

NuCent Finance Limited



Annual Report 2002 - 2003

BOARD OF DIRECTORS

Navin Suchanti

Peter S Coelho

Suresh Banka

COMPANY SECRETARY

A S Mukhopadhyay

AUDITORS

S M Daga & Co.,


Chartered Accountants

REGISTERED OFFICE

A3, Gillander House,

8, Netaji Subhas Road,

Kolkata 700001

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NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the company will be held at Aikatan, IA 290 Salt Lake City, Sector III, Kolkata-700097 on Monday, 29th December, 2003 at 12.30 p.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, 2003 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 Peter S Coelho, who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution :
"RESOLVED THAT pursuant to section 225 read with all other applicable provisions, if any, of the Companies Act, 1956, M/s. G. Sawadia & Co., Chartered Accountants, be and are hereby appointed as the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting in place of M/s. S.M. Daga & Co., Chartered Accountants, the retiring auditor, on such remuneration as may be fixed by the Board of Directors ("the Board").
RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution."

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 the equity shares of the company be delisted from The Stock Exchange, Mumbai and The Calcutta Stock Exchange Association Ltd in accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 read with the relevant laws, rules, regulations or guidelines and subject to such approvals and in compliance with such conditions and modification and modifications as may be necessary for the purpose."
"RESOLVED FURTHER THAT 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 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.

By Order of the Board

Regd. Office :
A-3, Gillander House,
8, Netaji Subhas Road,
Kolkata - 700 001

A S Mukhopadhyay
Company Secretary

Date : 2nd December, 2003

Notes :

1. A member entitled to attend and vote at the meeting may appoint a proxy who need not be a member, to attend and on poll to vote in his stead. Proxies, should be deposited at the Registered Office not later than 48 hours before the commencement of the meeting.
2. Members are requested to inform of any change in their address immediately, mentioning their folio numbers.
3. The Register of Members and the Share Transfer Register will remain closed from 26th December, 2003 to 29th December, 2003 (both days inclusive).

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

Item No. 3

The present auditors M/s. S.M. Daga & Co., Chartered Accountants, have expressed their unwillingness to be re-appointed as Auditors on their retirement at the ensuing Annual General Meeting. M/s. G. Sawadia & Co. Chartered Accountants by their letter dated 27th November, 2003 have signified their consent to act as Auditors, if appointed, and to hold office as such from the conclusion of this meeting until the conclusion of the next Annual General meeting. The Board recommends passing of the resolution. None of the Directors is interested in the resolution.

Item No. 4

The equity shares are presently listed at Calcutta, Mumbai and National Stock Exchanges. The volume of trading of shares at Calcutta and Mumbai Stock Exchanges have reduced considerably which does not justify payment listing fees and other expenses. The Board at their meeting held on 2nd December, 2003 have, decided to get the shares delisted from the Calcutta and Mumbai Stock Exchange.

As required under the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the company seeks your approval by way of Special Resolution for delisting the shares from the Calcutta and Mumbai Stock Exchanges. Shareholders/investors in these regions will not suffer due to delisting since the shares will continue to be listed in National Stock Exchange having nationwide terminals.

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 and also at the meeting.

The Board recommend adoption of the Resolution.

None of the Directors are interested in the resolution, except as shareholders.

DIRECTORS' REPORT

Your Directors present their Nineteenth Annual Report together with the audited accounts for the year ended 31st March, 2003.

Financial Results

The financial results are summarised below :

	(Rs. in lacs)	
	Current Year	Previous Year
Income from operations and other income	118.56	319.04
Gross Profit/(Loss)	(242.45)	(871.89)
Depreciation	1201.86	157.69
Provision for earlier year written back	(223.13)	(923.86)
Net Loss	1221.18	105.73

Dividend

In view of the losses, the Board of Directors are unable to recommend any dividend.

