



BOARD OF DIRECTORS

Dr. Som Datt (Chairman)
Kawaljit Singh
Lekh Raj Munjal
Usha Datt
D.P. Rawal
Latika Datt Abbott (Managing Director)

COMPANY SECRETARY

A.C. Sharma

AUDITORS

A.S. Gupta & Co.
Chartered Accountants,
10, Old Post Office Street,
Calcutta-700001

REGISTERED OFFICE

Flat No. 24-25, 10, Old Post Office street,
Calcutta-700001

ADMINISTRATIVE OFFICE

56-58, Community Centre,
East of Kailash,
new Delhi-110065

SHARE TRANSFER AGENTS

RCMC Share Registry (P) Ltd
1515, (1st Floor), Bhisham
Pitamah Marg,
Kotla Mubarakpur
(Near South Extn.)
New Delhi-110 003

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 Eight Annual General Meeting of the Members of Som Datt Finance Corporation Ltd. will be held at 11.30 A.M on Saturday, 29th September, 2001 at "Circular Court", 8, Acharya Jagadish Chandra Bose Road, Calcutta - 700017 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account for the year ended March 31, 2001, Balance sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kawaljit Singh who retires by rotation and being eligible, offers himself 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 an **Ordinary Resolution**:

RESOLVED THAT subject to the provisions of Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956 and subject to approval of the Central Government, if required, the appointment of Mr. D.P. Rawal as Director of the Company during the period 31.01.2001 to 20.04.2001 in terms of provisions contained in Schedule XIII Annexed to the Companies Act, 1956 on the following terms and conditions be and is hereby approved:-

1. Period of appointment : 5 Years from 31.01.2001

2. Salary :

Within the scale of Rs. 17,500 - Rs. 50,000 p.m. The increments payable every year will be determined depending upon the performance of the managerial personnel, the size of operation, profitability and other relevant factors.

3. Perquisites:

Within the overall ceiling of Rs. 75,000/- per month and subject to the limits as may be determined, he would be entitled to the perquisites like house rent allowance, business promotion, medical re-imbursement, leave travel concession, bonus, provident fund, superannuation, annuity fund, gratuity and such other perquisites whether or not the same being specified and in such form and manner as may be decided.

The above limit of perquisites does not include Company's contribution to provident fund, superannuation or annuity fund to the extent these are singly or together are not taxable under the Income Tax Act, gratuity at a rate not exceeding half months salary and encashment of leave at the end of tenure as per Company's rules.

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 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 Director and the Company can, be terminated by either party by giving three months' notice in writing.

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

RESOLVED THAT Mr. D.P. Rawal, who was appointed as an additional director of the Company under Article No. 75 of the Articles of Association of the Company pursuant to Section 260 of the Companies Act, 1956 and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Director, liable to retire by rotation.

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

RESOLVED THAT the Board of Directors be and is hereby authorised to ratify the service agreement on behalf of the Company entered into between Som Datt Overseas Ltd., a member of Delhi and Calcutta Stock Exchanges and the Company for sale and purchase of shares on the Stock Exchanges on behalf of the Company.

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Section 293(1) (e) and other applicable provisions of the Companies Act, 1956, the aggregate contribution made by the Board of Directors of the Company to the Prime Minister's National Relief fund to the tune of Rs. 5 lacs (Rupees Five lacs only) towards the Gujrat Earthquake Victims be and the same is hereby confirmed, approved and ratified.

By Order of the Board

Place : New Delhi

Date : 17.08.2001

A.C. Sharma
Company Secretary





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 Production 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 Tuesday, 18th September, 2001 to Saturday, 29th September, 2001 (both days inclusive).
5. The members are requested to intimate the change of address immediately to the Company's Registrar, RCMC Share Registry (P) 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.
9. The equity shares of the Company have been activated for dematerialisations on NSDL and CDSL with effect from 17.01.2001 and 225.01.2001 respectively. However, the shares were included in the compulsory demat segment, w.e.f., 28.05.2001.

