

# **CAT FINANCIAL SERVICES LIMITED**

## **ANNUAL REPORT**

Report  junction.com

**2009-2010**

## Corporate information

### BOARD OF DIRECTORS

Sri Satya Brata Dey  
Sri Sumanta Dey  
Sri Sushanto Dey  
Sri Sujay Bhattacharjee  
Sri Sumanta Biswas  
Smt. Sadhana Adhikary

Managing Director  
Director  
Director  
Independent Director  
Additional Independent Director  
Additional Independent 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  
Kolkata – 700 087

State Bank of India  
Samridhi Bhawan,  
1, Strand Road,  
Kolkata – 700 001

## DIRECTORS' REPORT

To  
The Members,  
CAT Financial Services Limited

Your Directors have pleasure in presenting the 19<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 2010. The financial results of the Company are summarized below:

### 1. FINANCIAL RESULTS:

(Rs. In Lacs)

	YEAR ENDED 31 <sup>ST</sup> MARCH 2010	YEAR ENDED 31 <sup>ST</sup> MARCH 2009
Receipt from Operations	3222.24	2223.69
<b>Profit Before Depreciation and Taxes</b>	<b>451.38</b>	<b>67.19</b>
Less: Depreciation	50.25	46.35
Less : Provision for		
(a) Income tax	144.61	16.69
(b) Deferred tax	0.28	(9.04)
(c) Fringe Benefit tax	-	0.46
Profit for the Year	256.25	12.73
Add: Brought forward from last year	39.90	41.88
Profit Available for Appropriation	296.15	54.61
Proposed Dividend on Equity Shares	50.31	12.57
Provision for Tax on Proposed Equity Div.	8.55	2.14
Balance Carried Forward to Balance sheet	237.29	39.90

### 2. DIVIDEND:

The Directors recommend Dividend @ 2% per Equity Share for the year ended 31<sup>st</sup> March, 2010, on 2,51,55,012 Nos. Equity Share of Rs. 10/- each. The Dividend pay-out including Corporate Dividend Tax of Rs. 8.55Lacs will be Rs. 58.86 Lacs as compared to Dividend pay-out including Corporate Dividend Tax of Rs. 2.14 Lacs was Rs. 14.71 Lacs.

### 3. OUT LOOK:

With the availability of the funds, your company has started on the path of exponential growth. Your Company is dealing in footwear's & leather Accessories, The Company is also involved in expanding its current business activities.

#### **4. 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. 256.00 Lacs (Rupees Two hundred Fifty Six lacs only) in spite of the recessionary trend and downturn in global economies. The gross increase of receipts from operations has recorded an increase of 44.01% (Rs. 991.41 Lacs) in the current year and your directors are taking reasonable steps to increase profits from the coming years.

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

#### **5. HUMAN RESOURCES :**

Employee relation throughout the year in the company were harmonious. The board wishes to place on record its 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.

#### **6. PUBLIC DEPOSITS**

Your Company has not accepted any public deposit within the meaning of provisions of Section 58A and 58AA of the Companies Act, 1956 and there is no outstanding deposit due for re-payment.

#### **7. DIRECTORS:**

On 30<sup>th</sup> January, 2010 Shri Sekhar Dey has resigned from the Board. The Directors' wish to place on record their appreciation for the service rendered by him during his tenure as a Director of the Company.

In order to meet the competitive requirements of the present business scenario the company has appointed two additional independent director Shri Sumanta Biswas & Smt. Sadhana Adhikary on 30<sup>th</sup> January, 2010.

#### **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 2009-2010 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 Statutory 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. PAID UP CAPITAL OF THE COMPANY :**

The Company has not raised any money by way of issue any Public Issue during the year.

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

The company has issued 2,19,54,812 no of equity shares in the previous year and has applied to Calcutta Stock Exchange & Jaipur Stock Exchange for listing of the additional shares issued. Approval has already been received from Calcutta Stock Exchange.

#### **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 :**

The 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 companies 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, 2010, or Rs. 2,00,000/- or more per month during any part of the said year.

#### **15. ACKNOWLEDGEMENT:**

The 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.

The 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.

Place : Kolkata  
Date : 31.07.2010

**For and on behalf of the Board of Directors**

**FOR CAT FINANCIAL SERVICES LTD.**

  
**(Satya Brata Dey)**

**MANAGING DIRECTOR.**

**Managing Director**



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## CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

CAT Financial Services Limited has been committed to healthy corporate governance practices. Being a value driven organization, the Company's corporate governance practices and disclosures have been duly complied with the statutory and regulatory requirements of the Companies Act, 1956, Securities and Exchange Board of India Act, 1992, together with all the rules and regulations framed there under and the provisions of the listing agreement and all other applicable laws. The Company's corporate governance policies and practices are in accordance with the provisions of Clause 49 of the Listing Agreement and has generally complied with all the mandatory requirements as applicable to the Company.

### 2. BOARD OF DIRECTORS:

#### (i) Constitution of the Board of Directors:

The Company is having whole- time executive Managing Director, who discharges his duties and obligations under the superintendence and control of the Board of Directors of the Company.

The Company has appointed two additional Independent Directors namely, Mr. Sumanta Biswas, and Mrs. Sadhana Adhikary during the Financial Year. The total number of Independent Directors after their induction will be 50% of the Board strength as per the Listing Agreement. Therefore, the Board comprises of a fair number of Independent professionally competent and acclaimed Non Executive Directors.

Details of the Directors are as under:

Name of Director	Category of Directorship	No. of Director Ships	Committees	
			Position Memberships	Chair man
Mr. Satya Brata Dey	Managing Director	2	-	-
Mr. Sumanta Dey	Non Executive & Non Independent	1	-	-
Mr. Sushanto Dey	Non Executive & Non Independent	1	-	-
Mr. Sujay Bhattacharjee	Non Executive & Independent	1	-	-
Mr. Sumanta Biswas	Non Executive & Independent	1	-	-
Mrs.Sadhana Adhikary	Non Executive & Independent	1	-	-

Notes:

1. Mr. Sekhar Dey resigned from the Board with effect from January 30 ,2010.
2. The above numbers exclude directorships in private, foreign companies and companies which are granted license under Section 25 of the Companies Act, 1956.

**(ii) Details of the Board Meetings and Attendance Record of the Directors:**

During the year ended 31<sup>st</sup> March, 2010, six (6 ) Board Meetings were held on the following dates:

30<sup>th</sup> June 2009, 31<sup>st</sup> July 2009, 1<sup>st</sup> September 2009, 30<sup>th</sup> October 2009, 31<sup>st</sup> October 2009 ,30<sup>th</sup> January 2010.

The details of attendance of Directors at the Board meetings during the financial year 2009-10 and at the last Annual General Meeting (AGM) held on September 30, 2009 are given below.

Name	Category	Meetings held During the Tenure of Directors	Meetings Attended	Attendance at the last AGM
Mr. Satya Brata Dey	Managing Director	6	6	Yes
Mr. Sumanta Dey	Non Executive & Promoter Director	6	6	Yes
Mr. Sushanto Dey	Non Executive & Promoter Director	6	6	Yes
Mr. Sujay Bhattacharjee	Non Executive & Independent Director	6	6	Yes
Mr. Sumanta Biswas	Non Executive & Independent Director	1	1	N.A
Mrs.Sadhana Adhikary	Non Executive & Independent Director	1	1	N.A
Mr. Sekhar Dey*	Non Executive & Promoter Director	6	6	Yes

\* Resigned from Board with effect from January 30<sup>th</sup> ,2010.

### 3. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors and to meet the requirements of Section 292A of the Companies Act, 1956 and the Clause 49 of the Listing Agreement and in fulfilling the Boards overall responsibilities, an Audit Committee is continuously functioning since its formation. The Audit Committee inter-alia has all the powers and played its role in terms of the Clause 49 of the Listing Agreement.

#### (i) Composition of the Audit Committee

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

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

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

#### (ii) Meetings and attendance during the year:

The Committee has met four (4) times during the financial year ended 31<sup>st</sup> March 2010 i.e. on 26<sup>th</sup> June 2009, 29<sup>th</sup> July 2009, 28<sup>th</sup> October 2009 and 29<sup>th</sup> January 2010.

There was a proper quorum of members in all the convened meetings.

Name of the Member	Meeting attendance
Mr. Sujay Bhattacharjee (Chairman)	4
Mr. Sumanta Dey	4
Mr. Sushanto Dey	4

The Statutory Auditor of the Company is the special invitee to the Meeting of the Audit Committee.

### 4. REMUNERATION COMMITTEE:

#### (i) Brief description of terms of reference:

The terms of reference of the Remuneration Committee are as under: