

Annual Report
2007-2008

REPORT JUNCTION.COM

NuCent Estates Limited

BOARD OF DIRECTORS

Mr Navin Suchanti (upto 31.07.2008)
Mr Ajit Khandelwal
Mr Alok Kumar Jaipuria
Mr Ratan Lal Sureka (w.e.f. 31.07.2008)
Mr Sushil Kumar Mor (w.e.f. 31.07.2008)

AUDITORS

Singhi & Co.
Chartered Accountants
1B, Old Post Office Street
Kolkata 700 001

REGISTERED OFFICE

A3, Gillander House
8, Netaji Subhas Road
Kolkata 700 001
Mobile : 9830134381
Fax (033) 22800813
Email : nucentestates@gmail.com

REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Private Limited
D-511, Bagree Market
71, B R B Basu Road
Kolkata 700 001
Phone : 2234-3576/2235-7270/7271/3070
Fax : 2215-6823
Email nichetechpl@nichetechpl.com

Notice

Notice is hereby given that the Twenty-fourth Annual General Meeting of the company will be held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020 on Saturday, 27th day of September, 2008 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, 2008 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 Ajit Khandelwal who retires by rotation and being eligible, offers himself for reappointment.
3. 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.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following as ordinary resolutions :

4. "RESOLVED THAT Mr R L Sureka be and is hereby appointed as a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956."
5. "RESOLVED THAT Mr Sushil Kumar Mor be and is hereby appointed as a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956."

Regd. Office :
A-3, Gillander House,
8, Netaji Subhas Road,
Kolkata 700 001
Date : 31st July, 2008

By Order of the Board

R L Sureka
Director

NOTES:

1. **A member entitled to attend and vote 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 Monday, 22nd September, 2007 to Saturday, 27th September, 2007 (both days inclusive).
3. Members holding their shares in physical form are requested to convert their shares into dematerialised form. The ISIN No. of the company is INE980A01023.
4. Members are requested to inform of any change in their address immediately, mentioning their folio number.
5. Members desirous of obtaining any information/clarification(s) concerning the accounts and operations or intending to raise any query are requested to forward the same at least 10 days before the date of meeting at the registered office, so that the same may be attended to appropriately.
6. Brief resume of the director to be appointed/re-appointed is annexed.

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

Item No. 4 & 5

At a meeting of the Board of Directors on 31st July, 2008, Mr Ratan Lal Sureka and Mr Sushil Kumar Mor were appointed as additional directors under section 260 of the Companies Act, 1956.

Mr Ratan Lal Sureka (D.O.B. 02.08.1947) 61 years, is a senior Chartered Accountant with vast knowledge and 35 years experience with requisite financial and accounting expertise. He is a director of DPL Agro and Services Ltd, Pressman Properties Ltd, Nucent Share & Stock Broking Services Ltd, Nucent Securities Ltd and Sadgun Trading Pvt Ltd. Mr. Sureka is not holding any shares in the company.

Mr Sushil Kumar Mor (D.O.B. 25.04.1954) 55 years, is a Commerce graduate. He has 31 years of experience in Commercial function and Administration. He has spent about 15 years in Nepal and was instrumental in enhancing the India Nepal Trade in the eighties. Mr Mor is neither holding directorship in any other company nor holding any shares in the company.

Pursuant to Section 257(1) of the Companies Act, 1956, the Company has received candidature of Directorships of Mr Ratan Lal Sureka and Mr Sushil Kumar Mor from shareholders along with requisite deposit. The Board considers that the Company will benefit immensely from their association. The Board therefore recommends the resolutions set out at items 4 & 5 for your approval. Notices received from shareholders pursuant to Section 257(1) of the Companies Act, 1956 referred to above are available for inspection at the registered office during working hours and also at the venue on the date of Annual General Meeting.

Mr Ratan Lal Sureka and Mr Sushil Kumar Mor are concerned and interested in the respective resolutions for their appointments.

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Date : 31st July, 2008

By Order of the Board

R L Sureka
Director

Directors' Report

Your Directors present their Twenty-fourth Annual Report together with the audited accounts for the year ended 31st March, 2008.

Financial Year

The financial results are summarized below :

	(Rs. In lacs)	
	Current Year	Previous Year
Income from operations and other income	168.51	257.11
Gross Profit	157.21	233.62
Depreciation	–	11.49
Profit before Taxation	157.21	222.13
Fixed Assets written off	–	69.21
Provision for Taxation including adjustments for earlier years	105.76	17.06
Net Profit	51.45	135.86

Dividend

In order to conserve resources, your Directors have not recommended any dividend.

Performance

As reported last year, the company has already diversified into real estate development after exiting finance and financial services business. The company proposes to promote residential projects by way of development agreements with landowners. At the same time, the company is also engaged in arranging real estate deals, which will improve profitability. The company continued to recover NPA dues through pursuance of civil and criminal suits filed against the defaulters.

Corporate Governance

Your company has complied with the Corporate Governance code 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. The company is in the process of identifying suitable persons for the positions of Chief Executive Officer (CEO) and Chief Finance Officer (CFO). The Stock Exchange will be duly intimated when these appointments are made.

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 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

Real estate development is getting a major push as the Indian economy grows at an annual rate of over 8 per cent. The growing demand for housing for all income groups, mall space and offices holds good promise for real estate developers. Your company's decision to enter real estate development business will benefit all stakeholders.

The company's entry into the sector will be either by way of acquisition of existing properties or by preparing building sites on behalf of land/property owners by developing housing estates, apartment blocks, shopping malls, offices and leasing, hiring or selling of the same. The board is confident that the new business will contribute significantly to the profits of the company.

Fixed Deposits

The company has not accepted or renewed any deposits during the year. There are unclaimed deposits of Rs. 80,772 lying with a bank in a fixed deposit escrow account as per Reserve Bank letter dated 12.04.99. However, the company has applied to Reserve Bank of India for release of the deposit money to enable the company to transfer the money in Investors' Education and Protection Fund of the Central Government.

Directors

Mr Navin Suchanti resigned on 31st July, 2008. The Board wish to place on record its appreciation of the services rendered by him during his tenure.

Mr Ratan Lal Sureka and Mr Sushil Kumar Mor were appointed as additional directors on 31st July, 2008. Both the Directors shall hold office up to the date of next Annual General Meeting. The Company has received necessary notices from shareholders alongwith requisite deposit proposing the appointment of Mr Ratan Lal Sureka and Mr Sushil Kumar Mor as Directors.

Mr Ajit Khandelwal retires by rotation and being eligible offers himself for re-appointment. The details of the retiring Director are given in the Annual Report elsewhere.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning 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 on Calcutta, Mumbai and National Stock Exchanges. Listing fees for the year 2008-2009 have been paid to National Stock Exchange, The Bombay Stock Exchange Ltd, Mumbai and The Calcutta Stock Exchange Association Ltd.

Auditors

M/s Singhi & Co., the retiring Auditors have expressed their desire to seek re-appointment at the ensuing Annual General Meeting.

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

The Directors thank the shareholders for their continued support.

Regd. Office :
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Date : 31st July, 2008

By Order of the Board
R L Sureka
Alok Kumar Jaipuria
Directors

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Management Discussion and Analysis Report

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

Industry Structure and developments

The company has fully exited from financial services business. The company is now entering into real estate business in view of stable socio-political and economic conditions coupled with improvement in infrastructure facilities.

The trend in the first quarter of the current year shows improved performance and the company expects to perform well in the current year.

Opportunities and Threats

Opportunities

Your company is positioned to take advantage of :

- i) **A buoyant Indian economy :** Over the next five years, with a projected GDP growth of 9 percent, India is expected to be among the fastest growing economies.
- ii) **Infrastructure Development :** The government has planned major investments in infrastructure, which include the development of roads and ports, convention center projects and the modernization of Mumbai, Delhi and other airports. This is likely to further boost the real estate sector.

