

2013 - 14

21<sup>st</sup>

Annual Report



SOM DATT FINANCE CORPORATION LIMITED

# BOOK POST

## Printed Matter

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**Som Datt Finance Corporation Ltd.**  
56-58, Community Centre  
East of Kailash  
New Delhi - 110065

## **BOARD OF DIRECTORS**

Usha Datt

D. P. Rawal

Latika Datt Abbott - Managing Director

Lalit Mohan Segat

## **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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## NOTICE

**NOTICE** is hereby given that the 21<sup>st</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 Tuesday, 30<sup>th</sup> day of September, 2014 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, 2014, Balance sheet as at that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Ms. Usha Datt (DIN: 00047098), who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution with or without modification as an ordinary resolution  
“RESOLVED THAT pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Dharma Pal Rawal (DIN: 00031186), Director of the Company who retires by rotation at Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of five years upto 31<sup>st</sup> March, 2019.”
5. To consider and if thought fit, to pass the following resolution with or without modification as an ordinary resolution  
“RESOLVED THAT pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Lalit Mohan Segat (DIN: 05298181), Director of the Company who retires by rotation at Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of five years upto 31<sup>st</sup> March, 2019.”
6. To consider and if thought fit, to pass the following resolution with or without modification as an ordinary resolution  
“RESOLVED THAT pursuant to Section 152 and any other applicable provisions of the Companies Act, 2013, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Charu Datt Bhatia (DIN: 00035069) in respect of whom company has received a notice under section 160 of the Act, in writing, proposing her candidature for the office of the director, be and is hereby appointed as a director of the Company whose period of office shall be liable to retire by rotation.”

By Order of the Board of Directors  
For **Som Datt Finance Corporation Limited**

(**Latika Datt Abbott**)  
Managing Director  
DIN: 00031056

Place : Delhi  
Dated : 25/08/2014

Add: C-10, Geetanjali, Malviya Nagar, New Delhi-110017

### 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. Members who have not claimed/ encashed their dividend so far for the financial year ended 31.03.2007 or any subsequent financial year (s) may approach the company for obtaining payments thereof before expiry of the stipulated 7 year period.



3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16<sup>th</sup> September, 2014 to Tuesday, 30<sup>th</sup> September, 2014 (both days inclusive).
4. The members are requested to send the dividend mandate to the Company's Share Transfer Agent, RCMC Limited.
5. 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).
6. The members are requested to intimate the change of address immediately to the Company's Share Transfer Agent, RCMC Ltd.
7. Member/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
8. 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 of Directors  
For **Som Datt Finance Corporation Limited**

**(Latika Datt Abbott)**

Managing Director

DIN: 00031056

Place : Delhi

Dated : 25/08/2014

Add: C-10, Geetanjali, Malviya Nagar, New Delhi-110017

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 4:**

Mr. Dharam Pal Rawal is on the Board of Directors of the Company as Non-Executive Independent Director since April 20, 2001.

With the notification of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act), Mr. Dharam Pal Rawal, being eligible and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for a term of 5 (five) years upto 31<sup>st</sup> March, 2019.

In the opinion of the Board, Mr. Dharam Pal Rawal fulfils the conditions specified in the Act and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The terms and conditions of appointment of independent director shall be open to inspection at the registered office of the company by members during normal business hours.

The Board of Directors of your Company recommends the resolution in relation to appointment of Mr. Dharam Pal Rawal as an Independent Director, for the approval by the shareholder of the Company.

Except Mr. Dharam Pal Rawal, no other Director / Key Managerial Personnel of the Company / their relatives are interested in the resolution.

### **Item No. 5:**

Mr. Lalit Mohan Segat is on the Board of Directors of the Company as Non-Executive Independent Director since May 28, 2012.

With the notification of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act), Mr. Lalit Mohan Segat, being eligible and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for a term of 5 (five) years upto 31<sup>st</sup> March, 2019.



In the opinion of the Board, Mr. Lalit Mohan Segat fulfils the conditions specified in the Act and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The terms and conditions of appointment of independent director shall be open to inspection at the registered office of the company by members during normal business hours.

The Board of Directors of your Company recommends the resolution in relation to appointment of Mr. Lalit Mohan Segat as an Independent Director, for the approval by the shareholder of the Company.

Except Mr. Lalit Mohan Segat, no other Director / Key Managerial Personnel of the Company / their relatives are interested in the resolution.

**Item No. 6:**

The Company has received a notice from Ms. Charu Datt Bhatia proposing her candidature as a Director. Your Directors are of the opinion that her appointment, if made, would be in the interest of the Company and hence recommend her appointment.

Ms. Latika Datt Abbott relative of Ms. Charu Datt Bhatia may be deemed to be interested in the resolution.

By Order of the Board of Directors  
For **Som Datt Finance Corporation Limited**

**(Latika Datt Abbott)**  
Managing Director  
DIN: 00031056

Place : Delhi  
Dated : 25/08/2014

Add: C-10, Geetanjali, Malviya Nagar, New Delhi-110017



**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT  
AT THE ANNUAL GENERAL MEETING  
(Pursuant to Clause 49 of the Listing Agreement)**

NAME OF DIRECTOR	MR. DHARAM PAL RAWAL	MR. LALIT MOHAN SEGAT	MS. CHARU DATT BHATIA
Date of Birth	01.04 1944	24.09.1940	24.09.1965
Date of Appointment	20.04.2001	28.05.2012	Proposed in this AGM
Relationship with directors	None	None	Relative of Ms. Latika Datt Abbott, MD
Expertise in specific functional areas	Extensive experience in finance, banking, and corporate affairs	General Management	Extensive Management experience
Qualification	C.A	MBA	Graduate
Details of Equity Shares held in the Company	Nil	Nil	359910
Board Membership of other Companies as on 31.03.2014	<ol style="list-style-type: none"> <li>1. KDR Capital Development Private Limited</li> <li>2. Som Datt capital Development Limited</li> <li>3. BlackSwan Analytics Limited</li> </ol>	Nil	<ol style="list-style-type: none"> <li>1. Som Datt Investments &amp; Finance co Private Limited</li> <li>2. Som Datt Enterprises Limited</li> <li>3. Som Datt Overseas Limited</li> <li>4. Som Datt Capital Development Limited</li> <li>5. Som Datt Power Limited</li> <li>6. Som Datt Infosoft Private Limited</li> <li>7. Som Datt Estate Private Limited</li> <li>8. Som Datt Securities Limited</li> <li>9. Som Datt Valley Private Limited</li> </ol>
Chairman/ Member of the Committees of other Companies on which he/ she is a Director as on 31.03.2014	Nil	Nil	Nil



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report together with the audited statement of Accounts for the year ended 31<sup>st</sup> March 2014.

FINANCIAL RESULTS	(Rs. In Lacs)	
	Year ended 31.03.2014	Year ended 31.03.2013
Gross Total Income	117.71	96.57
Profit / Loss before Depreciation & Taxation	43.53	25.67
Less: Depreciation	1.07	1.31
Profit Before tax	42.46	24.37
Less: Provision for Income Tax	1.94	6.80
Add: Provision for DeferredTax	0.14	0.13
Net Profit /(Loss) after Tax	40.38	17.43
Profit/(Loss) brought forward	131.38	117.43
Profit carried to P&L Appropriation a/c	171.76	134.87
Less: Special Reserve (As per RBI Guidelines)	8.08	3.49
Surplus/ (Deficit ) carried to Balance Sheet	163.68	131.38

### OPERATION

During the year under review, the gross income of the Company stood at Rs. 117.71 Lacs as compared to Rs. 96.57 Lacs during the previous year. The net profit of the Company was Rs. 40.38 lacs during the year under review.

### DIVIDEND

No dividend has been recommended by the Board of Directors.

### SUBSIDIARY COMPANY (SOM DATT INFOFTECH PRIVATE LIMITED)

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 along with its subsidiary **M/s Som Datt Infotech Private Limited** are forming part of this report and are given as per Annexure.

### PARTICULAR OF EMPLOYEES

None of the employee is covered under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

### DIRECTOR

Mrs. Usha Datt, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

### 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:

- That in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2014 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 2014 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  
DIN : 0031056

**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 are viewed as bright.

**BUSINESS REVIEW:**

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

**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 profit and carry's 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 augurs well for the financial services sector, however there is need to check inflation and softening bank interest.

**INTERNAL CONTROL SYSTEMS:**

The Company has adequate system of strong internal controls for business processes, with regards to operations, financial reporting, compliance with applicable laws and regulations, etc. Regular internal audit ensure that 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 system in view of changing business needs from time to time.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-14**

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

**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 four directors. Half of the Board consists of independent directors. The composition is as under:

Name of the Director	Position
Mrs. Usha Datt	Director/Promoter
Mr. D P Rawal	Director/Independent Non-Executive
Mrs. Latika Datt Abbott	Managing Director/Promoter
Brig. Lalit Mohan Segat	Director/Independent Non-Executive

**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, 2014. These were held on:
- 27.05.2013
  - 12.08.2013
  - 22.08.2013
  - 13.11.2013
  - 13.02.2014
- ii) The attendance record of the Directors at the Board Meetings held during the year ended on 31<sup>st</sup> March, 2014 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
Mrs. Usha Datt	4	No	7	-	-
Brig. Lalit Mohan Segat	4	No	-	-	-
Mr. D P Rawal	5	Yes	3	1	2
Mrs. Latika Datt Abbott	4	No	11	1	-

**2.3 Re-appointment of Directors**

The brief particulars of the Directors being appointed / re-appointed is enclosed separately pursuant to Clause 49 of the Listing Agreement.

**3. AUDIT COMMITTEE:**

- i) The Audit Committee comprises of three members, namely:
- Mr. D P Rawal, Ms. Latika Datt Abbott and Brigadier Lalit Mohan Segat. Ms. Latika Datt Abbott, member of the Audit Committee is a non independent Director and Mr. D P Rawal & Brigadier Lalit Mohan Segat 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.