

# NuCent Finance Limited

Annual Report 2001-2002

REPORT

BOARD OF DIRECTORS

Dr Niren Suchanti, *Chairman & Managing Director*

Mr V K Goenka

Mr Navin Suchanti

Mr Peter S Coelho

Mr Suresh Banka

COMPANY SECRETARY

Mr Annada Sankar Mukhopadhyay

AUDIT COMMITTEE

Mr Peter S Coelho, *Chairman*

Mr Navin Suchanti, *Member*

Mr Suresh Banka, *Member*

REMUNERATION COMMITTEE

Mr V K Goenka, *Chairman*

Mr Peter S Coelho, *Member*

Mr Suresh Banka, *Member*

INVESTORS' GRIEVANCE COMMITTEE

Mr Navin Suchanti, *Chairman*

Mr Peter S Coelho, *Member*

Mr Suresh Banka, *Member*

AUDITORS

M R Daga & CO.

*Chartered Accountants*

REGISTERED OFFICE

Pressman House,

10A Lee Road,

Kolkata 700 020

Report Junction.com

## Notice

NUCENT FINANCE LIMITED

Notice is hereby given that the Eighteenth Annual General Meeting of the company will be held at Rotary Sadan, 94/2 Jawharlal Nehru Road (Chowringhee Road), Kolkata 700 020 on Saturday, 31st August, 2002 at 10.00 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, 2002 and the Balance Sheet as on that date and the Reports of the Directors' and Auditor's 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 a Director in place of Mr Navin Suchanti who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors 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.

Regd. Office:  
Pressman House,  
10A Lee Road,  
Kolkata 700 020  
Date : 29th June, 2002.

By Order of the Board

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. Proxies to be effective, should be deposited at the Registered Office not later than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Register will remain closed from Friday, 23rd August, 2002 to Saturday, 31st August, 2002 (both days inclusive).
3. Members holding their shares in physical form are requested to convert their shares in dematerialised form. The ISIN No. of the company is INE 980A01015.
4. Members are requested to inform of any change in their address immediately, mentioning their folio numbers.

## Directors' Report

NUCENT FINANCE LIMITED

### DIRECTORS' REPORT

#### To the Shareholders

Your Directors present their Eighteenth Annual Report together with the audited accounts for the year ended 31st March, 2002.

#### Financial Results

The financial results are summarised below:

	(Rs. in lacs)	
	Current Year	Previous Year
Income from operations and other income	319.04	415.52
Gross Loss	871.89	257.99
Interest	—	170.06
Depreciation	157.69	354.72
Provision for earlier year written back	(923.86)	(685.57)
Net Loss	105.73	97.20

#### Dividend

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

#### Restructuring Operations

The company pursued with its objective of retiring its debts and has achieved substantial progress in the same. Accordingly, the total debt which stood at Rs.18.80 crores last year, has been reduced to Rs. 7.43 crores. In the current year as on date of the report, the secured loan has further reduced to Rs. 6.79 crores.

This has also led to substantial reduction in the interest outgo from Rs.1.70 crores last year to Nil in the current year.

The company continues to actively pursue for recoveries from its non-performing assets. It hopes to repay the entire debts within the current financial year.

The company had issued 14% Secured-Redeemable Non-Convertible Debentures of Rs.100 each in 1995. The first redemption of Rs. 33 per debenture fell due in April, 2002. In the interest of the debentureholders, the company exercised the option to redeem the entire value of the debentures instead of one third.

#### Corporate Governance

Your company has complied with the Corporate Governance code during the year under review in terms of mandatory recommendations of Securities and Exchange Board of India and in pursuance of Clause 49 of the Listing Agreement. A report on the Corporate Governance and the Auditors' Certificate thereon are annexed to this 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 loss 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

At the last Annual General Meeting, the shareholders had approved the proposal for delisting of shares from Delhi and Ahmedabad Stock Exchanges. The company has applied for delisting of its shares from The Delhi Stock Exchange Association Ltd and The Stock Exchange, Ahmedabad in pursuance to the SEBI guidelines No. SMDRP/CIR-14/98 dated 29.04.98. The approval of delisting is awaited.

