

# **SOM CONSTRUCTION & DEVELOPERS LIMITED**

Dosi Bhawan, Paltan Bazar, Guwahati-781001

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## **NOTICE**

Notice is hereby given that Annual General Meeting of the Company will be held on Friday, 30<sup>th</sup> day of September 2011 at 09.30 A.M. at the registered office of the Company at Dosi Bhawan, Paltan Bazar, Guwahati -781001 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31-03-2011, the Profit & Loss Account for the year ended on that date and the reports of Auditors and Directors thereon.
2. To appoint M/s Tandon & Mahendra, Chartered Accountants as auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the company and fix their remuneration.
3. To appoint a Director in place of Mr. Manohar Lal, who retires by rotation and being eligible offers himself for re-appointment.

Place: Guwahati  
Dated: 05.09.2011

By Order of the Board

Sd/-  
Som Arora  
(Managing Director)

### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and that a proxy so appointed need not be a member of the Company.
2. The proxy form duly completed and executed should reach the Company's Registered office or Head Office atleast 48 (Forty Eight) hours before the commencement of the meeting.
3. The Register of Members and Transfer Books of the Company shall remain close from 24.09.2011 to 30.09.2011 (both days inclusive).
4. Detail under Clause 49 of listing agreement with the stock exchange in respect of directors seeking appointment/reappointment at the meeting is being separately annexed hereto.

# SOM CONSTRUCTION & DEVELOPERS LIMITED

Dosi Bhawan, Paltan Bazar, Guwahati-781001

## DIRECTOR'S REPORT

To the members of Som Construction & Developers Limited

Your Directors feel pleasure in presenting their Annual Report of the business and operations together with Annual Accounts of the company for the period ended 31<sup>st</sup> March, 2011.

### STATE OF COMPANY'S AFFAIRS:

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2011</b>	<b>YEAR ENDED 31.03.2010</b>
<i>Profit Before Taxation and Depreciation</i>	1,937,395.94	4,693,645.93
Depreciation	6,592.00	8,109.00
<i>Profit Before Taxation</i>	1,930,803.94	4,685,536.93
Provision for Taxation for current Year	437,389.00	717,030.00
Add/(less): Deferred Tax	(1,075.00)	484.00
<i>Profit after Taxation</i>	1,494,489.94	3,968,022.93
Add: - Balance Brought forward from Previous Year	24,606,524.38	21,432,111.45
<i>Profit available for Appropriation</i>	26,101,014.32	25,400,134.38
Amount Transferred to Special Reserve-	298,900.00	793,610.00
Balance carried over to Balance Sheet	25,802,114.32	24,606,524.38
<i>EPS (Per Share)</i>	0.20	0.53

### DIVIDEND

The depression in the Domestic market and increasing global competition has compelled the Company to conserve the resources. Hence, the Board of Directors has decided to skip recommending any dividend for the year 2010 -11.

### OPERATIONS:

During the year review the overall performance of the Company was steady and satisfactory. The Company has been mainly carrying on the business of sale and purchase of shares, securities and units. It also earned interest income on FDR's, jobbing profits from shares and interest, Income from Trade and Investment and dividend from units and mutual funds.

The Company continues to focus its main attention on cost reduction, Assets/Liability – Management and collection. Your Company managed to carry out all its business and commercial obligations in time and with dignity.

Your Directors shall continue to put in all efforts to increase the business of the Company and are confident of even better and brighter prospects of the Company.

The Company is considering various possibilities for optimizing the present business activities and also other business proposals, keeping in view the profitability and stability of business of the Company. The company is also pursuing the possibility into other related activities.

There have not been any material changes and commitments affecting the financial position of the company between the end of the financial year of the company and the date Board's Report.

## **DIRECTORS**

Since the date of last Annual General Meeting there has been no change in the constitution of the Board. Mr. Manohar Lal, retire by rotation at the ensuing Annual General Meeting and being eligible have respectively offered himself for reappointment.

## **AUDITORS:**

The Statutory Auditors, M/s. Tandon & Mahendra, Chartered Accountants, hold office upto and retire at the conclusion of ensuring Annual General Meeting and being eligible and have expressed their willingness for being re-appointed. The matter relating to their re-appointment has been appropriately included in the notice of the ensuing Annual General Meeting.

## **AUDITORS REMARK:**

The Auditor's Report is self-explanatory and contains no adverse remarks or qualifications and hence no explanation thereof is being given.

## **NBFC COMPLIANCE WITH RBI:**

Your Company has been registered as a Non-Banking Financial Company with the Reserve Bank of India and the Company has complied with all the necessary formalities

## **LISTING AGREEMENT:**

The equity shares of the Company are listed at the Guwahati Stock Exchange and Kolkata Stock Exchange. The Cash Flow Statement pursuant to Clause 32 of the Listing Agreement is being annexed herewith.

