

**2010 - 11**  
**18<sup>th</sup>**  
**Annual Report**



**SOM DATT FINANCE CORPORATION LIMITED**

Front cover inside

## **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 & Co.

Chartered Accountants

10, Old Post Office Street

Kolkata-700001

### ***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 ,10 - '11 CORPORATION LIMITED

## NOTICE

**NOTICE** is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of **Som Datt Finance Corporation Ltd.** will be held at Gajraj Chambers, 2B, 2<sup>nd</sup> Floor, 86B/2, Topsia Road(South), Kolkata-700046 on Friday, the 23<sup>rd</sup> September, 2011 at 10.00 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, 2011, 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 Ved Parkash Marwah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s A.S. Gupta & Co., Chartered Accountants, Kolkata, (Firm Registration No. 302077E, the retiring Auditors, as Statutory Auditors of the Company and to fix their remuneration.

## 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, 31.03.2006, 31.3.2007 and 31.03.2008 are lying in separate accounts. Those members, who have failed to encash the dividend warrant 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 Friday, 9<sup>th</sup> September, 2011 to Friday, 23<sup>rd</sup> September, 2011 (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 30<sup>th</sup> September 2011 as under:
  - a) To all beneficial owners in respect of shares held in electronic form as per data as may be made available by National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 8<sup>th</sup> September 2011.
  - b) To all members in respect of shares held in physical form after giving effect to valid transfer in respect of transfer requests lodged with Company on or before the close of business hours on 8<sup>th</sup> September 2011.
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: 23.08.2011

Latika Datt Abbott  
**Managing Director**



# SOM DATT FINANCE '10 - '11 CORPORATION LIMITED

## DIRECTORS' REPORT

### TO THE MEMBERS,

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement Accounts for the year ended 31<sup>st</sup> March 2011:

Financial Results	(Rs. in Lacs)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
Gross Total Income	221.28	161.65
Profit / Loss before Depreciation & Taxation	132.87	71.22
Less: Depreciation	2.11	4.22
Add: Provision written Back	0.04	2.48
Profit Before tax	130.80	69.48
Less: Provision for Income Tax	14.00	18.00
Less: Provision for F.B.T for Earlier Year	-	.07
Add: Provision for Deferred Tax	16.60	1.96
Less: Tax Adjustment for Earlier Years	0.61	3.75
Net Profit /(Loss) after Tax	132.79	49.62
Profit/(Loss) brought forward	85.04	45.35
Profit carried to P&L Appropriation A/c	217.83	94.97
Less: Special Reserve (As per RBI Guidliness)	26.56	9.92
Less Proposed Dividend	100.08	-
Less Corporate Dividend tax	16.62	-
Surplus/ (Deficit ) carried to Balance Sheet	74.57	85.05

### OPERATION

During the year under review, the gross income of the Company stood at Rs. 221.28 Lacs as compared to Rs. 161.65 lacs during the previous year. The net profit of the Company was Rs. 132.79 Lacs during the year under review.

### DIVIDEND

In view of the Company's profitable performance, your Directors are pleased to recommend, for approval of the Members at the ensuing Annual General Meeting, a dividend of Re. 1 /- per equity share of Rs. 10 each.

### SUBSIDIARY COMPANY

The Company has not been able to conduct commodity market business. In the present scenario, the risk free arbitrage opportunities as visualized are not available. Considering high risk of speculation, the company has reviewed the business model and is of the view that trading in commodity exchange not being the core business of Company is not found suitable and there is a need to shift to other areas of business.

### CONSOLIDATED FINANCIALS

The consolidated financial results of the Company alongwith its subsidiary M/s Som Datt Infosoftware Private Limited are forming part of this report and are given as per Annexure.

### 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.



# SOM DATT FINANCE ,10 - '11 CORPORATION LIMITED

## **DIRECTOR**

Mr. Ved Prakash Marwah, Director retires by rotation at the ensuing Annual General Meeting. He has expressed his desire to retire and not to be reappointed. In his place suitable candidate shall be appointed shortly.

## **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 2011 the applicable accounting standards had been followed alongwith 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 2011 on a 'going concern' basis.

## **PARTICULAR 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, 1998 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.

## **AUDITORS**

M/s A.S. Gupta & Co. Chartered Accountants Kolkata, Auditors of the company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The observations of the auditors are self-explanatory.

## **LISTING**

The shares of the Company are listed on the Bombay Stock Exchange. The annual listing fee has been paid to the BSE.

## **CORPORATE GOVERNANCE**

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

## **PUBLIC DEPOSITS**

In terms of the provisions of Section 58A of the Act read with the Companies (Acceptance of Deposits Rules), 1975, your Company has not accepted any fixed deposits from public and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

By Order of the Board

(Latika Datt Abbott)

Chairperson & Managing Director



# SOM DATT FINANCE '10 - '11 CORPORATION LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC REVIEW:

Presently, there is distinct slow down in GDP growth due to rising interest rates, unchecked inflation and continued flow of negative news of rampant corruption. However long term growth of Indian Economy is viewed as bright.

### BUSINESS REVIEW:

The Company's core business is investment, loans and advances. Management's policy is to ensure capital protection with growth of profit. The Management is committed to follow the same principles in future as well.

The Company has recommended a dividend of Rs. 1/-per Equity share i.e. 10 % of the face value of Rs. 10/- per Equity Share, out of current year profits amounting to a total dividend payout of Rs. 1.17/- crores including Corporate Dividend tax.

### SEGEMENT WISE PERFORMANCE:

The Company is presently engaged in the business of investment and finance in the areas of (a) Hedged Capital Market Products and (b) Bill Discounting and Inter Corporate Loans.

Due to higher cost of funds, financing into leasing and hire purchase has not been found feasible.