#### Future Prospects

The company's restructuring exercise envisaging complete retirement of its debts is likely to be completed this year, after which it will be in a position to effectively decide the future course of business.

## Directors' Report

NUCENT FINANCE LIMITED

**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. 9,661/- during the year under review. However, due to very meagre volume of business in company coupled with substantial fall in trading and crisis in the Calcutta Stock Exchange, the management has decided to suspend the operations of the company.

NuCent Securities Limited, another subsidiary of the company and a member of the National Stock Exchange (NSE) has reported a net profit of Rs. 1.47 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 separately.

**Fixed Deposits**

The company has unclaimed deposits of Rs. 80,772/- as on 31st March, 2002. The company has been sending reminders to these depositors to surrender their fixed deposit receipts for repayment. The said amount has been deposited in a 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 V K Goenka and Mr Navin Suchanti retire by rotation and being eligible offer themselves for re-appointment. The details of the retiring Directors are enclosed with this Annual Report separately.

**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(1)(c) 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.

The company has not earned or spent any foreign exchange during the year under review.

**Listing Requisites**

The shares of the company are listed at Calcutta, Mumbai and National Stock Exchange. Application for delisting has been made to Delhi and Ahmedabad Stock Exchanges. Listing fees for the year 2002-2003 has been paid to Calcutta, Mumbai and National Stock Exchange.

**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, 1975 as amended.

**Acknowledgement**

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

Registered. Office:  
Pressman House,  
10A Lee Road,  
Kolkata 700 020  
Date : 29th June, 2002

On behalf of the Board  
DR NIREN SUCHANTI  
Chairman &  
Managing Director

## Management discussion and Analysis report

NUCENT FINANCE LIMITED

We submit herewith the management discussion and analysis report on the business of the company.

**Industry structure, development and future outlook**

In view of the very difficult conditions, most of the Non-Banking Financial Companies (NBFCs) are presently going through a very difficult phase. A large number of mid sized companies have closed down its operations and there are large scale defaults in payments to both institutions and fixed depositors. With most of the banks also now entering the financing of retail sector in a big way, the future of finance companies engaged in leasing and hire purchase is not too bright.

**Performance**

The company had suspended all its fund based businesses and the present operations is largely to take care of recoveries. It is pursuing recoveries from its non-performing assets aggressively and where it is considered, appropriate legal proceedings both civil and criminal, have been initiated.

**Financial review and analysis**

Total Income	Rs. 3,19,03,772
Total Expenses	Rs. 4,24,76,967
Profit/(Loss) before Tax	(1,05,73,195)

On account of the company's decision to stop all fund based businesses, the company continues to incur losses.

**Restructuring of Liabilities**

The company has substantially reduced its liabilities and secured loans as on 31st March, 2002 stands at Rs. 7,43,03,000/- against Rs. 18,80,49,144/- last year.

**Internal control system and adequacy**

The internal control system is considered adequate and care has been taken to comply with all applicable rules and regulations.

**Human resources**

In view of the continuous losses, the company has pruned its staff strength. However, the company takes care of the welfare of its employees.

## Reports of Corporate Governance

**1. Philosophy**

Your company is committed to follow the corporate governance standards as prescribed from time to time.

**2. Board of Directors****(a) Composition and size**

Director's Name & Designation	Executive/ Non-Executive/ Independent	No. of Outside Directorship (as on 31.3.02)	Board Meeting		Annual General Meeting
			Held	Attended	
Dr Niren Suchanti Chairman & Managing Director	Executive	10	6	6	Yes
Mr VK Goenka	Independent	11	6	6	No
Mr Navin Suchanti	Non-Executive	13	6	6	Yes
Mr Peter S Coelho	Independent	0	5	2	Yes
Mr Suresh S Banka	Independent	0	5	2	No

**(b) Details of Board Meeting held**

1. 14th May, 2001
2. 30th June, 2001
3. 30th July, 2001
4. 30th October, 2001
5. 31st January, 2002
6. 22nd March, 2002

**3. Audit Committee**

Pursuant to the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the company has appointed an Audit Committee to monitor and provide effective supervision of the management's financial reporting process.

**(a) Terms of Reference**

The terms of reference of this Committee cover the matters specified for Audit Committee and the powers, duties, functions and responsibilities of the Committee and its members are in accordance with the clause 49 of the Listing Agreements and Section 292A of the Companies Act, 1956.



## Reports of Corporate Governance

NUCENT FINANCE LIMITED

(b) *Composition*

The Audit Committee consists of the following Directors:

- Mr Peter Coelho — *Chairman*
- Mr Navin Suchanti — *Member*
- Mr Suresh Banka — *Member*

The majority of the Committee members including Chairman of the Committee are independent Directors. Mr. A S Mukhopadhyay, Company Secretary is the Secretary of this Committee. The Vice President (Finance) and the Statutory Auditors are invitees to the meeting.

(c) *Meetings & Attendance*

There were three meetings of Audit Committee during the year held on 30th June, 2001, 29th October, 2001 and 30th January, 2002. All the Committee members attended the meeting.

4. **Remuneration Committee**

(a) The company has appointed a Remuneration Committee having powers, duties and responsibilities as specified in the provisions of Clause 49 of the Listing Agreement.

(b) *Composition*

The Remuneration Committee consists of the following members:

- Mr V K Goenka — *Chairman*
- Mr Peter Coelho — *Member*
- Mr Suresh Banka — *Member*

All the members of the Committee are non-executive and independent directors.

(c) *Meetings & Attendance*

A meeting of the Committee was held on 29th October, 2001 and all the members of the Committee have attended. Dr Niren Suchanti, Chairman & Managing Director had informed the Committee of his intentions not to draw any remuneration effective 1st October, 2001 considering the company's financial situation. The Committee appreciated his gesture and accepted his proposal.

(d) *Remuneration Policy*

The Company pays sitting fees to all the Directors except to the Chairman for attending the Board Meeting. The members of various committees have agreed that they will not take any sitting fees for the Committee meetings.

Dr Niren Suchanti, Chairman & Managing Director received remuneration upto 30th September, 2001.

(e) *Details of Remuneration*

The details of remuneration paid to Managing Director from April, 2001 to September, 2001 are given below:

April	—	Rs. 46,600/-
May	—	Rs. 46,600/-
June	—	Rs. 46,600/-
July	—	Rs. 46,600/-
August	—	Rs. 46,600/-
September	—	Rs. 46,600/-

5. **Investors' Grievance Committee**(a) *Composition*

The following non-executive directors are members of the Committee :

- Mr Navin Suchanti — *Chairman*
- Mr Peter Coelho — *Member*
- Mr Suresh Banka — *Member*

(b) *Compliance Officer*

Mr A S Mukhopadhyay, Company Secretary is the Compliance Officer.

(c) *Shareholders' Complaints*

Received	Solved	Pending
95	95	Nil

(d) *Pending Share Transfer*

There are no pending share transfer as on date. All valid requests for transfer of shares are processed and the concerned shareholders are informed within a month of its receipt. Whenever there is any request which is not in order, the company returns the same with objection immediately.

6. **Communication with Shareholders**

- Quarterly financial reports have been published in the following newspapers after the same was considered and approved by the Board of Directors.
  - Financial Express (*English*)
  - Kalantar (*Bengali*)
- Management Discussion and Analysis Report (MD&A) is enclosed with the Annual Report.

## Reports of Corporate Governance

NUCENT FINANCE LIMITED

## 7. Shareholder Information

## (a) Annual General Meeting

Date : 31st August, 2002

Time : 10.00 A.M.

Venue : **Rotary Sadan**  
94/2 J L Nehru Road,  
Kolkata 700 020

## (b) Financial Calendar

April, 2002 to March, 2003

## Quarter ending

## Tentative Details of Results

1st 30th June, 2002	End of July, 2002
2nd 30th September, 2002	End of October, 2002
3rd 31st December, 2002	End of January, 2003
4th 31st March, 2003	End of June, 2003 (Audited)

## (c) Date of Book Closure

23rd August, 2002 to 31st August, 2002 (both days inclusive).