## **AUDIT COMMITTEE:**

Pursuant to the provisions contained in Section 292-A of the Companies Act, 1956 and clause 49 of Listing Agreement, an Audit Committee of the Company has been constituted. The Committee is fully aware of its rights and obligations and has been since its constitution closely monitoring the affairs of the Company so far as they affect the Company's financial reporting process and the disclose of its financial information to ensure that the financial statement is correct and credible.

## **PARICULARS OF EMPLOYEES:**

None of the employees of the company are in receipt of remuneration in excess of the limits as stated in sub-section (2A) or Section 217 of the Companies Act, 1956, and hence no particulars of any employees are being given.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 do not apply to the Company; however the following information is being set out under this head:

### (i) Conservation of Energy:

The operations of the Company are not energy intensive yet, but besides that all possible measures shall be taken to conserve the energy in all related areas.

(ii) Technology Absorption & Research And Development:

The Company has not imported any technology, and has not established any separated research and development unit, however the Company shall always kept itself updated with latest technological innovations by way of constant communications and personal discussions with the experts.

(iii) Foreign Exchange Earning And Outgo:

During the year under review there was no foreign exchange earning or outgo.

**CHANGE IN THE NATURE OF THE COMPANY'S BUSINESS ETC.:**

There has not been any change in the nature of the Company's business or in the class of the business in which the Company has an interest. Company has no subsidiary.

**BUY BACK:**

The Company has not bought back any shares during the financial year.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to sub section (2AA) of Section 217 of the Act the Directors declare as under,

1. That in the preparation of Annual Accounts for the year ended 31-03-2011, the applicable Accounting Standards have been followed and there was no departure has been made therefrom.
2. That the Directors have selected such accounting policies and 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 and of the profit or loss of the Company for the same period.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

Directors have exercised their responsibility for the accuracy of the financial statements based on the accounting systems, policies and procedures designed to provide reasonable assurance of the reliability of financial records. Such controls based on established policies and procedures are implemented by the trained and skilled personnel of the Company.

**REPORT ON CORPORATE GOVERNANCE:**

As per the requirement of clause 49 Listing Agreement of the company has to necessarily comply with the Corporate Governance norms as per the said clause. Accordingly the company has duly complied with the Corporate Governance norms to the extent and in the manner as set out in the Report on Corporate Governance annexed herewith which forms part of this report.

## **SECRETARIAL AUDIT REPORT**

In Compliance with the directives issued by the Securities and Exchange Board of India (SEBI), Secretarial Audit Report by a Practicing Company Secretary at specified periodicity and the reports are being submitted to Stock Exchange.

### **DEMATERIALIZATION OF EQUITY SHARES:**

The equity shares of the company may be dealt in dematerialized form. The shareholders are requested to send their share certificate through their depository participants for having their shares in electronic form.

### **ACKNOWLEDGEMENT**

Your directors wish to place on record their appreciation and thanks for the cooperation, support and assistance extended by shareholders, employees, associates, customers, Bankers, Government Agencies and all other concerns.

By Order of the Board

Dated: 05.09.2011  
Place: Guwahati

Sd/-  
Som Arora  
(Chairman)

## **ANNEXURE TO THE DIRECTORS REPORT**

### **REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is the application of best management practices, Compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders' value and discharge of social responsibility. The Corporate Governance structure in the company assigns responsibilities and entrust authority among different participants in the organisation viz. the Board of Directors, the Senior Management, Employees, etc. The Company has adopted Corporate Governance and disclosure practices even before these were mandated legislations.

Keeping in view the Company's corporate traditions, we are fully committed to follow the procedures and practices in conformity with the clause 49 of the listing agreement of the Stock Exchanges, as applicable. Your Directors present the Company's report on Corporate Governance as under: -

#### **Mandatory Requirements:**

#### **COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE**

The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the Company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements. Our philosophy on Corporate Governance envisages attainment of absolute transparency, accountability and equity in all facets of its operations and in all its interactions with shareholders, employees and Government departments.

#### **BOARD OF DIRECTORS**

The Company has optimum combination of Executive, Non executive directors and Independent Directors to ensure the independent functioning of the Board.

The functions of the Board include formulation of strategic business plans, budgets, setting up of goals and evaluation of performance, approving corporate philosophy and mission, monitoring corporate performance against strategic business plans, overseeing operations, recruitment of senior management personnel, review of material investment and fixed assets transactions, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

The Board has constituted one Audit committee as per Clause 49 of the Listing Agreement which is chaired by Non – Executive Director.