### STRENGTHS:

The Company has been consistently showing profits and carries no bad debt, no overdue liability or debt of any nature.

### BUSINESS OUTLOOK:

The easing of global concerns, a stable government, and improving market sentiments augur well for the financial services sector. However, there is need to check inflation and ensure softening of bank interest rates.

### INTERNAL CONTROL SYSTEMS:

The Company has adequate system of strong internal controls for business processes, with regard to operations, financial reporting, compliance with applicable laws and regulations, etc. Regular internal audit ensure's that the responsibilities are executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the existing control systems in view of the changing business needs from time to time.



# SOM DATT FINANCE '10 - '11 CORPORATION LIMITED

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2010-11

(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) 5 Meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2011.

These were held on:

- 29.05.2010
- 31.07.2010
- 30.08.2010
- 11.11.2010
- 04.02.2011

ii) The attendance record of the Directors at the Board Meetings held during the year ended on 31<sup>st</sup> March, 2011 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	No	5	-	-
Mrs. Usha Datt	4	No	5	-	-
Mr. Kawaljit Singh	4	No	6	3	1
Mr. V P Marwah	3	No	-	2	-
Mr. D P Rawal	4	Yes	4	3	2
Mrs. Latika Datt Abbott	4	No	8	1	1



# SOM DATT FINANCE '10 - '11 CORPORATION LIMITED

## 3. AUDIT COMMITTEE:

- i) The Audit Committee comprises of three members, namely:  
Mr. D P Rawal, Mr. V P Marwah and Mr. Kawaljit Singh. All 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, 2011. 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	2
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 Committee comprises of three members, namely;

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

All members of the Investment & Remuneration Committee are independent and non-executive Directors. One meetings of the Investment & Remuneration Committee were held, which were chaired by Mr. D P Rawal. The attendance of each Committee member is as under:

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

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.
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 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	Annual Salary (Rs.)	Present Period of Agreement	Notice Period
Mrs. Latika Datt Abbott	7,42,560	5 Years w.e.f., 15.06.2010	3 Months





# SOM DATT FINANCE '10 - '11 CORPORATION LIMITED

## 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.5000/- for each meeting of the Board attended by them.

### Shareholding of Non-Executive Directors

- As on 31<sup>st</sup> March, 2011

Name	No of Shares
Mr. Som Datt	24,77,725
Mrs. Usha Datt	989,151
■ Mr. D. P. Rawal	Nil
■ 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 also looks into Investor's 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.

Twelve meetings of the Committee were held during the year ended on 31<sup>st</sup> March, 2011. 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	3
2.	Mr. Kawaljit Singh	11
3.	Mr. D. P. Rawal	12

Ms. Latika Datt Abbott is the Compliance Officer. During the year, the Company did not receive any complaint regarding Non-receipt of Dividend and / or Non-receipt of Share Certificate. Further, there are no share transfers pending for registration as on the said date.

## 6. GENERAL BODY MEETINGS:

The details of Annual General Meeting held in last 3 years are as under:

AGM	Day, Date and Time	Venue
2009-10	Tuesday, 30.09.2010 at 10.00 a.m.	Gajraj Chambers, 2B, 2 <sup>nd</sup> Floor, 86B/2, Topsia Road, Kolkata 46
2008-09	Wednesday, 30.09.2009 at 10.00 a.m.	The Saturday Club, 7 Wood Street, Kolkata 700 016
2007-08	Tuesday, 30.09.2008 at 10.30 a.m.	The Saturday Club, 7, Wood Street, Kolkata – 700 016

No Special Resolution had been passed in the Annual General Meeting held during the last three years.

No Special Resolutions had been put through by postal ballot so far by the Company.



# SOM DATT FINANCE '10 - '11 CORPORATION LIMITED

## 7. DISCLOSURES:

- (i) There are no materially significant related party, transactions i.e., transaction of the Company of material nature with its Promoters, Directors or the Management, their Subsidiaries or relatives etc., that would have potential conflict with the interests of the Company at large.
- (ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter during the period under review.
- (iii) The Whistle Blower Policy has been adopted by the Company and it is affirmed that no personnel has been denied access to such policy.
- (iv) The Company has complied with all the mandatory requirement laid down on Corporate Governance.

## 8. MEANS OF COMMUNICATION:

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are also published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered, generally in "Pioneer" English Daily and "Ganashakti" Bengali Daily, since the Registered Office of the Company is located in Kolkata.

## 9. GENERAL SHAREHOLDERS INFORMATION:

### Annual General Meeting:

Date : 23 September 2011  
Time : 10.00 a.m.  
Venue : Gajraj Chamber, 2B, 2<sup>nd</sup> Floor, 86B/2, Topsia Road(South), Kolkata-700046  
Financial Year : 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011

### Book Closure :

9<sup>th</sup> September to 23<sup>rd</sup> September 2011 (both days inclusive)

### Dividend:

The Board of Directors have recommended a dividend of Rs. 1/- per equity share of Rs. 10 each, subject to approval of the shareholders' at the ensuing Annual General Meeting. The dividend shall be paid to the shareholders within 30 days from the date of approval at the Annual General Meeting and as per the provisions of the Companies Act, 1956. The dividend, if declared, would be paid to such shareholders whose names appear in the Register of Members as on 8<sup>th</sup> September, 2011, holding shares in physical form. In respect of shares held in electronic mode, the dividend will be paid on the basis of list of beneficial owners as furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of the business hours on 8<sup>th</sup> September, 2011.

### Listing of Securities:

The equity shares of your Company are listed on the following Stock Exchanges:  
Bombay Stock Exchange,

### Stock Code:

BSE(11571)

### ISIN No. for Dematerialisation of shares:

INE754C01010

### Market Price Data:

The details of High & Low market price of the shares at the Stock Exchange Bombay are as under: