

Fifth Annual Report 1997-98

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



Som Datt Finance Corporation Limited



Som Datt Finance Corporation Limited

BOARD OF DIRECTORS

Dr. Som Datt (Chairman)
 Kawaljit Singh
 Lekh Raj Munjal
 Usha Datt
 Gen. (Retd.) O.P. Malhotra
 Ved Prakash Marwah
 Latika Datt Abbott (*Managing Director*)

CHIEF EXECUTIVE

D. P. Rawal

COMPANY SECRETARY

A.C. Sharma

AUDITORS

A.S. Gupta & Co.
 Chartered Accountants,
 10, Old Post Office Street,
 Calcutta-700 001

REGISTERED OFFICE

Flat No. 24-25, 10, Old Post Office Street,
 Calcutta-700 001

ADMINISTRATIVE OFFICE

56-58, Community Centre,
 East of Kailash,
 New Delhi-110 065

SHARE TRANSFER AGENTS

Wisec Global Ltd.
 B-6/7, DDA Commerical Complex,
 Safdarjung Enclave,
 New Delhi-110 029

BANKERS

Punjab & Sind Bank
 Bank of Baroda
 Syndicate Bank
 Standard Chartered Bank

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Som Datt Finance Corporation Limited

NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the Members of **Som Datt Finance Corporation Ltd.** will be held at 11:30 a.m. on Wednesday, 30th September, 1998, at Grove Party Room, Dalhousie Institute, 42, Jhautholla Road, Calcutta-700019 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended March 31, 1998 and Balance Sheet as at that date and together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Lekh Raj Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kawaljit Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s A.S. Gupta & Co., Chartered Accountants, Calcutta, the retiring Auditors, as Auditors of the Company and to fix their remuneration.

By Order of the Board of Directors

Place : New Delhi
Date : 31.07.1998

A.C. Sharma
Company Secretary

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NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and proxy need not be a member of the Company.
2. The instrument appointing proxy must reach the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. Register of Members of the Company and share transfer books will remain closed from 16th September, 1998 (Wednesday) to 30th September, 1998 (Wednesday) (both days inclusive).
4. The members are requested to intimate the change of address immediately to the Company.
5. Member/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
6. Members are requested to forward their queries on Annual Accounts at least one week before the date of the Annual General Meeting.
7. The members who have not claimed dividend for the year ended on 31.3.95 and 31.3.96 are requested to collect the same from the company from its administrative office at Delhi.



Som Datt Finance Corporation Limited

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in submitting the 5th Annual Report together with the audited accounts for the year ended 31st March, 1998.

Financial Results

(Rs. in Lacs)

	Year Ended 31.03.98	Year Ended 31.03.97
Gross Income	351.19	497.75
Profit before Interest, Depreciation & Tax	140.58	400.64
Less: Interest	130.62	170.12
Less: Depreciation	180.35	185.59
Less: Tax	—	—
Net Profit/(Loss)	(170.39)	44.93
Profit brought forward	54.71	22.36
Profit available for appropriation	(115.68)	67.29
Proposed Dividend (Pro-rata) subject to tax	—	—
Transfer to Reserve Fund	—	8.99
Transfer to General Reserve	—	3.59
Surplus/(Deficit) carried to Balance Sheet	(115.68)	54.71

OPERATION

During the year under review, the overall economic scenario remained grim and stagnant. Due to large scale defaults by the various NBFC's, RBI enforced stringent guidelines to tighten its control over mobilisation of deposit from the general public. Your Company was conscious enough to perceive the future market trend and had already started taking corrective steps as reported in its last report by consolidating its overall working and resorted to expenditure cut. However, the prevalent market trend has its impact on the functioning of the Company, too. The gross income recorded during the year had declined to Rs. 351.19 lacs as against his corresponding figure of Rs. 497.75 lacs in the last year. Likewise, the profit before tax and depreciation has declined to Rs. 140.58 lacs against Rs. 400.64 lacs in the last year. As per NBFC's guidelines, the provision for doubtful debts to the tune of Rs. 35.57 lacs has been made and a sum of Rs. 119.74 lacs (including Rs. 5.51 lacs approved in the previous year) has been written off during the year. Due to the loss incurred, your Directors do not recommend any dividend for the year under review.

FUTURE PROSPECTS

In order to strengthen the financial position of the Company, your Company has already got permission from its shareholders in the month of April, 1998 to take up other objects pertaining to real estate and construction business. The Company is screening various



Som Datt Finance Corporation Limited

DIRECTORS' REPORT (Contd...)

proposals and will shortly take up the same which will improve the financial position of the Company in the coming year.

FIXED DEPOSITS

In spite of the last year being a tough year, your Company has not deviated from its past practice and repaid all deposits on maturity. There is no amount remained unclaimed unpaid as at the close of the financial year.

