

**2006 - 07**  
**14<sup>th</sup>**  
**Annual Report**

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**SOM DATT FINANCE CORPORATION LIMITED**

**BOARD OF DIRECTORS**

Dr. Som Datt (Chairman)

Kawaljit Singh

Usha Datt

D.P. Rawal

V.P. Marwah

Latika Datt Abbott (Managing Director)

**AUDITORS**

A.S. Gupta &amp; Co.

Chartered Accountants

10, Old Post Office Street

Kolkata-700001

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**CONTENTS*****Registered Office***Flat No. 24-25, 10, Old Post Office Street  
Kolkata-700001***Administrative Office***56-58, Community Centre  
East of Kailash  
New Delhi-110065***Share Transfer Agents***RCMC Share Registry (P) Ltd.  
B-106, Sector -2  
Noida - 201301***Bankers***Bank of Baroda  
HDFC Bank Limited

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# SOM DATT FINANCE CORPORATION LIMITED '06-'07

## NOTICE

**NOTICE** is hereby given that the 14th Annual General Meeting of the Members of **Som Datt Finance Corporation Ltd.** will be held at The Saturday Club, 7, Wood Street, Kolkata-700016 on Saturday, 29th September, 2007 at 11.30 a.m., to transact the following business:

### ORDINARY BUSINESS

1. To Consider and adopt the Profit and Loss Account for the year ended March 31, 2007, Balance sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. D P Rawal, 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

Place: New Delhi  
Date: 30.06.2007

D P Rawal  
Director

### 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. The instrument appointing proxy must reach the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
2. 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 was transferred to the Investor Protection and Education Fund on 24.01.2004.
3. The unpaid dividend for the financial year ending 31.03.2005 and 31.03.2006 are lying in two separate accounts. Those members who have failed to encash the dividend warrant the same may send a request for re-validation of dividend warrant.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 15<sup>th</sup> September, 2007 to Saturday 29<sup>th</sup> September, 2007 (both days inclusive) if the final dividend as recommended by the Board of Directors is approved at the meeting. Payment of such dividend will be made on or after 1st October 2007 as under:
  - a) To all beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close business hours on 14th September 2007.
  - b) To all members in respect of share held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 14th September 2007.



# SOM DATT FINANCE CORPORATION LIMITED '06-'07

5. The members are requested to send the dividend mandate to the Company's Share Transfer Agent, RCMC Limited.
6. The Company provides Electronic Clearing Service (ECS) to its members free for directly crediting their account with the dividend proceeds. Member holding shares in physical form may avail this service by forwarding the ECS mandate as per the format enclosed in the Annual Report to the Company's Transfer Agent, RCMC Limited and Members holding shares in demat mode are requested to send their request to their respective Depository Participants (DP).
7. The members are requested to intimate the change of address immediately to the Company's Share Transfer Agent, RCMC Ltd.
8. Member/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
9. Members are requested to forward their queries on Annual Accounts at least one week before the date of the Annual General Meeting.

**By Order of the Board**

Place: New Delhi  
Date: 30.06.2007

**D P Rawal**  
**Director**



# SOM DATT FINANCE CORPORATION LIMITED '06-'07

## DIRECTORS' REPORT

### TO THE MEMBERS,

Your Directors have pleasure in submitting the 14th Annual Report together with the Audited Annual Accounts for the year ended 31<sup>st</sup> March 2007:

Financial Results	(Rs. in Lacs)	
	Year Ended 31.03.2007	Year Ended 31.03.2006
Gross Income	348.14	268.67
Profit before, Depreciation & Tax	221.89	150.50
Less Depreciation	7.73	9.21
Add Prov. for D/debts W/back	-	5.86
Profit before tax	214.16	147.15
Less Prov. for income tax	5.00	12.50
Less Prov. for income tax earlier years	-	1.16
Net Profit/(Loss) before extra-ordinary item	209.16	133.49
Add/(Less) Prov. for Deferred Tax	3.23	(5.21)
Less Prov. for F.B.T	0.35	1.02
Net Profit/(Loss)	212.04	127.26
Profit/(Loss) brought forward	44.23	34.30
Profit carried to P&L appropn.a/c	256.28	161.56
Less transfer to general reserve fund	-	3.21
Less Transfer to special reserve (As per RBI Guidelines)	42.41	-
Proposed dividend	150.11	100.07
Dividend tax u/s 115	25.51	14.03
Surplus/(Deficit) carried to Balance Sheet	276.39	44.23

## OPERATION

During the year under review, the gross income of the Company stood at Rs.348.14 lacs as compared to the income of corresponding previous year amounting to Rs.268.67 lacs. Increase in Income is on account of Capital Market Operation registered at Rs.266.67 lacs as against Rs.161.66 lacs for corresponding previous year.

During the year under review, the Company has registered a net profit after tax at Rs.212.05 lacs, thereby with the addition of previous surplus of Rs.44.23 lacs, resulting into total surplus of Rs.256.28 lacs.