Reduction of Capital

Pursuant to a Special Resolution passed by the shareholders at the extraordinary general meeting held on 22nd September, 2003 and in terms of the order dated 3rd November, 2003 of the Hon'ble High Court at Calcutta, the share capital of the company has been reduced from Rs. 13,31,73,879 to Rs. 2,52,61,460 effective March 31, 2003 by reducing the paid-up capital of each equity share from Rs. 10 to Rs. 2. It is considered desirable and expedient to rationalise and adjust the relationship between capital and assets of the company by reducing capital which is lost and is not represented by available assets.

Restructuring

The restructuring exercise undertaken by the company envisaged repayment of all debts and reduction of capital. As on 31st March, 2003, the secured loans of your company was Rs. 5.75 crores. Since then, the company has paid a substantial amount of dues and as on the date of this report, the outstanding secured loan stands at Rs. 1.75 crores.

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.

Delisting of Shares

The equity shares of your company are presently listed at Calcutta, Mumbai and National Stock Exchange. As a cost reduction exercise, the Board of Directors have recommended delisting of company's shares from The Stock Exchange, Mumbai and The Calcutta Stock Exchange Association Ltd. The shares will continue to be listed at the National Stock Exchange to offer adequate liquidity to the shareholders.

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.

Future Prospects

The company's restructuring exercise is expected to be completed by 30th June, 2004. The Board thereafter will deliberate on suitable diversification opportunities.

Extension of date of Annual General Meeting

The Registrar of Companies, West Bengal has extended the date for holding the Annual General Meeting upto 31st December, 2003.

Fixed Deposits

The company has unclaimed deposits of Rs. 80,772 as on 31st March, 2003. 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.

Forfeiture of Shares

The Board of Directors have forfeited 314695 Equity Shares for non-payment of allotment/call money.

Directors

Mr Peter S Coelho retires by rotation and being eligible offers himself for re-appointment. The details of the retiring Director is enclosed with this Annual Report separately.

During the year, Mr V K Goenka, Director and Dr Niren Suchanti, Managing Director have resigned from the Directorship.

The Board sincerely appreciates the services and valuable advice provided by them during their tenure.

In compliance with the Companies Act, 1956, Mr Peter S Coelho, Director have been appointed as Manager.

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 amount in foreign exchange during the year under review.

Listing Requisites

The shares of the company are listed at Calcutta, Mumbai and

National Stock Exchange. Listing fees for the year 2003-2004 has been paid to Calcutta, Mumbai and National Stock Exchange.

To save costs, the company is taking action to delist its shares from Mumbai and Calcutta Stock Exchanges. A special resolution to this effect is being placed for your consideration.

Auditors

M/s S. M. Daga & Co., Chartered Accountants, Auditors, who retire, have expressed their inability to continue.

Particulars of Employees

There are 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 bankers towards settlement of the debts for restructuring the operations of the company. The Board is also thankful to the shareholders for their support.

Registered. Office :	On behalf of the Board
A-3, Gillander House,	
8, Netaji Subhas Road,	
Kolkata 700 001	Peter S Coelho : Director
Date : 2nd December, 2003	Suresh Banka : Director

Details of Directors to be re-appointed

Name	Date of Birth	Educational Qualification	Experience	Directorship
Mr Peter Savio Coelho	18th August, 1957	B.Com., Diploma in Administrative Management	Over 25 years experience in Accounts, Finance, Administration and legal affairs.	He is not in the Board of any other company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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 pursue recoveries. It is following-up 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 (in lacs)

Total Income	Rs.118.56
Total Expenses	Rs.1,339.74
Profit/(Loss) before Tax	(Rs.1,221.18)

In view of the company's decision to stop all fund based businesses, the company continues to incur losses. The loss is higher this year on account of depreciation being provided as per tenure of the lease.

Restructuring of Liabilities

The company has substantially reduced its liabilities and secured loans as on 31st March, 2003 stands at Rs.5.75 crores against Rs.7.43 crores last year. Since then this has further reduced to Rs. 1.75 crores as on the date of this report.

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 no staff in its rolls, except the Company Secretary.

