to Saturday, 29th September, 2001 (both days inclusive).
3. The explanatory statement pursuant to Section 173(2) of the Companies Act 1956 in respect of the Special Business is annexed hereto.
4. Members are requested to inform the company of any change in their address immediately so as to enable the company to communicate with the shareholders.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956Item No. 4

Mr Peter Savio Coelho was appointed as an Additional Director of the company effective 30th June, 2001 and holds office upto the date of this Annual General Meeting.

Mr Coelho aged about 44 years, holds a Bachelor's degree in Commerce and a Diploma in Administrative Management.

He has diverse and wide experience of over 25 years in corporate sector.

He is a member of the following committees of the Board of Directors of the company.

1. Audit Committee
2. Investors' Grievance Committee
3. Remuneration Committee

The company has received a notice from a member under section 257 of the Companies Act, 1956 proposing the candidature of Mr Coelho as a Director of the company.

Mr Peter Savio Coelho is interested or concerned in the proposed Resolution.

None of the other Directors are interested or concerned in the proposed Resolution.

The Directors recommend the adoption of the Resolution.

Item No. 5

Mr Suresh Shivkumar Banka was appointed as an Additional Director of the company effective 30th June, 2001 and holds office upto the date of this Annual General Meeting.

Mr Banka aged about 48 years holds a Bachelor's degree in Commerce.

He started his career in service sector and has over 19 years' experience in commercial operations.

He is a member of the following committees of the Board of Directors of the company.

1. Audit Committee
2. Investors' Grievance Committee
3. Remuneration Committee.

The company has received a notice from a member under section 257 of the Companies Act, 1956 proposing the candidature of Mr Banka as a Director of the company.

Mr Suresh Shivkumar Banka is interested or concerned in the proposed Resolution.

None of the other Directors are interested or concerned in the proposed Resolution.

The Directors recommend the adoption of the Resolution.

Item No. 6

The equity shares of the company are presently listed at Calcutta (the Regional Stock Exchange), Delhi, Mumbai, National Stock Exchange and Ahmedabad Stock Exchanges. Since the last few years, the volume of trading of shares at Delhi and Ahmedabad Stock Exchange have reduced considerably which does not justify payment of considerable amount by way of listing fees and other expenses the company is incurring. The Board of Directors at their meeting held on 14th May, 2001 have therefore, decided to get the shares delisted from the abovementioned Delhi and Ahmedabad Stock Exchange in accordance with the applicable laws, rules, regulations and guidelines.

As required under the Listing Agreement, the company seeks your approval by way of Special Resolution for delisting the shares of the company from the said Stock Exchanges at Delhi and Ahmedabad.

Shareholders/investors in these regions will not suffer due to delisting since with the introduction of screen based trading on National Stock Exchange, trading in shares can easily be done from all over the country.

All material documents including copy of the Listing Agreements are open for inspection by the members on all working days between 10 a.m. to 12 noon at the Registered Office of the company and also available at the meeting.

The Directors recommend adoption of the Resolution.

Details of Committee appointed under Clause 49 of the Listing Agreement in accordance with Corporate Governance code introduced by Securities & Exchange Board of India.

Audit Committee :

Mr Peter Savio Coelho	-	Chairman
Mr Navin Suchanti	-	Member
Mr Suresh Shivkumar Banka	-	Member

Remuneration Committee :

Mr V K Goenka	-	Chairman
Mr Peter Savio Coelho	-	Member
Mr Suresh Shivkumar Banka	-	Member

Investors' Grievance Committee :

Mr Navin Suchanti	-	Chairman
Mr Peter Savio Coelho	-	Member
Mr Suresh Shivkumar Banka	-	Member

All Directors are non-executive Directors.

The shareholders holding their shares in physical form are requested to convert their shares in dematerialised form. The ISIN No. of the company is INE 980A01015.

Directors' Report

DIRECTORS' REPORT

To the Shareholders of NuCent Finance Limited

Your Directors present their Seventeenth Annual Report together with the audited accounts for the year ended 31st March, 2001.

Financial Results

The financial results of the Company are summarised below:

	(Rs. in lacs)	
	Current Year	Previous Year
Income from operations and other income	415.52	1235.69
Gross Profit/(Loss)	(257.99)	1122.94
Interest	170.06	668.67
Depreciation	354.72	920.97
Provision for earlier year written back	(685.57)	(364.92)
Net Loss	97.20	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 all its bankers and financial institutions, except in the matter of a bank where a dispute is under legal adjudication.

Accordingly, there has been a sharp reduction in interest, which stood reduced to Rs.170.06 lacs as compared to Rs.668.67 lacs in the previous year.

It is also actively pursuing for recoveries from its non-performing assets and have initiated appropriate legal proceedings.

Corporate Governance

Your company is fully committed to good corporate governance practices. Looking into that direction, your company endeavors to adhere to the standard prescribed by Securities and Exchange Board of India (SEBI) which is applicable to your company from the financial year 2001 - 2002 onwards. Your company has already appointed an Audit Committee, an Investors' Grievance Committee and a Remuneration Committee, details of which is annexed as Part of the Annual Report.

