

# **CAT FINANCIAL SERVICES LIMITED**

**Report  junction.com**

## **ANNUAL REPORT**

**2008 – 2009**

## Corporate information

### BOARD OF DIRECTORS

Sri Satya Brata Dey	Director
Sri Sekhar Dey	Director
Sri Sumanta Dey	Director
Sri Susanta Dey	Director
Sri Sujay Bhattachariya	Director

### REGISTERED OFFICE

6, Tottee Lane  
Kolkata – 700 016  
West Bengal  
Phone No. +91 33 2286 1571  
Fax No. +91 33 2286 1571

### STATUTORY AUDITORS

M/s K.Rungta & Co.  
Chartered Accountants  
1, Crooked Lane  
Room No. 102, 1<sup>st</sup> Floor  
Kolkata – 700 069  
West Bengal

### REGISTRAR SHARE TRANSFER AGENT

Niche Technologies Private Limited  
D-511, Bagree Market  
71, B.R.B. Basu Road  
Kolkata – 700 001  
West Bengal

### BANKERS

Oriental Bank of Commerce  
Chowringee Branch  
32, Chowringee Road  
Kolkata – 700 071

HDFC Bank Ltd.  
Chowringee Branch  
31, Chowringee Road  
Kolkata – 700 071

Bank of India  
Lindsay Street Branch  
8, Lindsay Street  
Kolkata – 700 087

Union Bank of India  
Jamshedpur Branch  
Jamshedpur  
Jharkhand

## DIRECTORS' REPORT

To  
The Members of the Company,

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31<sup>st</sup> March 2009. The financial results of the Company are summarized below:

### 1. FINANCIAL RESULTS:

(Rs. In Lacs)

	YEAR ENDED 31 <sup>ST</sup> MARCH 2009	YEAR ENDED 31 <sup>ST</sup> MARCH 2008
Income from Operations	2252.84	2.10
<b>Profit Before Depreciation and Taxes</b>	<b>67.19</b>	<b>(1.81)</b>
Less: Depreciation	(46.35)	0.00
Less : Provision for		
(a) Income tax	(16.69)	0.00
(b) Deferred tax	9.04	0.00
(c) Fringe Benefit tax	(0.46)	0.00
Profit for the Year	12.73	(1.81)
Add: Brought forward from last year	38.46	40.27
Profit Available for Appropriation	51.19	38.46
Proposed Dividend on Equity Shares	12.57	0.00
Provision for Tax on Proposed Equity Div.	2.14	0.00
Balance Carried Forward to Balance sheet	36.47	38.46

### 2. DIVIDEND:

The Directors recommends Dividend @ 0.5% per Equity Share for the year ended 31<sup>st</sup> March, 2009, on 25155012 Nos. Equity Share of Rs. 10/- each. The Dividend pay-out including Dividend Tax of Rs. 2.14 Lacs will be Rs. 14.71 Lacs as compared to Rs. NIL in the previous year.

### 3. OUT LOOK:

With the availability of the funds, your company has started on the path of exponential growth. Your Company has started to deal in the all kinds of footwear's & leather Assocaries as one of its amalgamating company were doing same business and The Company is also involved in expanding its current business activities.

#### **4. AMALGAMATION:**

The Hon'ble High court of Calcutta has sanctioned the composite scheme of amalgamation between your company CAT FINANCIAL SERVICES LIMITED and the group companies namely DEYS HOLDING PVT LTD (DHPL), DEYS FINANCE PRIVATE LTD (DFPL), SHREE LEATHERS PVT. LTD (SLPL) vide its order dated 15-2-2008 and pursuant to this amalgamation your company has acquired the access of huge pile of properties of its group companies and diversified itself into the business of footwear's & leather Assocaries and targeting to focus on the same. Also pursuant to the amalgamation your company has benefited by better , efficient and economical management , control and running of the business of the undertakings concerned and gained advantage of economies of scale and also able to pool the resources for growth, development and diversification of the business of the amalgamating companies

After the amalgamation your company has issued and allotted 2,19,54,812 Equity Shares of Rs. 10/- each to the shareholders of DHPL, DFPL, and SLPL under the scheme and the necessary approval are received for the same.

#### **5. Financial Review**

Looking into the market scenario during the year under review, the performance of your company has been satisfactory and gained the profit of Rs. 12.73 Lacs (Rupees Twelve lacs seventy three thousands) in spite of the recessionary trend downturn in global economies. The gross income from operations has recorded Rs. 2250.74 Lacs increase in the current year and your directors are taking reasonable steps to increase more profits from the coming years. As company have made appropriate adjustment due to amalgamation scheme and hence comparison with previous years may not be appropriate.

After the amalgamation your company is in the planning of restructure the company by taking over the entire business operations of its erstwhile merged company of leather and footwear and and this amalgamation has provided the synergies of operations and your company is taking adequate steps for the implementation of scheme and expecting multifold growth.

We are sure that your company is of the view that the performance of the company would further improve in the coming financial years.

#### **6. HUMAN RESOURCES:**

Employee relation throughout the company were harmonious. The board wishes to place on record its sincere appreciation of the sincere efforts of all employees in advancing the Company's vision and strategy to deliver best quality service to its valued customers.



## **7. DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Satya Barta Dey retires by rotation during the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are 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 financial year 2008-2009 and of the profit and loss of the Company for the period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

## **9. AUDITORS & AUDITOR'S REPORT:**

K. RUNGTA & CO., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment as an Auditor of the Company. They have furnished the necessary certificate of their eligibility under section 224 (1) (B) of the Companies Act, 1956. The notes to accounts referred to in the Auditors' Report are self-explanatory and, therefore do not call for any further comments.

## **10. INCREASE IN PAID UP CAPITAL OF THE COMPANY:**

Your Company has already intimated you regarding the increase in Authorised capital of the Company from Rs. 4 crores to 26 crores and accordingly your approval has also taken in the general meeting held on 14<sup>th</sup> February, 2009 by

passing the special resolution and got the approval for the above from Registrar of Companies.

#### **11. LISTING:**

Your company shares are at present listed in Calcutta Stock Exchange and at Jaipur Stock Exchange and an application for the new issued capital i.e 2,19,54,812 nos. equity shares of Rs. 10/- each amounting to Rs. 21,95,48,120/- has been forwarded to the exchanges for the permission of listing and the approval is yet to be received.

#### **12. REPORT OF CORPORATE GOVERNANCE:**

As per Clause 49 of the Listing Agreement with the stock exchange, a separate section on Corporate Governance is enclosed herewith which forms part of the Annual Report. A Certificate from the Auditors of the Company on Compliance with the conditions of Corporate Governance as stipulated under the Clause 49 of the Listing Agreement is annexed to this Report.

#### **13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

##### **CONSERVATION OF ENERGY:**

The scope for conservation of energy is limited in the type of industry in which your company is engaged. However, the Company continues to accord high priority to conservation of energy by opting for more power effective replacements of equipments and electrical installation. No specific investment proposals are envisaged.

Form 'A' of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable as our industry is not included in the Schedule to the said Rules.

##### **TECHNOLOGY ABSORPTION:**

Your Company doesn't have any in-house R & D Facilities. The Company has not imported any technology during the year under review.

##### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	<u>Amount in Rs.</u>
Foreign exchange used	NIL
Foreign exchange earned	NIL

#### 14. PARTICULARS OF EMPLOYEES:

As required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the company has no employees who were in receipt of the remuneration of Rs. 24,00,000/- or more per annum during the year ended 31<sup>st</sup> March, 2009, or Rs. 2,00,000/- or more per month during any part of the said year.

#### 15. ACKNOWLEDGEMENT:

Your directors take this opportunity to place on record their warm appreciation of the valuable contribution, unstinted efforts and the spirit of dedication by the employees and officers at all levels in the progress of the Company during the year under review.

Your directors also express their deep gratitude for the assistance, co-operation and support extended to your company by the bankers, customers as well as the investing community and look forward to their continued support.

FOR AND ON BEHALF OF THE BOARD

for DAT FINANCIAL SERVICES LIMITED

Report  junction.com  
Director

Place: Kolkata

Dated: 30/06/2009



## CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY:

Your Company has been practicing the principal of good Corporate Governance over the years. It is committed to follow sound systems to support healthy business growth. The Company has complied with the recommendations of the code of Corporate Governance. Your Company is also committed to adherence to highest standards of Corporate Governance both in letter and in spirit.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

### 2. BOARD OF DIRECTORS:

The Board of Directors of the Company comprises of a fair number of Independent professionally competent and acclaimed Non Executive Directors. The Board of Directors of the Company consists of five Members. How were the company is in process more independent director so as to comply the corporate governance norms.

