

7TH ANNUAL REPORT

1999-2000



Som Datt Finance Corporation Limited



Som Datt Finance Corporation Limited

BOARD OF DIRECTORS

Dr. Som Datt (Chairman)

Kawaljit Singh

Lekh Raj Munjal

Usha Datt

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 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 Seventh Annual General Meeting of the Members of Som Datt Finance Corporation Ltd. will be held at 11.30 a.m on Saturday, 30th September, 2000 at Saturday Club, 7, Wood Street, Calcutta 700016 to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account for the year ended March 31, 2000, Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. L.R. Munjal, who retires by rotation and being eligible, offers herself for re-appointment.
3. 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

4. To consider, and if thought fit, to pass, with or without modification (s), the following resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT pursuant to Section 17 and other applicable provisions of the Companies Act, 1956, Clause No.4 of the Object Clause III.A be deleted and new clause be inserted as under :-

To acquire, take-up, hold, sell or otherwise deal in shares, stocks, debentures, debenture-stocks, bonds, negotiable instruments, obligations and securities of all kinds issued or guaranteed by any company constituted or carrying on business in India or abroad including money market instruments of any kind or nature, traded on the Stock Exchanges in India or abroad; and debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any Government, sovereign, ruler, commissioner, public body or authority, supreme, municipal, local or otherwise, whether in India or abroad and to carry on and undertake the business of portfolio investments, in equity shares, preference shares, stocks, debentures (convertible and non-convertible), company deposits and to deal in Government Securities, including Government Bonds, Loans, National Saving Certificates, Post Office Saving Schemes, Units of Investment or money market instruments of any kind or natures traded on the Stock Exchanges in India or abroad.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take all such acts, deeds and things as may be necessary to implement the this resolution.

5. To consider, and if thought fit, to pass, with or without modification (s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Section 17 and other applicable provisions of the Companies Act, 1956, existing Clause No. 35 of the Object Clause III.C be deleted and new clause be inserted as under:-

- 35 a) To carry on, establish, organise, manage, promote, provide, operate, conduct and develop life insurance and general assurance business in all its branches & manifestations in India or elsewhere and for this purpose to operate various schemes including whole life insurance, endowment insurance, double benefit insurance, medical insurance, fire, riot, earth-quake, natural calamity plans, gratuity plans, fixed income plans and such other schemes and plans as may be considered expedient and necessary from time to time.
- b) To act as agents, representatives, surveyors, sub-insurance agents, franchisers, consultants, advisors, collaborators, in life and general insurance.
- c) To engage in all activities which are incidental and allied or related to insurance business and for this purpose to apply, approach, acquire, hold and procure such rights, titles entitlements, licences and permissions from Government, Semi-Government, local authorities, public bodies, undertaking and from such other authorities as may be necessary and expedient.



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FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take all such acts, deeds and things as may be necessary to implement the this resolution.

6. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to Section 149 (2A) and other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby given to commence the business as specified under new clause 35, duly reworded and as approved by the Members under Item No.5 of this notice, of the Other Objects of the Memorandum of Association either by itself or in collaboration or partnership with any individual, firm or Company :-

- 35 a) To carry on, establish, organise, manage, promote, provide, operate, conduct and develop life insurance and general assurance business in all its branches & manifestations in India or elsewhere and for this purpose to operate various schemes including whole life insurance, medical insurance, fire, riot, earth-quake, natural calamity or crop insurance, loss of profit insurance, annuity plans, gratuity plans, fixed income plans and such other schemes and plans as may be considered expedient and necessary from time to time.
- b) To act as agents, representatives, surveyors, sub-insurance agents, franchisers, consultants, advisors, collaborators, in life and general insurance.
- c) To engage in all activities which are incidental and allied or related to insurance business and for this purpose to apply, approach, acquire, hold and procure such rights, titles entitlements, licences and permissions from Government, Semi-Government, local authorities, public bodies, undertaking and from such other authorities as may be necessary and expedient.

7. To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION** :

RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered by adding a new Article 49B after the existing Article 49A :-

49 BDEMATERIALISATION OF SECURITIES

- i) Definitions for the purpose of this Article:

- a) 'Beneficial Owner' shall mean beneficial owner as defined in Clause (a) of sub-sections (1) of Section 2 of the Depositories Act, 1996.
- b) 'Depository Act' shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment made thereunder.
- c) 'Depository' shall mean a Depository as defined under Clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.
- d) 'SEBI' shall mean the Securities and Exchange Board of India established pursuant to Section 3 of the Securities and Exchange Board of India Act, 1992.
- e) 'Security' shall mean such security as defined under clause (1) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.
- f) 'Record' includes the records maintained in the form of books or stored in computer or in other form as may be determined by regulations made by the SEBI.
- g) 'Members' unless otherwise provided, means the duly registered holder, from time to time of the shares of the Company as also one whose name is entered as beneficial owner of the shares in the records of the Depository.

- (ii) Dematerialisation of Securities :

Notwithstanding anything contained in these Article, the Company shall in accordance with the provisions of the Depositories Act, be entitled to dematerialise its securities and to offer securities for subscription in a dematerialised forms and on the same being done, the Company shall be entitled to maintain a Register/Index of Members/ Debenture holders holding Shares/Debentures both in material and dematerialised forms in any mode as permitted by law including any form of electronic media, either in respect of existing securities or any future issue.



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(iii) Option for Investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time out of a depository, if permitted by law, in respect of any security in the manner provided by the Depository Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.

Provided that if a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and, on receipt of the information, the depository shall enter in its record, the name of the allottee as the beneficial owner of the security.

(iv) Distinctive numbers of the securities held in Depository

Notwithstanding anything contained in these Articles, the provision relating to progressive numbering shall not apply to the securities which have been dematerialised.

(v) Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to the Depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) Transfer and Transmission of Shares in held in depository

Nothing contained in Section 108 of the Act or in these Articles shall apply in case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depository Act, 1996 shall apply.

(vii) Rights of Depositories and Beneficial Owners

- a) Notwithstanding anything contrary contained in these Articles, a depository shall be deemed to be the Registered Owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami, trust, or equitable, contingent or other claim to or entered in such share on the part of any other person whether or not it shall have express or implied notice thereof.

8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT subject to the provisions of Section 198, 269, 309 and applicable provisions of the Companies Act, 1956 subject to the approval of the Central Government, if required, Mrs. Latika Datt Abbott be and is hereby re-appointed as Managing Director of the Company in terms of provisions contained in Schedule XIII annexed to the Companies Act, 1956 on the following terms and conditions:-

1. **Period of re-appointment :** 5 Years from 15.06.2000
2. **Salary :**

Within the scale of Rs.20,000- Rs.70,000 p.m. The Board of Directors will determine the amount of increments payable every year depending upon the performance of the managerial personnel, the size of operation, profitability and other relevant factors.



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3. Perquisites:

Within the overall ceiling of 75% of the annual salary, she would be entitled to the following perquisites in such form and manner as the Board of Directors of the Company may decide:-

- a) Furnished accommodation with expenditure on gas, electricity, water and maintenance and repair thereof
OR

House-rent allowance and house maintenance allowance with expenditure on gas, electricity and water

- b) Medical expenses and medical insurance for self and family,
c) Leave travel concession for self and family,
d) Chauffeur driven car facility,
e) Club Membership,
f) Provident fund, superannuation or annuity fund,
g) Gratuity and

such other perquisites and allowances as may be agreed by the Board of Directors. The perquisites shall be evaluated as per the Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

Company's contribution to provident fund and superannuation or annuity fund to the extent these either singly or together are not taxable under the Income Tax Act, gratuity and encashment of leave at the end of the tenure shall not be included in the computation of limit for remuneration or perquisites as aforesaid.

Note :- Family for this purpose shall mean the spouse, dependent children and the dependent parents.

Commission :- Such remuneration by way of commission, in addition to salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration :- Notwithstanding anything contained hereinabove, the Company in case of no profits or inadequate profits in any financial year during the tenure of the managing Director, be entitled to pay the remuneration and perquisites within the limits specified in the Schedule XIII of the Act.

Determination of the Contract :- The term of contract between the Managing Director and the Company can be terminated by either party by giving three month's notice in writing.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to alter/vary/amend the terms and conditions of the appointment especially the remuneration including overall ceiling of perquisites so as not to exceed the limit specified in Schedule XIII of the Act, or any amendments made thereto.

9. To consider, and if thought fit, to pass, with or without modification (s), the following resolution as **SPECIAL RESOLUTION** :
RESOLVED THAT pursuant to the listing guidelines and other applicable guidelines of SEBI, the Company be and is hereby authorised to seek delisting of shares, listed on the Jaipur Stock Exchange and the Madras Stock Exchange.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to take necessary steps for due implementation of this resolution.

By Order of the Board

Place : New Delhi

Date : 28.08.2000

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. 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 Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 16th September 2000 to Saturday, 30th September, 2000 (both days inclusive).
5. The members are requested to intimate the change of address immediately to the Company's Registrar, WISEC Global Ltd.
6. Member/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
7. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of special business is enclosed.
8. 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. 4: AMENDMENT OF ARTICLES OF ASSOCIATION

The Company is a Non-Banking Finance Company registered with Reserve Bank of India, Calcutta. It is carrying on the business of leasing, hire-purchase and dealing in shares. The main objects of the Company under Clause No.4 to Objects under III.A of the Object Clause do not cover the money market instruments like future segments, derivatives, etc. which are permitted to be traded on the Stock Exchanges and not issued by any company or Government/Public Body. It is proposed to incorporate the said instruments in the object clause and reword the existing clause in order to carry on the business of the Company more economically and efficiently. The amendment to the Object Clause requires the consent of the shareholders by way of Special Resolution. The Board of Directors recommends the proposed amendments for consideration of the shareholders.

