





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-6/6, DDA Commercial 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 Sixth Annual General Meeting of the Members of Som Datt Finance Corporation Ltd. will be held at 11.30a.m on Tuesday, 30th November, 1999 at Grove Party Room, Dalhousie Institute, 42, Jhautholla Road, Calcutta - 700019 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account for the year ended March 31, 1999 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Usha Datt, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Gen. (Retd.) O P Malhotra, 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.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass, with or without modification (s) the following resolution as a SPECIAL RESOLUTION: RESOLVED as a Special Resolution that the following article be substituted in place of Article No. 38 of the Articles of Association of the Company:

38A. Nomination:- Subject to the provisions of Sections 109A and 109B of the Act, a holder or holders of shares is/are entitled to nominate a person, in the prescribed manner under 'the Act', to whom his/their shares in the Company shall vest in the event of his/their death.

Notwithstanding anything contained in any other law for the time being in force or any disposition, whether testamentary or otherwise, in respect of the shares of the Company, where a nomination is made under 'the Act', the nominee, on the death of the shareholder or in case of joint shareholders, on the death of all the joint holders, shall become entitled to the rights in the shares of the Company to the exclusion of all other persons, unless the nomination is waived or cancelled in the manner prescribed under 'the Act'.

38B. Without Nomination:- Where no nomination has been made as prescribed under Article No.38A on the death of a member, the survivor or survivors, where the member was joint holder, and his legal representatives (s), executor (s) or administrator (s) where he was sole holder, shall be the only persons by the Company as having any title to his interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

The Board may require any persons becoming entitled to shares in consequence of the death of any member to obtain a Grant of Probate or Letter of Administration or other legal representation proving his title as the case may be, from a competent court. Provided it shall be lawful for the Board in its absolute discretion to dispense with the production of Probate or Letter of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board may think fit, from time to time, the powers and discretions of the Board under this Article may be delegated and exercised by a Committee of Directors or an officer of the Company duly authorised in this regard.

By Order of the Board of Directors

A.C. Sharma
Company Secretary

Place : New Delhi
Date : 25.10.1999



Som Datt Finance Corporation Limited

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. The dividend for the financial year ending 31.03.1995 has been transferred to the General Revenue Account of the Central Government. The members who have not claimed the dividend may claim the same from the Registrar of Companies, West Bengal. The unclaimed dividend for the financial year ending 31.03.1996 will be due for transfer to the Investor Protection and Education Fund on 09.01.2004. The shareholders who have not encashed the dividend warrants should approach the Head Office of the Company for revalidation/issue of duplicate dividend warrants.
4. The members are requested to intimate the change of address immediately to the Company's Registrar, WISEC Global Ltd.
5. Member/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
6. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of special business is enclosed.
7. Members are requested to forward their queries on Annual Accounts at least one week before the date of the Annual General Meeting.

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

ITEM NO. 6: AMENDMENT OF ARTICLES OF ASSOCIATION

Pursuant to the Companies (Amendment) Act, 1999, Sections 109A and 109B has been inserted into the Companies Act, 1956 empowering the holder of shares to nominate a person to whom the shares of the Company shall vest in the event of his death and laid down the procedure. The Article No.38 of the Articles of Association of the Company has been proposed to be amended to give effect to the said provisions. It requires the approval of the Shareholders by way of Special Resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendment will be available for inspection at the Registered Office of the Company during business hours and also at the ensuing Annual General Meeting.

None of the Directors of the Company is interested in this resolution.

By order of the Board

Place : New Delhi
Date : 25.10.1999

A.C. Sharma
Company Secretary



Som Datt Finance Corporation Limited

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in submitting the 6th Annual Report together with the audited accounts for the year ended 31st March, 1999.

	(Rs. in Lacs)	
	Year Ended 31.03.99	Year Ended 31.03.98
FINANCIAL RESULTS		
Gross Income	<u>276.44</u>	<u>351.19</u>
Profit before Interest, Depreciation & Tax	53.57	140.58
Less: Interest	108.09	130.62
Less: Depreciation	97.35	180.35
Less: Tax	—	—
Net Profit/(Loss)	(151.87)	(170.39)
Profit/(Loss) on reversal of Lease Transactions	33.65	—
Less : Income Tax	83.31	—
Profit/(Loss) brought forward	(7.08)	163.30
Surplus/(Deficit) carried to Balance Sheet	(208.61)	(7.08)

OPERATION

During the year under review, the activities of the Company were mainly focussed on capital market operations. The income from capital market operations has increased from Rs.13.12 lacs as at 31.03.1998 to Rs. 72.03 lacs as at 31.03.1999 resulting in more than 5 times increase over the last year. The Company has involved itself in arbitrage and badla financing transactions which are risk free. However, the Company continues to carry on its core business activity of hire-purchase and leasing. During the year, the fresh hire-purchase and lease financing has been made to the tune of Rs. 40 lacs. The profit before depreciation and interest amounted to Rs. 53.57 lacs as at 31.03.1999 as compared to Rs. 140.58 lacs as at 31.03.1998. The Company has written off a sum of Rs. 141.33 lacs and made provisions for doubtful debts as per Reserve Bank of India norms to the tune of Rs. 33.75 lacs. This has resulted in a net loss of Rs. 151.87 lacs for the year under review as against previous year net loss of Rs. 170.39 lacs.

During the year, the Company has reversed lease income of earlier years on account of disallowance of certain lease transactions by the Income Tax Authority while making assessment for the Assessment Year 1995-96 and for which the Company had preferred an appeal and subsequently settled the dispute under Kar Vivad Samadhan Scheme on account of non-cooperation by the Leasess.

FUTURE PROSPECTS

Your Directors have decided to augment the income arising out of arbitrage and badla financing transactions which are on rise keeping in view the fast expanding Stock Exchange Activities. This income will also be supplemented as there is substantial decrease in fixed deposit and bank borrowings.



Som Datt Finance Corporation Limited

DIRECTORS' REPORT (Contd...)

FIXED DEPOSITS

Your Directors feel satisfied that the Company has paid all the deposits on maturity to its fixed deposit holders. However, there are 16 deposit holders who have failed to encash the instruments within the period of its validity and the amount involved is Rs. 81,520.36 as at 31.03.1999. The Company is approaching these deposit holders to procure fresh cheques in lieu of the obsolete cheques.

DIRECTORS

Mrs. Usha Datt and Gen. (Retd.) O P Malhotra 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.

As per note no. 2 (c) to the Auditors' Report, the provision for gratuity and leave encashment has not been made since the amount was not material and the same will be accounted for on payment basis.

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.

LISTING

The Shares of the Company are listed on the Calcutta, Bombay, Delhi, Jaipur and Madras Stock Exchanges. The annual listing fees for the year 1998-99 have been paid to the Calcutta, Delhi and Bomaby Stock Exchanges.

Y2K COMPLIANCE

Your Company has upgraded the Computer Hardware so as the meet Y2K compliance. The cost incurred on upgradation is to the tune of Rs. 1.55 lacs.

ACKNOWLEDGMENTS

Your Directors wish to place on record the support and co-operation received throughout the year from its bankers, deposit holders and clients. Your Directors also record their gratitude to the Company's esteemed shareholders for their continued support.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 31.08.1999

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, 1999 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 the 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 Balance Sheet and the Profit & Loss account dealt with by this report are in compliance with Accounting Standards (AS) referred to in Section 211 (3C) of the Companies Act, 1956 except for, provision for gratuity and leave encashment of employees which is not being made, as required by the Accounting Standard-15 (refer note no.1.7 (II) (i) (b) & (c).
 - e) 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.1.7 regarding accounting of certain income and expenditure on receipt/payment basis and No.2.1 regarding impact on reversal of certain lease transactions 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, 1999; 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

Place : Calcutta
Date : 30.08.1999

(A.S. Chanda)
Partner