## (d) Listing on Stock Exchanges

1. The Calcutta Stock Exchange Association Ltd.  
(Regional Stock Exchange)  
Stock Code — 26445
2. The Stock Exchange, Mumbai  
Stock Code — 9077
3. The National Stock Exchange of India Ltd.  
Stock Code — NUCENTFIN

## (e) Market data at National Stock Exchange (NSE)

Month	Share Price at NSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 01	4.00	2.50	3876.80	3096.50
May, 01	4.00	1.50	3759.90	3420.10
June, 01	3.00	2.25	3651.30	3287.90
July, 01	No Trade	No Trade	3513.70	3241.60
August, 01	1.90	1.00	3359.00	3241.10
September, 01	2.00	1.00	3267.90	2594.80
October, 01	No Trade	No Trade	3083.60	2718.40
November, 01	No Trade	No Trade	3377.80	3003.90
December, 01	4.50	1.15	3500.20	3100.50
January, 02	2.20	2.00	3466.70	3236.70
February, 02	2.50	2.10	3758.10	3290.00
March, 02	2.10	2.10	3758.20	3454.20

## (f) Registrar &amp; Transfer Agent

Physical: (In-house)

Pressman House,  
10A Lee Road,  
Kolkata 700 020

Dematerialised:

Niche Technologies Pvt. Ltd.  
C-444, Bagree Market,  
71, B R B Bose Road (Canning Street)  
Kolkata 700 001Contact Person: Mr S Abbas,  
Senior Manager (Systems)

## (g) Share Transfer System

The Company follows the Share Transfer System as prescribed by the Securities & Exchange Board of India (SEBI) vide its RTI Circular No. 1 (2000-2001) dated 9.05.2001, PMD. The Share Transfer request sent by shareholders are recorded in a register. If the transfer deed and the enclosures are valid, the shares are transferred within a month, otherwise objection memo is sent to the Transferor with necessary advice to take the required steps. The process is done within one month of receipt. The system is monitored by the Company Secretary. Whenever there are any critical matters, it is placed before the Investors' Grievance Committee for their advice.

## (h) Distribution of Shareholding

Pattern	Shareholders		Amount	
	No.	%	Rs.	%
Up to 5000	31698	97.37	3,84,99,590.00	28.63
5001 – 10000	663	2.04	47,35,940.00	3.52
10001 – 20000	118	0.36	17,18,090.00	1.28
20001 – 30000	31	0.10	7,73,000.00	0.57
30001 – 40000	13	0.04	4,39,740.00	0.33
40001 – 50000	2	0.01	95,000.00	0.07
50001 – 100000	4	0.01	2,90,540.00	0.22
100001 & above	22	0.07	8,79,02,350.00	65.38
	32551	100.00	13,44,54,250.00	100.00



## Reports of Corporate Governance

NUCENT FINANCE LIMITED

## (i) Shareholding Pattern (as on 31.03.2002)

Category	No.	%
1. Promoters	7415783	55.16
2. Mutual Funds, UTI	110500	0.82
3. Banks, FIs, Insurance Cos., Govt. & Non-Govt. Institutions	451650	3.36
4. Private Corporate Bodies	208395	1.55
5. Public (Indian)	5148489	38.29
6. NRIs/OCBs	110608	0.82
	13445425	100.00

## (j) Dematerialisation

The equity shares of the company is available for dematerialisation. The Securities Identification Number (ISIN) of the company is INE980A01015. The equity shares are now tradeable only in dematerialised mode.

## (k) Address for Correspondence

Company Secretary  
NuCent Finance Ltd.  
Pressman House,  
10A Lee Road,  
Kolkata 700 020  
Ph : (033) 280-0815 – 20 (6 lines)  
Fax : (033) 280-0813/14  
Email : kolkata@nucentech.com

## (l) Auditors' Certificate on Corporate Governance

The Auditors' Certificate on Corporate Governance is annexed with this Annual Report.