DIRECTORS

During the year, Mr. S.R. Mehta resigned as a Director. The Board of Directors appreciate the valuable services rendered by him during the tenure of his directorship with the Company.

Mr. Kawaljit Singh and Mr. Lekh Raj Munjal are retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS

M/s A.S Gupta & Co., Chartered Accountants, Calcutta, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment.

Observation of the Auditors are self - explanatory.

PARITICULARS OF EMPLOYEES

None of the employees is covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information, required under Rule 2 of the Companies (Disclosure of Particular in the Report of Board of Directors) Rules, 1988 relating to the conservation of energy and technology absorption, is not given as the Company is not engaged in manufacturing activity.

During the year, there is no earning and outgo of the foreign exchange.

ACKNOWLEDGMENTS

Your Directors record their appreciation towards bankers, deposit holders and shareholders who have stood firmly with the Company during the critical business environment. The Directors would also like to place on record their appreciation for the services rendered by the employees of the Company.

For and on behalf of the Board of Directors

Place : New Delhi

Date : 31.07.1998

Latika Datt Abbott
Managing Director

L.R. Munjal
Director



Som Datt Finance Corporation Limited

AUDITORS' REPORT

TO THE MEMBERS OF SOM DATT FINANCE CORPORATION LIMITED

We have audited the attached Balance Sheet of Som Datt Finance Corporation Limited as at 31st March, 1998 and the related Profit and Loss Account for the year ended on that date and report that :

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Sections 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, we enclose in the annexure a statement of the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the annexure referred in paragraph 1 above :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
 - b) in our opinion, proper books of account 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 Profit and Loss Account dealt with, by this report, are in agreement with the said books of accounts.
 - d) in our opinion and to the best of our information and according to the explanation given to us, the accounts read with the accounting policies and notes given in Schedule 14, subject to Note No.1.2 regarding depreciation and Note No. 1.6 regarding accounting of certain income and expenditure on receipt basis, 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, 1998; and
 - ii) in the case of the Profit and Loss Account, of the **LOSS** of the Company for the year ended on that date.

For A.S. Gupta & Co.
Chartered Accountants

(A.S. Chanda)
Partner

Place : New Delhi
Date : 31.07.1998



Som Datt Finance Corporation Limited

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SOM DATT FINANCE CORPORATION LIMITED

(Referred to in Paragraph 1 for Our Report of Even Date)

1. The Company has maintained adequate records to show full particulars, including quantitative details and situation of its fixed assets. The fixed assets of the Company, including leased assets, are being physically verified by the Management in terms of a phased programme. No discrepancies were noticed on verifications carried out.
2. None of the Fixed Assets of the Company has been revalued during the year.
3. The Stock-in-Trade has been physically verified by the Management at reasonable intervals and no discrepancies have been noticed on such verification. The procedures followed by the Management for the physical verification are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion, the valuation of such stocks is fair and proper and in accordance with the normally accepted accounting principles.
4. The Company has not taken any loans, secured or unsecured, from, or given any loans to, Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 or covered by the definition of Companies under the same management under Section 370 (1B) of the Companies Act, 1956.
5. In respect of loans and advances in the nature of loans given by the Company, the parties are generally regular in repaying the principal amount and interest as per stipulation excepting for non-performing assets determined by the Management as per prudential norms of RBI.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of the shares including components, plant & machinery, equipments and other assets, and for the sale of shares.
7. The Company has not purchased during the year any assets from, firms or Companies or other parties, if any, listed in the Register maintained under Section 301 of the Companies Act, 1956.
8. The Company has accepted public deposits upto 31.12.97 and has complied with the provisions of Section 58A of the Companies Act, 1956 and the Rules made thereunder and with the Non-Banking Financial Companies (Reserve Bank) Directions, 1998 with regard to such deposits.
The Company has also applied for registration as Non-Banking Finance Company with Reserve Bank of India, Calcutta and registration is awaited.
9. In our opinion, the Company has a system of internal audit which commensurate with the size and the nature of its business.
10. According to the records of the Company, Provident Fund & Employees State Insurance dues have generally been regularly deposited during the year with the appropriate authorities. There are no overdue amounts outstanding at the year end.
11. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at 31st March, 1998 for a period of more than six months from the date they became payable.
12. The Company has a policy of authorising expenditure based on reasonable checks and balances. The policy is intended to ensure that expenses are authorised on the basis of contractual obligations or accepted business practices having regard to the Company's business needs and exigencies. In terms of these observations, 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, nor have any such expenses been reported to us.
13. The Company is not a sick industrial company within the meaning of clause (o) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
14. The Company has maintained proper records of its dealings in shares and securities. The investments are held in the name of the Company.
15. Items 4 (A) xii, xiv, xvi, 4 (D) iii of the aforesaid order are, in our opinion, not applicable in the case of this Company.

For A.S. Gupta & Co.
Chartered Accountants

Place : New Delhi
Date : 31.07.1998

(A.S. Chanda)
Partner