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

ITEM NO. 4 : APPOINTMENT OF DIRECTOR

Mr. D.P. Rawal is B.Com (Hons), FCA and CAIIB. He is 56 years old and is having 27 years of experience of which 23 year in banking service as Senior Executive. He has joined the Company as Chief Executive with effect from 01.11.1996. He was appointed as Director for a period of 5 years with effect from 31.01.2001. However, he has to resign due to other assignments with effect from 20.04.2001. He drew the remuneration as approved by the Board subject to approval by the General Body of shareholders. His terms of appointment and the remuneration during this period are submitted to the shareholders for their consent. The abstract of the terms of appointment of Mr. D.P. Rawal, Director and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956 was circulated to the members.

None of the Directors except Mr. D.P. Rawal is interested in this resolution.

ITEM NO. 5 : APPOINTMENT OF ADDITIONAL DIRECTOR

Mr. D.P. Rawal is B.Com (Hons), FCA and CAIIB. He is 56 years old and is having 27 years of experience of which 23 year in banking service as Senior Executive. He was appointed as an additional director with effect from 31.01.2001 and simultaneously appointed as Director pursuant to Section 269 and other applicable provisions of the Companies Act, 1956. However, he resigned with effect from 20.04.2001 as Director. He was again co-opted as additional director (non-executive) with effect from 20.04.2001 pursuant to Article No. 75 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. His term of appointment will expire at the ensuing Annual General Meeting. The Company has received a notice from the member signifying his intention to appoint him as Director.





SOM DATT FINANCE CORPORATION LIMITED

None of the Directors except Mr. D.P. Rawal is interested in this resolution.

ITEM NO. 6 : SERVICE AGREEMENT WITH THE COMPANY IN WHICH DIRECTORS ARE INTERESTED

A service agreement dated 01.04.2000 has been entered into and renewed with M/s. Som Datt Overseas Ltd., a member Delhi and Calcutta stock Exchanges. Under the said agreement, it was agreed that a flat rate of brokerage (excluding service tax) not exceeding 0.05% on all transactions be charged by the above broker. The said brokerage is competitive in the market. The said agreement was for one year upto 31st March, 2001 and it was also renewed on 02.04.2001. Since all the directors except Mr. Kawaljit Singh are interested in this resolution, the Board of Directors could not ratify the said agreement and its renewal. It is, therefore, proposed to seek the consent of the General Body of shareholders.

The above service agreement and its renewal are available for inspection at the registered office of the Company during business hours and also during the meeting.

All the directors except Mr. Kawaljit Singh are interested in this resolution.

ITEM NO. 7: DONATION

As the members are aware that the severe earthquake that struck on 26th January, 2001 affected the large masses in the State of Gujrat, the Board of Directors of your Company decided to contribute a sum of Rs. 5 lacs to the PMRF to the Welfare of Gujrat Earthquake victims. As the amount contributed is in excess of the limit specified under Section 293(1) (e), the proposed resolution is being submitted to the members for their consideration and ratification.

None of the Directors is interested in this resolution.

By order of the Board

Place : New Delhi

Date : 17.08.2001

A.C. Sharma
Company Secretary





SOM DATT FINANCE CORPORATION LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in submitting the 8th Annual Report together with the annual accounts for the year ended 31st March, 2001.

	(Rs. in Lacs)	
FINANCIAL RESULTS	Year Ended <u>31.01.2001</u>	Year Ended <u>31.03.200</u>
Gross Income	152.06	305.14
Profit before Interest, Depreciation & Tax	93.61	196.41
Less : Interest	10.70	33.16
Less : Depreciation	24.53	98.19
Less : Tax	6.50	12.50
Net Profit/ (Loss)	51.88	52.56
Less : Income Tax (earlier year)	13.23	-
Profit/ (Loss) brought forward	(156.05)	(208.61)
Surplus/ (Deficit) carried to Balance sheet	(117.40)	(156.05)

OPERATION

During the year under review, the gross income of the Company has reduced to Rs. 152.06 lacs as compared to the corresponding income in the last year amounting to Rs. 305.14 lacs. The main reason for such decline is the reduction in volume of lease finance beside an overall decline in interest rates prevailing in the market. However, the dividend income during the year has been Rs. 47.39 lacs as against Rs. 3.05 lacs in previous year showing an increase of dividend income by 15.5 times. In spite of the above hindrances, your company has earned net profit after tax during the year amounting to Rs. 51.88 lacs which is almost equivalent to the last year profit at Rs. 52.56 lacs.

During the year, the Company had to pay a sum of Rs. 13.23 lacs on account of calculation error committed and later detected by the Income Tax Department for which the Company opted Kar Vivadh Scheme pertaining to the assessment year 1995-96.

Keeping in view the accumulated losses, your Directors do not recommend dividend for the year under review.

FUTURE PROSPECTS

In the present scenario where interest rates have been continuously declining, reduction in interest income is anticipated. The Company has started looking for other avenues of income, i.e., sale of bonds, govt. securities and sale of mutual funds and other allied non-fund businesses. Your Directors hope that non-fund income shall make up the decline towards the funded income. Your company has also decided not to pursue joint venture with M/s Soft Electronic Co (SOFT) as it does not appear to be viable in the present market scenario.

FIXED DEPOSITS

Your Directors are pleased to confirm 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. 48,892.87 as at 31.03.2001. The Company is approaching these deposit holders to procure fresh cheques in lieu of the stale cheques.





SOM DATT FINANCE CORPORATION LIMITED

DIRECTORS

Mr. Kawaljit Singh is retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

During the year, Mr. D.P. Rawal was appointed as working director. He is B.Com (Hons), FCA and CAIIB. He is 56 years old and is having 27 years of experience of which 23 year in banking service as Senior executive. Due to his other assignments, he could not continue as working director and as such he was co-opted as non-executive director, w.e.f., 20th April, 2001. His term will expire at the ensuing Annual General Meeting. A notice from a member has been received proposing his re-appointment as director. The Board recommends his appointment as director.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the annual accounts for the year ended 31st March, 2001 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 year and of the profit or loss of the Company for the year under review;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the accounts for year ended 31st March, 2001 on a "going concern" basis.

AUDIT COMMITTEE

An Audit Committee of the Company pursuant to Section 292A of the Companies Act, 1956 has been constituted comprising of three directors, namely, Mr. D.P. Rawal, Mr. L.R. Munjal and Mr. Kawaljit Singh.

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.

PARTICULARS 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 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 Exchanges. The annual listing fees have been paid to the stock exchanges, viz., Delhi stock Exchange (2001-2002), Calcutta stock Exchange (1999-2000), Bombay Stock Exchange (2000-2001), Madras & Jaipur Stock Exchanges (1997-1998).

CORPORATE GOVERNANCE

Under the Listing Agreement, a clause no. 49 has been inserted pertaining to corporate governance to be observed by the listed companies. Your company is required to implement the above upto 31st March, 2002. Your Company is in the process of implementing these guidelines before that date.



SOM DATT FINANCE CORPORATION LIMITED

ACKNOWLEDGMENTS

Your Directors record their appreciation towards bankers, deposit holders and shareholders. 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

L.R. Munjal
Director

D.P. Rawal
Director

Latika Datt Abbott
Managing Director

Place : New Delhi
Date : 31.07.2001

ADDENDUM TO THE DIRECTORS' REPORT

According to note number 2(e) of the Auditors' Report, the provision for gratuity and leave encashment of employees has not been made and the same are accounted on payment basis as disclosed under note number 1.7 (ii) (i) (b) & (c) in Schedule 13. The same accounting policy is being consistently followed.

As per note number 2(f) of the Auditors' Report, depreciation and accounting of certain income and expenditure are accounted for on receipt/ payment basis as disclosed in Schedule 13. The same accounting policy is being consistently followed.

The other observation of the Auditors are self explanatory

For and on behalf of the Board of Directors

L.R. Munjal
Director

D.P. Rawal
Director

Latika Datt Abbott
Managing Director

Place : New Delhi
Date : 17.08.2001