During the financial year 2010-11, Eight Board Meetings were held on

- 1) 08<sup>th</sup> April, 2010
- 2) 30<sup>th</sup> April, 2010
- 3) 30<sup>th</sup> July, 2010
- 4) 26<sup>th</sup> August, 2010
- 5) 02<sup>nd</sup> September, 2010
- 6) 30<sup>th</sup> October, 2010

7) 31<sup>st</sup> January, 2011

8) 31<sup>st</sup> March, 2011

The last AGM was held on 30<sup>th</sup> September 2010.

The Composition of Board of Directors, their attendance at the Board Meetings held during the year and at last Annual General Meeting as also number of Directorships and chairmanships/ memberships of Committee of each director held in various companies as at March 31<sup>st</sup>, 2011 is: -

Name of Director/s	Category of Directorship	Designation	Attendance Record		No. of other directorships/ Committee memberships/ Chairmanships		
			Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Som Arora	Executive – Non Independent	Managing Director	8	Yes	24	1	Nil
Pooja Arora	Non Executive- Non Independent	Director	7	Yes	4	Nil	Nil
Arun Chawla	Independent – Non Executive	Director	8	Yes	Nil	Nil	Nil
Manohar Lal Bajaj	Independent – Non Executive	Director	8	Yes	2	5	2
Deepak Kumar	Independent – Non Executive	Director	8	Yes	16	1	Nil

#### AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 292-A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with Stock Exchanges. The Audit Committee inter-alia provides assurance to the Board on the existence and adequacy of an effective internal control system. The terms of reference of the Audit Committee include the following:-

- To hold discussion with Auditors periodically about:
  - Internal control system and compliance thereof.
  - Scope of audit including observations of the auditors.
  - Review of the quarterly, half yearly and annual financial statements before submission to the Board.
  - Any other matter as may be referred by the Board.
  
- The Audit Committee is further responsible for:-
  - Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

- Reviewing with the management the annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and guidelines of stock exchange(s), major accounting entries, qualifications in draft audit reports, related party transactions & the going concern assumption.
- Holding discussions with external auditors to ascertain any area(s) of concern.
- Reviewing the Company's financial and risk management strategies.

The statutory auditors of the Company are invited to attend the meetings whereat the Audit committee holds discussion with the statutory auditors on the quarterly account subjected to their Limited Review, yearly audit plan, matters relating to compliance with Accounting standards, their observations on matter arising out of annual audit and other related matters.

During the financial year 2010-11, the Audit Committee met four times as per the Paragraph II of Clause 49 of the Listing Agreement on the following dates:

- 1) 30<sup>th</sup> April, 2010
- 2) 30<sup>th</sup> July, 2010
- 3) 30<sup>th</sup> October, 2010
- 4) 31<sup>st</sup> January, 2011

All the members of Audit Committee attended the committee meeting.

#### REMUNERATION COMMITTEE & SHAREHOLDERS GRIEVANCE COMMITTEE

Remuneration is paid only to one Managing Director as per the terms set in the agreement. Hence, Remuneration committee has not been established as such. As the instances of shareholder grievances are very low, the Company has not created a separate Shareholder Grievance Committee.

#### GENERAL BODY MEETINGS

Details of location, time and date of the General Body Meetings held during the last three years is as follows:-

Nature of the Meeting.	Meeting Date	Location	Time
AGM	30 <sup>th</sup> September, 2010	Dosi Bhawan, Paltan Bazar, Chatribari, Guwahati, Kamrup, Assam	9.30 A.M.
AGM	30 <sup>th</sup> September, 2009	Dosi Bhawan, Paltan Bazar, Chatribari, Guwahati, Kamrup, Assam	9.30 A.M.
AGM	29 <sup>th</sup> September, 2008	Dosi Bhawan, Paltan Bazar, Chatribari, Guwahati, Kamrup, Assam	4.00 P.M.

No resolution has been passed through postal ballot.

#### DISCLOSURES

- a) There were no transactions of material nature with the promoters, directors or the management of their subsidiaries or relatives etc. potentially conflicting with company's interest at large, during the year. The register of contracts containing the transactions in which directors are interested is placed before the Board regularly for its approval.



- b) There were no instances of non-compliance by the company on any matter related to capital markets during the last four years.

The Company did not get any qualification from its Auditors for its accounts for the year 2010-11.

### CEO / CFO CERTIFICATION

The Board has laid down the code of conduct for all Board members and senior management of the Company. All Board members and senior management personnel shall affirm compliance with the code of conduct. As required under the Listing Agreement, a Certificate duly signed by Shri Som Arora, Managing Director was placed before the Board of Directors.

### MEANS OF COMMUNICATION

The Company ensures that its quarterly and annual financial results are sent to the concerned Stock Exchange immediately after the same have been considered and taken on record by the Board of Directors. The company also ensures that its quarterly financial results are normally published in Ajir Dainik Batori.