Mr. Satya Barta Dey	-	Non Executive & Promoter Director
Mr. Shekhar Dey	-	Non Executive & Promoter Director
Mr. Sumanta Dey	-	Non Executive & Promoter Director
Mr. Susanta De	-	Non Executive & Promoter Director
Mr. Sujay Bhattachariya	-	Non Executive & Independent Director

The name and categories of the Directors on the Board, their attendance at Board Meetings during the years and at the last Annual General Meeting, as also the number of Directorships and committee Memberships / Chairmanships held by them in Indian Public Companies (including the Company) as on March 31<sup>st</sup>, 2009 are given below :

Name of Director	Category of Directorship	Attendance at		*No. of Directorships	Committee	
		Board Meeting	Last AGM		Positions Member	Chairman
Mr. Satya Barta Dey	Non Executive & Promoter Director	7	Yes	2	1	Nil
Mr. Shekhar Dey	Non Executive & Promoter Director	7	Yes	2	Nil	Nil
Mr. Sumanta Dey	Non Executive & Promoter Director	7	Yes	1	2	1



Mr. Susanta Dey	Non Executive & Promoter Director	7	Yes	1	1	Nil
Mr. Sujay Bhattachariya	Non Executive & Independent Director	7	Yes	1	2	1

\* Excluding directorships in private, foreign companies and companies which are granted license under Section 25 of the Companies Act, 1956.

During the year ended 31<sup>st</sup> March, 2009, 7 (seven) Board Meetings were held on the following dates:

30<sup>th</sup> June 2008, 25<sup>th</sup> July 2008, 30<sup>th</sup> July 2008, 19<sup>th</sup> September 2008, 30<sup>th</sup> October 2008, 31<sup>st</sup> January 2009 and 25<sup>th</sup> March, 2009.

### 3. AUDIT COMMITTEE:

The Audit Committee comprises of three Non-Executive Directors, namely Sujay Bhattachariya, Mr. Sumanta Dey, Mr. Susanto Dey respectively.

The brief terms of reference of the Audit Committee include: –

- Review of the Company's financial reporting process and financial statements.
- Review of accounting and financial policies and practices.
- Review of Internal control systems.
- Discussion with Statutory Auditors on any significant findings and follow-up thereon.
- Reviewing the Company's financial and risk management policies.

The Committee has met 4 times during the financial year ended 31<sup>st</sup> March 2009

i.e. on 30<sup>th</sup> June 2008, 30<sup>th</sup> July 2008, 30<sup>th</sup> October 2008 and 31<sup>st</sup> January 2009  
There was a proper quorum of Directors in all the convened meetings.

Name of the Member	Meeting attendance
Mr. Sujay Bhattachariya (Chairman)	4
Mr. Sumanta Dey	4
Mr. Susanto Dey	4

The Statutory Auditors are invitees to the Meeting.

#### 4. REMUNERATION COMMITTEE:

As none of the Directors receive any remuneration the company does not have a remuneration committee.

#### 5. SHAREHOLDERS' COMMITTEE:

The Share Transfer-cum-Investors Grievances Committee comprises of three Directors namely Mr. Sumanta Dey (Chairman), Mr. Satya Brata Dey, and Mr. Sujay Bhattachariya.

The committee, in addition to considering share transfer matters, oversees redressal of shareholders and investors complaints/grievances and recommends measures to improve the level of investor's services.

The Committee has met 5 times during the financial year ended 31<sup>st</sup> March 2009.

i.e. on 30<sup>th</sup> June 2008, 23<sup>rd</sup> July 2008, 30<sup>th</sup> October 2008, 30<sup>th</sup> January 2009 and 24<sup>th</sup> March 2009.

There are no outstanding complaints received from shareholders during the year. The Company has no transfers pending at the close of the financial year.

#### 6. GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held as under:

YEAR	LOCATION	DATE	TIME
2005-2006	6, Tottee Lane, Kolkata - 700016	30.09.06	11.30 AM
2006-2007	6, Tottee Lane, Kolkata - 700016	29.09.07	11.30 AM
2007-2008	6, Tottee Lane, Kolkata - 700016	30.09.2008	11.30 AM

#### 7. Notes on Directors seeking appointment / re-appointment:

##### Mr. Satya Brata Dey

Mr. Satya Brata Dey aged 59 years having following degrees – M.E.C. from I.I.M. Ahmedabad is very well known Industrialist. He has been associated with the retail business of Footwear & Other Associates for past almost 40 years and has vast Industrial experience.