Threats

Demands for Real Estate especially residential real estate is sensitive to interest rate movement. Interest rates have been rising in the recent past due to Reserve Bank of India's credit tightening policy. This can adversely affect the company's business plan. Further, recent curb by Reserve Bank of India and the Government of India to reduce credit flow to the retail sector may also affect the company's plans.

Risks and Concerns

In the course of its business, the company is exposed to wide variety of risks.

Real estate business in India is being highly regulated by the Government at various levels, several regulatory approvals, permits, licences, etc. are required to be obtained from the Government from time to time for the implementation of any project. Any delay in obtaining such approvals can affect the timely execution of the project.

Risk mitigation

While there remain a number of risks in our business, due to our operations in the low risk area of development of residential projects, we believe that the company will continue to generate healthy shareholders returns in the future. As such, the future outlook of the company remains positive.

Internal control system and their adequacy

Your company maintains adequate internal control systems commensurate with the Company's size and business, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets. The systems and processes are continually reviewed for its effectiveness and augmented by documented policies and procedures.

Material developments in Human Resources

Human resource functions and initiatives of your Company to attract, train, retain and motivate employees are driven by a strong set of values and policies. Your Company has taken all adequate and necessary steps from time to time to maintain a competitive, healthy and harmonious work environment at all levels.

Report on Corporate Governance

I. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company always strives to achieve optimum performance at all levels by adhering to corporate governance practices, such as :

- Fair and transparent business practices.
- Effective management control by Board.
- Adequate representation of promoter, non-executive and independent directors on the Board.
- Accountability for performance.
- Monitoring of executive performance by the Board.

- Compliance of laws.
- Transparent and timely disclosure of financial and management information.

II. BOARD OF DIRECTORS

The Board of Directors of NuCent Estates Ltd comprises of three non-executive directors. Out of three non-executive directors, two are independent.

During the financial year 2007-2008, five meetings of the board were held. These meetings were held on 18th April, 2007, 29th June, 2007, 26th July, 2007, 31st October, 2007 and 29th January, 2008.

Details and other particulars of Directors are given below :

Name	Designation	Category	Equity Shareholding in the Company
Mr Navin Suchanti	Director	Non-executive Promoter Director	13990
Mr Ajit Khandelwal	Director	Independent Director	Nil
Mr Alok Kumar Jaipuria	Director	Independent Director	Nil

Details of Directors' attendance and other particulars are given below :

Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM Attendance (Yes/No)	No. of memberships in Boards of other Public Companies@*	No. of Committee memberships in other Public Companies@*
Mr Navin Suchanti	5	5	Yes	10	2
Mr Ajit Khandelwal	5	5	Yes	6	2
Mr Alok Kumar Jaipuria	5	5	No	Nil	Nil

* Chairmanship/Membership Audit Committee and Investor Grievance Committee in Public Companies

DETAILS OF DIRECTOR SEEKING REAPPOINTMENT

Brief resume of the director being re-appointed, nature of his expertise in specific functional areas and names of companies in which they hold directorships of the committees of the Board and shareholding are furnished hereunder :

Particulars	Mr Ajit Khandelwal
Date of Birth	10.11.1957
Date of appointment	26.10.2006
Qualification	B.Com
Expertise in specific functional area	30 years experience in the field of stockbroking, investment advisory, merchant banking and equity research. He is Managing Director of BNK Capital Markets Ltd
Directorships held in Other Public (excluding foreign companies and section 25 Companies)	BNK Capital Markets Ltd, Rakesh Textiles Ltd, Kothari Photo Chemical & Industries Ltd, Ellenbarie Industrial Gases Ltd, Bharat Fritz Ltd, Calcutta Stock Exchange Association Ltd
Membership/Chairmanship of Committee of other Public Companies (includes only Audit Committee and shareholders/ Investors Grievance Committee)	BNK Capital Markets Ltd-Investors Grievance Committee Kothari Photo Chemical & Industries Ltd Audit Committee
No. of shares held in the Company	NIL