### GENERAL SHAREHOLDER INFORMATION

#### **Annual General Meeting :**

Date : 30<sup>th</sup> September, 2011  
Day : Friday  
Time : 09.30 A.M.  
Venue : Dosi Bhawan, Paltan Bazar, Guwahati, Assam.

#### **Financial Calendar**

Financial year of the Company is 1<sup>st</sup> April to 31<sup>st</sup> March every year

#### **Compliance Certificate on Corporate Governance**

As required under the Listing Agreement, a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance by the Company has been obtained which is annexed to this Report.

**Book Closure Period:** - 24.09.2011 to 30.09.2011 (both days inclusive).

#### **Listing of Shares:**

The Equity Shares of the Company is listed at The Guwahati Stock Exchange Ltd., 2<sup>nd</sup> Floor, Shine Towers, Sati Jaymati Road, Arya Chowk, Rehabari, Guwahati – 781008 and The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata – 700001.

#### **Share Price Data: -**

There has been no trading of shares at the Guwahati Stock Exchange and Kolkata Stock Exchange during the last financial year. Hence no data is available.

**Share Transfer System: -**

M/s. Maheshwari Datamatics Private Limited is acting as the Registrar and Transfer Agent of the Company. Share transfer requests are preceded within 30 days of receipt by Registrar and Transfer Agent.

In Compliance with the listing guidelines, every Six months, the share transfer system is audited by a practicing Company Secretary and certificates to that effect are issued by him.

**Distribution of Shareholding:**

S.No.	Category of shareholder	Number of shareholders	Total number of shares	Percentage of total number shareholding As a percentage of
1.	Promoter and Promoter Group	2	5836368	78.12%
2.	Bodies Corporate	77	1271912	17.02%
3.	HUF	13	1900	.03%
3.	Individuals	583	3,60,600	4.83%

**Dematerialization:**

The Company has entered into necessary agreements with NSDL and CDSL (Depositories) for dematerialization of shares held by the investors.

Demat ISIN No. in NSDL & CDSL: Equity Shares – INE853C01010

As on 31<sup>st</sup> March 2011 73.51% shares are dematerialized.

**Address for Correspondence:**

Company Office                      Sheel Srivastava,  
Compliance Officer  
Doshi Bhawan, Paltan Bazar,  
Chatribari, Kamrup, Guwahati-781001  
Email: - investors.scdl@rediffmail.com

Registrar & Transfer Agent      Maheshwari Datamatics Private Limited  
6, Mangoe Lane, IInd Floor,  
Kolkata -700001

**ANNEXURE TO THE DIRECTORS REPORT**

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the members of Som Construction & Developers Limited,

We have examined the compliance of conditions of Corporate Governance by Som Construction & Developers Limited for the year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange in India.

The Compliance with the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the corporate governance as stipulated in the said clause.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Tandon & Mahendra  
Chartered Accountants

Place: Kanpur  
Date: 05.09.2011

Sd/-  
Mahendra Nath  
(Partner)

M.No. 72826  
14/75, Civil Lines,  
Kanpur

**ANNEXURE TO THE DIRECTORS REPORT**

**DECLARATION TO CODE OF CONDUCT**

To,

The Members,  
Som Construction & Developers Limited,

**Declaration by the Managing Director on code of conduct under Clause 49 of the Listing Agreement.**

I hereby confirm that all Board Members and Senior Management personnel have conveyed their acceptance to the “Code of Business Conduct and Ethics for Board Members and Senior Management”.

Sd/-  
(Som Arora)  
Managing Director

Place: Guwahati  
Date: 05.09.2011

## ANNEXURE TO THE DIRECTORS REPORT

### MANAGING DIRECTOR'S CERTIFICATION

To,

The Board of Directors,  
Som Construction & Developers Limited

I, the undersigned, in my capacity as Managing Director of the Som Construction & Developers Limited ('the Company'), to the best of my knowledge and belief certify that:

- a) I have reviewed the financial statements and the cash flow statement for the year ended on March 31<sup>st</sup>, 2011 and based on our knowledge and belief, I state that:
  - 1) these statements do not contain any materially untrue or omit any material fact or contain any statement that might be misleading;
  - 2) these statements together present a true and fir view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  
- b) I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
  
- c) I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation of internal controls, if any, of which I am aware and the steps taken or propose to be taken to rectify these deficiencies.
  
- d) I have indicated to the Auditors an Audit committee that:
  - 1) There have not been any significant changes in internal control over financial reporting during the year under reference.
  - 2) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - 3) I am not aware of nay material instances during the year of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
(Som Arora)  
Managing Director

Place: Guwahati  
Date: 05.09.2011