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

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendment will be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day and also at the Annual General Meeting.

ITEM NO.5: AMENDMENT OF MEMORANDUM OF ASSOCIATION

The Company is a Non-Banking Finance Company (NBFCs) registered with Reserve Bank of India, Calcutta. It is carrying on the



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business of leasing, hire purchase and dealing in shares. The Reserve Bank of India vide its circular No. DNBS. (PD) CC.No. 13/02. 01/99-2000 dated 30th June, 2000 permitted NBFC to carry on the business of insurance subject to the conditions laid down therein. Since the clause No. 35 contained in the Object III.C contained only general insurance activities, the said clause is proposed to be deleted and instead a new clause is to be inserted. The Board of Directors considers that the insertion of new clauses would be beneficial to the Company in the attainment of its objects more economically and efficiently. The amendment to the Object Clause requires the consent of the shareholders by way of Special Resolution. The Board of Directors recommends the proposed amendments for consideration of the shareholders.

None of the Directors is interested in this resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendment and copy of circular of the RBI are available for inspection by the members at the Registered Office of the Company during normal business hours on any working day and also at the Annual General Meeting.

ITEM NO. 6 : TAKING UP OF OTHER OBJECTS

Section 149 (2A) of the Companies Act, 1956 requires that the members of the Company should approve by special resolution the commencement of any new business by the Company. The business which the members are being requested to approve is within the scope of the Objects Clause of the Memorandum of Association of the Company and is contained in new Clause 35, duly reworded and as approved by the Members under Item No. 5 of this notice, under the heading 'Other Objects' of the Memorandum of Association.

The Board of Directors considers that the diversification of the activities of the Company into the proposed field will prove to be useful and beneficial to the Company.

The proposed amendment and the Memorandum of Association of the Company is open for inspection at the Registered Office of the Company during the usual business hours on any working day and also at the meeting.

None of the Directors is concerned or interested in the proposed resolution.

ITEM NO. 7: AMENDMENT OF ARTICLES OF ASSOCIATION

Consequent upon the introduction of the Depositories Act, 1996 and the Depository System, certain provisions of the existing Articles of Association relating to the issue, holding, transfer, transmission and other dealings in shares and other securities, as also issue of certificate, which were framed on the basis of the relevant provisions of the Companies Act, 1956, need to be amended to match with the legal and practical aspect of the Depository System. The Depository System of holding securities in an electronic form is a far safer and more convenient method of holding and trading in securities of a company. It is, therefore, proposed that the Articles of Association of the Company be suitably amended, as proposed in the resolution to reflect the provisions introduced by the Depositories Act, 1996 for enabling the Company to join the Depository System at a future date and to spell out the rights of the beneficial owner of the securities in such system.

Your Directors recommended the proposed resolution.

None of the Directors is interested in this resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendment are available for inspection by the members at the Registered Office of the Company during normal business hours on any working day and also at the Annual General Meeting.



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ITEM NO. 8 : RE-APPOINTMENT OF MANAGING DIRECTOR

Mrs. Latika Datt Abbott, Managing Director of the Company, has been associated with the Company since the inception of the Company. She is 34 years old and a graduate from Delhi University. She was elevated to the post of the Managing Director, w.e.f., 15.06.1995 and has successfully completed the first five year tenure on 15.06.2000. Under her stewardship, the Company has successfully faced the recessionary trend in the Non-Banking Finance Sector and emerge as a strong entity. She is authorised to manage the affairs of the Company subject to superintendence and control of the Board of Directors. The abstract of the terms of appointment of the Managing Director and the Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956 is circulated to the Members.

None of the Directors except Dr. Som Datt, Mrs. Usha Datt and Mrs. Latika Datt Abbott is interested in the Resolution.

ITEM NO. 9 : DELISTING OF SHARES

It is to inform the members that the shares of the Company are listed on the Calcutta, Bombay, Delhi, Jaipur and Madras Stock Exchanges at the time of public issue of the Company in 1994. It is observed that there is no trading in shares on the Jaipur and the Madras Stock Exchanges. It is proposed to get the shares delisted on both these Stock Exchanges. The consent of the shareholders is needed by way of Special Resolution.

None of the Directors is interested in this resolution.

By order of the Board

Place : New Delhi
Date : 28.08.2000

A.C. Sharma
Company Secretary

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