REPORT 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	Executive/ Non-Executive/ Independent	No. of Outside Directorship (as on 31.03.03)	Attendance Record		
			Board Meeting Held	Annual Meeting Attended	General Meeting
Navin Suchanti	Non-Executive	11	6	6	Yes
Peter S Coelho	Independent	1	6	3	No
Suresh S Banka	Independent	0	6	3	No

B. Details of Board Meeting held -

- 30th July, 2002
- 26th August, 2002
- 31st October, 2002
- 17th December, 2002
- 8th January, 2003
- 20th January, 2003

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.

b. Composition

The Audit Committee consists of the following Directors -

Peter Coelho	- Chairman
Navin Suchanti	- Member
Suresh Banka	- Member

The majority of the Committee members including Chairman of the Committee are independent Directors. The Company Secretary is the Secretary of this Committee. The Statutory Auditor is an invitee to the meeting.

c. Meetings & Attendance

There were three meetings of Audit Committee during the year held on 28th June, 2002, 30th October, 2002 and 20th January, 2003. 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:

Peter Coelho	–	Chairman
Navin Suchanti	–	Member
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 20th January, 2003 and all the members of the Committee attended.

d. Remuneration Policy :

The members of various committees have agreed that they will not take any sitting fees for the Committee meetings.

e. Details of Remuneration :

The company has no Managing Director and no salary or remuneration is paid to any Director or Manager except sitting fees.

5. Investors' Grievance Committee

a. Composition :

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

Navin Suchanti	–	Chairman
Peter Coelho	–	Member
Suresh Banka	–	Member

b. Compliance Officer :

Company Secretary is the Compliance Officer.

c. Shareholders' Complaints :

Received	Solved	Pending
45	45	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 objections immediately.

6. Communication with Shareholders

1. Quarterly financial reports have been published in the following newspapers after the same was considered and approved by the Board of Directors.

- Asian Age (English)
- Khaborer Kagaz (Bengali)

2. Management Discussion and Analysis Report (MD&A) is annexed as part of the Annual Report.

7. Shareholder Information :

a. Annual General Meeting :

Date : 29th December, 2003
Time : 12.30 p.m.
Venue : Aikyataan, IA 290, Salt Lake
Sector III, Kolkata-700097

b. Financial Calendar : April, 2003 to March, 2004

	Quarter ending	Approved on
1st	30th June, 2003	End of July, 2003
2nd	30th September, 2003	End of October, 2003
3rd	31st December, 2003	End of January, 2004
4th	31st March, 2004	End of June, 2004

c. Listing on Stock Exchanges :

1. The Calcutta Stock Exchange Association Ltd
Stock Code - 26445
2. The Stock Exchange, Mumbai – Stock Code – 9077
3. The National Stock Exchange of India Ltd – Stock Code – NUCENTFIN

d. Market data at NSE

Month	Share Price at BSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2002	2.60	1.80	3538.49	3296.88
May, 2002	2.70	2.00	3478.02	3097.73
June, 2002	3.50	2.00	3377.88	3148.57
July, 2002	6.60	2.00	3366.74	2932.35
August, 2002	3.15	2.15	3185.08	2931.78
September, 2002	3.00	1.50	3227.62	2973.97
October, 2002	1.75	1.10	3038.92	2828.48
November, 2002	2.30	1.40	3245.98	2928.63
December, 2002	No Trade	No Trade	3413.83	3186.62
January, 2003	No Trade	No Trade	3419.92	3199.18
February, 2003	1.85	1.35	3341.61	3218.37
March, 2003	2.60	2.00	3311.57	3039.83

e. Registrar & Transfer Agent :

Physical : (In-house)
A-3, Gillander House,
8, Netaji Subhas Road,
Kolkata 700 001

Contact person : Company Secretary
Email : nucent@cal3.vsnl.net.in
Dematerialised : Niche Technologies Pvt Ltd
D-501, Bagree Market,
71, B R B Bose Road
(Canning Street), Kolkata 700 001

Contact Person : Mr S Abbas, Senior Manager (Systems)
Email : nichetech@vsnl.net
Phone : (033) 2235-7271; 2234 2318
Fax : (033) 2215-6823