Directors' Responsibility Statement

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the Directors' Responsibility Statement and confirm as under :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that 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 affairs of the company at the end of the financial year and of the profit and loss of the company for the period;
- that the Directors have taken proper and sufficient care of maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

Delisting

Equity shares of your company are presently listed at Calcutta (the Regional Stock Exchange), Delhi, Mumbai, National Stock Exchange and Ahmedabad Stock Exchanges.

Your Directors recommend delisting of the company's shares from Delhi and Ahmedabad Stock Exchange due to lack of trading volumes.

Future Prospects

The company will be in a position to effectively decide its future plans after it settles all the outstanding debts

Directors' Report

NUCENT FINANCE LIMITED

pursuant to the restructuring exercise. The restructuring exercise has yielded positive results and your company has been able to substantially reduce its debts.

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.18,571/- 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.9.28 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.80,772/- as on 31st March, 2001. The company has been sending reminders to these depositors to surrender their fixed deposit receipts for repayment. For the time being, we have deposited the said amount in Fixed Deposit Escrow Account as per Reserve Bank Circular dated 12.04.99. The company has not accepted or renewed any deposits during the year.

Directors

Mr Navin Suchanti retires by rotation and being eligible offers himself for re-appointment.

Appointment of Additional Directors

Mr Peter Savio Coelho and Mr Suresh Shivkumar Banka have been appointed as Additional Directors of the company w.e.f. 30th June, 2001. They are seeking re-appointment at the Annual General Meeting.

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 that the shares of your company will now have to be compulsorily traded in the demat form. The shareholders are requested to dematerialise their holdings.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Since the company is not engaged in any manufacturing activities the information under section S.217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not annexed hereto.

Listing Requisites

The shares of the company are listed at Calcutta, Mumbai, Delhi, Ahmedabad and National Stock Exchange. The company is in the process of paying listing fees to the respective Stock Exchanges.

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, 1975 as amended.

Acknowledgement

Your Directors acknowledge the support received from the financial institutions and the consortium of banks in settlement of its debts for restructuring the operations of the company.

Registered. Office :

Pressman House,

10A Lee Road

Calcutta 700 020

Date: 30th June, 2001

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, 2001 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) On the basis of the written representation received from the Director of the Company, we report that none of the Director is disqualified as on 31st March, 2001 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.
- (f) 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. 8 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, 2001 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 lessees.
 - (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 book records.
 - (vi) In our opinion, the valuation of stocks is fair and proper in accordance with normally accepted accounting principles.
 - (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

Auditors' Report

NUCENT FINANCE LIMITED

- 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.
- (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 on Non-performing assets. 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.
- (xii) The Company has in 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, 2001 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 provisions of the 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, Kolkata 700 001
Dated, the 30th day of June, 2001

Balance Sheet

BALANCE SHEET AS AT 31ST MARCH, 2001

	Schedule	As at 31st March 2001 Rs.	As at 31st March 2000 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	13,31,73,179	13,31,73,179
Reserves & Surplus	B	32,89,88,314	32,89,88,314
		<u>46,21,61,493</u>	<u>46,21,61,493</u>
Loan Funds			
Secured Loans	C	18,80,49,144	55,47,25,592
		<u>18,80,49,144</u>	<u>55,47,25,592</u>
		<u>65,02,10,637</u>	<u>1,01,68,87,085</u>
APPLICATION OF FUNDS			
Fixed Assets	D		
Gross Block		45,54,19,981	1,01,54,07,936
Less: Depreciation		10,75,53,871	44,90,84,201
		<u>34,78,66,110</u>	<u>56,63,23,735</u>
Net Block			
Less: Lease Adjustment Account		5,77,91,194	21,95,10,983
Less: Provision as per Prudential Norms		1,02,07,278	1,02,07,278
		<u>27,98,67,638</u>	<u>33,66,05,474</u>
Investments	E	6,61,19,384	6,90,74,388
Current Assets, Loans & Advances	F	9,81,25,105	40,41,98,347
Less: Current Liabilities & Provisions	G	11,18,51,400	10,26,99,826
		<u>(1,37,26,295)</u>	<u>30,14,98,521</u>
Net Current Assets			
Miscellaneous Expenditure	H	46,16,626	60,95,018
Debit Balance of Profit & Loss A/c.		31,33,33,284	30,36,13,684
		<u>65,02,10,637</u>	<u>1,01,68,87,085</u>

NOTES ON ACCOUNTS

As per our report annexed
For M R DAGA & CO.
Chartered Accountants

Dr. Niren Suchanti, Chairman & Managing Director
Navin Suchanti, Director.
Annada Sankar Mukhopadhyay, Company Secretary

M R DAGA
Proprietor
11 Clive Row, Kolkata 700 001
Dated: 30th day of June, 2001