## 8. General Body Meeting

## (a) Details of last three Annual General Meetings

Year	Date of AGM	Venue	Time	Whether Special Resolution passed
1998-99	27.09.1999	Science City Mini Auditorium JBS Haldane Avenue. Kolkata 700 046	11.30 AM	Yes
1999-00	23.09.2000	Kala Kunj. 48, Shakespeare Sarani, Kolkata 700 017	10.00 AM	Yes
2000-01	29.09.2001	-do-	10.30 AM	Yes

Note: System of Postal Ballot were not used in these meetings.

## Auditors' Certificate on Compliance with the Conditions of Corporate Governance under Clause 49 of the Listing Agreements

To the Members of NuCent Finance Ltd.

1. We have reviewed the implementation of Corporate Governance procedures by NuCent Finance Ltd. during the year ended March 31, 2002 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit or an expression of opinion on the financial statements of the Company.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the Stock Exchanges have been complied with in all material respect by the Company.

For M R DAGA & CO.  
Chartered Accountants

Place : Kolkata  
Date : 29th June, 2002

M R DAGA  
Proprietor

## Details of Directors to be re-appointed

1. **Name** : MR VINAY KUMAR GOENKA  
**Date of Birth** : 5th July, 1958  
**Educational Qualification** : B.Sc. (Hons.) in Botany from Calcutta University.  
**Experience** : Have a long experience in business and corporate world. He is holding many senior management positions in various companies.  
**Directorship** : Presently, he is on the Board of the following Indian Companies, namely :

Sl. No.	Name of the company	Designation
1.	Arts & Crafts (Jaipur) Pvt. Ltd.	Director
2.	DPIL Limited	Chairman
3.	Maple Hotels & Resorts Pvt. Ltd.	Director
4.	Project India Blend (P) Ltd.	Director
5.	Sectra Plaza Pvt. Ltd.	Director
6.	Softweb Technologies Pvt. Ltd.	Director
7.	Spectra Plaza Pvt. Ltd.	Director
8.	Suvira Exports Pvt. Ltd.	Director
9.	Suvira Properties Pvt. Ltd.	Director
10.	Warren Industrial Ltd.	Sr. Vice-Chairman
11.	Warren Tea Ltd.	President & Managing Director

## Committee Members

1. Warren Tea Ltd.  
Shareholders Grievance & Share Transfer Committee — Member
2. DPIL Ltd.  
Shareholders Grievance & Share Transfer Committee — Chairman  
Audit Committee — Member

2. **Name** : MR NAVIN SUCHANTI  
**Date of Birth** : 15th October, 1953  
**Educational Qualification** : B.Sc. (Hons.)  
**Experience** : Having more than 28 years experience in finance, management advertising & marketing.  
**Directorship** : Presently, he is on the Board of the following Companies, namely :

Sl. No.	Name of the company	Designation
1.	Pressman Advertising & Marketing Ltd.	Director
2.	Pressman Estates & Investments Ltd.	Director
3.	Sinclair's Hotels & Transportation Ltd.	Chairman
4.	NuCent Share & Stock Broking Services Ltd.	Director
5.	NuCent Securities Ltd.	Director
6.	Prima Communications Ltd.	Director
7.	Dubreuil Pressman Ltd.	Director
8.	Corporate Management Services & Research Ltd.	Director
9.	Son-et-Lumiere Art Gallery Pvt. Ltd.	Director
10.	Paramount Owners Syndicate Pvt. Ltd.	Director
11.	Reliance Jute Mills (International) Ltd.	Director
12.	Graphite India Ltd.	Director
13.	Pressman Advertising Ltd.	Director

## Committee Members

1. NuCent Finance Ltd.  
Audit Committee — Member  
Investors' Grievance Committee — Chairman
2. Sinclair's Hotels & Transportation Ltd.  
Audit Committee — Member  
Investors' Grievance Committee — Chairman