## DIVIDEND

Keeping in mind the over all performance of your company and also considering the positive outlook of future company growth, the Board of Directors recommends a dividend of 15% on 10007970 equity shares of Rs.10/-each subject to approval by the Shareholders at the ensuring Annual General Meeting.





# SOM DATT FINANCE '06-'07 CORPORATION LIMITED

## MANAGEMENT DISCUSSIONS & ANALYSIS

Fund based activity i.e., consumer loans, hire purchase/lease activity is still not feasible as large banking/other institution have jumped into the fray with cheap lending rates.

Considering the constraints in lending business still prevailing, your directors have decided to continue capital market operations, which are hedged and offer reasonable but risk free return.

The Company has also devised effective internal control system, which is commensurate to the size of the business and is considered to be adequate.

## SUBSIDIARY COMPANY

The Company shall start operations after the physical delivery system of commodities traded and transacted is implemented by the exchanges. Module of delivery based transactions is being framed by commodity Exchange and the same may be implemented in the near future.

## CONSOLIDATED FINANCIALS

The consolidated financial results of the Company alongwith its subsidiary M/s. Som Datt Infsoft Pvt. Ltd., are forming part of this report and are given as per Annexure "A"

## FIXED DEPOSITS

Your Directors confirm that no public deposit outstanding as on date and there is no unpaid / unclaimed public deposit holder as on date.

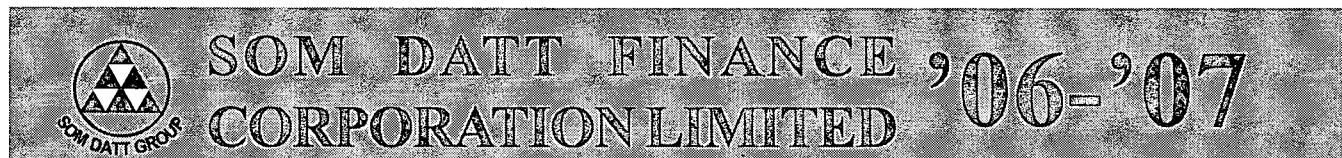
## DIRECTORS

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

## 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 31<sup>st</sup> March 2007 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 31<sup>st</sup> March 2007 on a 'going concern' basis.



## AUDITORS

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

Mr. A S Gupta, the Senior Partner of M/s. A S Gupta & Co., Chartered Accountant, Kolkata has expired during the year. The Board of Directors appreciates the services rendered by him as auditor of the Company and pray almighty God to give strength to his family to bear the irreparable loss.

The Auditors Comments are self-explanatory.

## 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 Bombay Stock Exchange. The annual listing fees have been paid to Bombay Stock exchange. The voluntary delisting application is pending with Kolkata Stock Exchange and delisting permission has been received from Delhi, Jaipur and Madras Stock Exchange.

## CORPORATE GOVERNANCE

The report on Corporate Governance together with the Auditor's Certificate on compliance of mandatory requirements of Corporate Governance are given in the annexure to this report.

## ACKNOWLEDGMENTS

Your Directors take this opportunity to thank its bankers and shareholders for their continued support to the Company. 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  
Dated :30.06.2007

**DP Rawal**  
Director

**Latika Datt Abbott**  
Managing Director



# SOM DATT FINANCE CORPORATION LIMITED '06-'07

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2006-07

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### 1. COMPANY'S PHILOSOPHY:

Your Company believes that Corporate Governance should be observed not only as per the letter but more important in spirit so as to become a way of life. The Company's respect for law and strict compliance thereof, emphasis on product quality and a caring spirit. Its policies and practices are based on the highest standards of ethics and transparency in regard to its dealings and disclosures.

### 2. BOARD OF DIRECTORS:

#### 2.1 Composition

The Board of Directors comprises of six directors. The Chairman is the non-executive Chairman. More than one-third of the Board consists of independent directors. The composition is as under:

Name of the Director	Position
Dr. Som Datt	Chairman/Promoter
Mrs. Usha Datt	Director/Promoter
Mr. Kawaljit Singh	Director/Independent Non-Executive
Mr. D P Rawal	Director/Independent Non-Executive
Mr. Ved Prakash Marwah	Director/Independent Non-Executive
Mrs. Latika Datt Abbott	Managing Director/Promoter

#### 2.2 Meetings and attendance record of each Director

- i) 4 Meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2007. These were held on:
  1. 26.05.2006
  2. 31.07.2006
  3. 31.10.2006
  4. 25.01.2007
- ii) The attendance record of the Directors at the Board Meetings held during the year ended on 31<sup>st</sup> March, 2007 and the last Annual General Meeting (AGM) and the details of other Directorships and Committee Chairmanships and Memberships held by the Directors of the Company are given below:

Name of the Director	Attendance Particulars		No of Directorships and Committee Member / Chairmanship		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Dr. Som Datt	4	-	6	-	-
Mrs. Usha Datt	4	-	5	-	-
Mr. Kawaljit Singh	4	-	4	2	1
Mr. V P Marwah	3	-	-	-	-
Mr. D P Rawal	4	1	3	1	2
Mrs. Latika Datt Abbott	4	-	8	1	-

#### 2.3 Re-appointment of Directors

The Brief particulars of Mr. D P Rawal, the Directors of the Company proposed to be re-appointed at the ensuing Annual General Meeting are as under:





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## Particulars of Mr. D P Rawal – Director

### a. Brief resume of the Director

Mr. D P Rawal is 62 years old and is FCA.

