



ANNUAL REPORT 1999 - 2000

REGD. OFF. : "ARIHANT" 11, NAVRANG COLONY,
NR. AIR-INDIA OFFICE, OFF ASHRAM ROAD, NAVRANGPURA,
AHMEDABAD-380 009.

BOARD OF DIRECTORS

Sri Dhiren Shah
Chairman and Managing Director

Smt Ami D. Shah
Executive Director

Sri Munind Shah
Sri Rajendra K. Shah

BANKERS

Tamilnad Mercantile Bank Limited

AUDITORS

LUNIA & COMPANY,
Chartered Accountants,
B12, Harekrishna Complex,
Opp: Apsara Cinema,
Ahmedabad - 380 028

REGISTERED OFFICE

"ARIHANT"
11, Navrang Colony,
Near Air India Office,
Off Ashram Road,
Ahmedabad-380009

ANNUAL REPORT 1999-2000**NOTICE TO MEMBERS**

NOTICE is hereby given that the Fifth Annual General Meeting of the Members of **ARIHANT CLASSIC FINANCE LIMITED** will be held on Thursday, the 28th day of September, 2000 at 9.30 A.M. at the Registered Office of the company at "Arihant", 11, Navrang Colony, Near Air India Building, Off Ashram Road, Ahmedabad-380009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet of the company as at 31st March, 2000 and the Profit & Loss Account for the Year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Shri Rajendra Shah who retires by rotation and being eligible has offered himself for re-appointment.
3. To appoint Auditors and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To, pass with or without modification the following resolutions :

RESOLVED THAT in accordance with provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including statutory modifications or reenactment thereof, for the time being in force), the consent of the company be and is hereby accorded to the reappointment of Sri Dhiren C. Shah as Managing Director of the Company for a period of 5 years commencing from the 1st day of August, 2000, on the terms and conditions and remuneration as set out in the agreement to be entered into between the Company and Sri Dhiren C. Shah, a draft whereof is placed before this meeting, which agreement is hereby specifically sanctioned with the liberty to the Board of Directors (hereinafter called the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in the Schedule XIII to the Companies Act, 1956.

Resolved further that where in any financial year if the company has no profit or the profits are inadequate, the company do pay to Shri Dhiren C. Shah, remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956."

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. To, pass with or without modification the following resolutions :

RESOLVED THAT in accordance with provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including statutory modifications or reenactment thereof, for the time being in force), the consent of the company be and is hereby accorded to the reappointment of Smt Amiben D. Shah as Executive Director of the Company for a period of 5 years commencing from the 1st day of August, 2000 on the terms and conditions and remuneration as set out in the agreement to be entered into between the Company and Smt Amiben D. Shah, a draft whereof is placed before this meeting, which agreement is hereby specifically sanctioned with the liberty to the Board of Directors (hereinafter called the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in the Schedule XIII to the Companies Act, 1956.

Resolved further that where in any financial year if the company has no profit or the profits are inadequate, the company do pay to Smt Amiben D. Shah, remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956."

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board,

Dhiren C. Shah,
Chairman

Note

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the aforesaid meeting.

- b) Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 3rd October, 2000, to Tuesday, the 10th October, 2000, both days inclusive.
- d) Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting, so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
- e) Members are requested to notify the Company of any changes in their address (in full) with the postal area pin code number, quoting their folio numbers.

EXPLANATORY STATEMENT REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

1. The Board of Directors of the Company has reappointed Sri Dhiren C. Shah, as Managing Directors of the Company for a period of 5 years with effect from 1st August, 2000 on terms and conditions approved by the Board of Directors meeting held on 11th July, 2000.

The Draft Agreement between the Company and Sri Dhiren C. Shah, contains inter alia the following principal terms and conditions :

1. The Managing Directors shall conduct the day to day management of the company subject to supervision and control of the Board of Directors of the company.
2. Period of Agreement : 5 Years from 1st August, 2000
3. Remuneration :
 - I Salary:
At the rate of Rs. 10,000/- per month.
 - II. Commission
Not More than one percent of the net profit of the company subject to ceiling of 50% .
 - III. Perquisites:
Stated below subject to the conditions that the monetary value of those under part A shall be restricted to an amount equal to Rs.60,000/- per annum depending on place of posting.

PART A

- i) Medical:
Expenses incurred for self and family subject to a reimbursement ceiling of one month's salary over a period of 3 years.
- ii) Leave Travel Concession :
For self and family once in a year in accordance with the Rules of the Company
- iii) Personal Accident Insurance:
Premium not to exceed Rs. 4000/- per annum

PART B

- i) Gratuity:
Gratuity not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs. 1,00,000.
- ii) Provident Fund :
Contribution to the Provident Fund, Superannuation or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.