### b. Nature of Experience

Mr. D P Rawal is a retired Banker and having 35 years experience in the field of Banking , Finance and investment.

### c. Directorship

He is director in the companies viz.,

Som Datt Overseas Ltd., Landmark Procorn Pvt. Ltd. and Som Datt Capital Development Ltd.

## 3. AUDIT COMMITTEE:

- i) The Audit Committee was constituted on 26.05.07 and comprises of three members, namely: Mr. D P Rawal, Mr. V P Marwah and Mr. Kawaljit Singh. All the members of the Audit Committee are independent Directors. They possess adequate knowledge of Accounts, Audit, Finance, etc. The meetings of the Audit Committee are usually chaired by Mr. D P Rawal.
- ii) The Audit Committee had 4 meetings during the year ended on 31<sup>st</sup> March, 2007. The attendance of each Committee member is as under:

S No.	Name of the Director	No. of Meetings Attended
1.	Mr. D P Rawal	4
2.	Mr. V P Marwah	3
3.	Mr. Kawaljit Singh	4

- iii) The role and powers of the Audit Committee are as laid down under the relevant clause of the Listing Agreement and Section 292(A) of the Companies Act, 1956.

## 4. INVESTMENT AND REMUNERATION COMMITTEE:

The Remuneration Committee was constituted on 31.07.2002 and was clubbed with Investment Committee. It was renamed as Investment & Remuneration Committee. The Committee was re-constituted w.e.f., 26.05.07 by inducting Mr. V P Marwah after the resignation of Mr. L R Munjal. The Committee comprises of three members, namely;

1. Mr. D P Rawal
2. Mr. Kawaljit Singh
3. Mr. V P Marwah

All the members of the Investment & Remuneration Committee are independent and non-executive Directors. Four meetings of the Investment & Remuneration Committee were held, which were chaired by Mr. Kawaljit Singh and was attended by all the members.

S No.	Name of the Director	No of Meetings Attended
1.	Mr. D P Rawal	4
2.	Mr. V P Marwah	3
3.	Mr. Kawaljit Singh	4
4.	Mr. L R Munjal	0

The terms of reference of the 'said committee' are as follows:

1. To determine on behalf of the Board and on behalf of the Shareholders the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.



# SOM DATT FINANCE CORPORATION LIMITED '06-'07

2. To approve the payment of remuneration to managerial Personnel as per the Policy laid down by the Committee.
3. To approve loans and investment of long term nature.

## Remuneration Policy:

Subject to the approval of the Board and of the company in General Meeting and such other approvals as may be necessary, the Managing Director is paid remuneration as per the terms approved by the General Meeting. The present remuneration package to Managing Directors includes salary, perks etc.

## Remuneration of Directors:

This disclosure to be made on remuneration of Managing Director of the Company is given below:

Name of the Director	Salary (Rs.)	Present Period of Agreement	Notice Period
Mrs. Latika Datt Abbott	2,82,240/-	5 Years w.e.f., 15.06.2005	3 Months

**Note:** • Salary includes basic salary, house rent allowance, bonus, leave encashment, holiday travel benefits, use of company's car, furniture and equipment and company's contribution to provident fund and perquisites, the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder but does not include company's contribution to gratuity fund.

- The Non-executive Directors do not draw any remuneration from the Company.
- Sitting fees to Non-executive independent Directors is presently being paid at the rate of Rs.2000/- for each meeting of the Board attended by them.

## Shareholding of Non-Executive Directors

As on 31<sup>st</sup> March, 2007

Name	No of Shares
Mr. Som Datt	916250
Mrs. Usha Datt	989151
Mr. D P Rawal	120000
Mr. Kawaljit Singh	10
Mr. Ved Prakash Marwah	Nil

## 5. SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE:

The Share Transfer Committee had been constituted immediately after the Public Issue in 1994. The said Committee will also look into Investors' Grievance. The name was changed from Share Transfer Committee to Share Transfer and Investor Grievance Committee with effect from 31.07.2001. The terms of reference of the 'said committee' are as follows:

- 1) To approve the Share Transfer / Transmission / Transposition etc.,
- 2) To look into the status of investor complaints and grievances, if any.
- 3) To report the Board about serious or complicated cases, if any.

Twenty three meetings of the Committee were held during the year ended on 31<sup>st</sup> March, 2007. The meetings are generally chaired by Mr. D P Rawal. The composition of the Committee and the number of meetings attended by each of the members is as under

S No.	Name of the Director	No of Meetings Attended
1.	Mrs. Latika Datt Abbott	23
2.	Mr. Kawaljit Singh	23
3.	Mr. D P Rawal	23
4.	Mr. L R Munjal	0

\* Mr. L R Munjal resigned w.e.f., 02.05.06