



ARYAMAN

FINANCIAL SERVICES LIMITED

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5TH

ANNUAL REPORT

1998-1999

BOARD OF DIRECTORS

Mr Chhaganlal M.Shah	- Chairman
Mr P.B.Bhardwaj	- Director
Dr P.V.R.Murthy	- Managing Director
Mr Virender Ganda	- Director
Mr Navin C.Shah	- Director

COMPANY SECRETARY

: Mr S.R.Chawla

REGISTERED OFFICE: 401, Chiranjiv Towers,
43, Nehru Place,
New Delhi 110 019**CORPORATE OFFICE**: 35, Atlanta,
3rd Floor, Nariman Point,
Mumbai 400 021.**AUDITORS**: M/s Thakur Vaidyanath Aiyar & Co
Chartered Accountants
212, Deendayal Upadhyay Marg
New Delhi.**BANKERS**: The Vysya Bank Limited
Bank of India
United Bank of India
The Catholic Syrian Bank Limited**I N D E X**

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ARYAMAN FINANCIAL SERVICES LIMITED

NOTICE

NOTICE is hereby given that the FIFTH ANNUAL GENERAL MEETING OF THE ARYAMAN FINANCIAL SERVICES LIMITED will be held at the The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi 110 030 on Monday, 20th December, 1999 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended June 30, 1999 and the Balance Sheet as at that date and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in the place of Shri Virendra Ganda who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT Dr. P.V.R. Murthy, an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, hold office only upto the date of this Annual General Meeting, and in respect of whom Company has received a notice in writing under Section 257 of Companies Act, 1956 and other applicable provision, if any, of the said Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT consent of the member be and is hereby accorded pursuant to the provision of section 198, 269, 309 and other applicable provision, if any of the Companies Act, 1956 to the appointment of Dr. P.V.R. Murthy as Managing Director of the Company for a period of Five Years with effect from 1st June, 1999

on the terms and conditions, including the remuneration payable to him and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft letter of appointment produced at this meeting and for the purpose of identification initialled by the Chairman hereof."

"RESOLVED FURTHER THAT the Directors be and are hereby authorised to issue the letter of appointment with such alterations, changes and variations in the remuneration payable to Dr. P.V.R. Murthy as may be agreed between the Board of Directors and Dr. P.V.R. Murthy provided that the said remuneration as altered, changed or varied shall not in any event, exceed the limits prescribed under Schedule XIII of the Companies Act for the time being and from time to time in force."

By Order of the Board of Directors
Sd/-

P.V.R.MURTHY
MANAGING DIRECTOR

Mumbai, 31st August, 1999

Registered Office :

401, Chiranjiv Towers,
43, Nehru Place
New Delhi - 110 019.

NOTES

- a. The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, are annexed hereto.
- b. **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.**
- c. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
- d. The Register of Members and the Share Transfer Books of the Company will remain close from Thursday, 12th November, 1999 to Friday, 19th November, 1999 (both days inclusive).

- e. The Company has appointed M/s Adroit Corporate Services Pvt. Ltd. as its Share Transfer Agent. For the future correspondence, contact Share Transfer Agent at the following address :-

M/s Adroit Corporate Services Pvt. Ltd.

Unit No. 3 & 4, Near Maharashtra Weigh Bridge,
Link Road, Sakinaka, Andheri (E), Mumbai-2.

- f. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.

**EXPLANATORY \ STATEMENT
PURSUANT TO SECTION 173(2) OF
THE COMPANIES ACT, 1956**

ITEM NO. 4

Dr. P.V.R. Murthy was appointed by the Board of Directors as an Additional Director with effect from 1st June, 1999. Under Section 260 of the Companies Act, 1956, Dr. P.V.R. Murthy holds office only upto the date of this Annual General Meeting. The Company has received the notice in writing under Section 257 of the Companies Act along with a deposit of Rs. 500/- from a member signifying his intention to propose the name of Dr. P.V.R. Murthy as a candidate for the office of Director. Your directors are of the view that his appointment will be in the interest of the Company and its shareholders.

ITEM NO. 5

Your Directors have, subject to the approval of the shareholder appointed Dr. P.V.R. Murthy as Managing Director in charge of operations of the Company for a period of 5 years from 1st June, 1999 on terms and conditions set out in the draft letter of appointment referred to in the resolution.

The material terms, including remuneration, of the said letter of appointment are as follows :

- I. Period : 5 Years with effect from 1st June, 1999.
- II. Remuneration :
 - (i) Salary : Rs. 30,000/- per month inclusive of all other allowances.
 - (ii) Perquisites :

PART - A

1. Housing I - The expenditure by the Company on hiring furnished accommodation for the appointee will be subject to the following ceiling :-

Sixty percent of the salary, over and above ten percent payable by the appointee.

Housing II - In case the accommodation is owned by the Company, ten percent of the salary of the appointee shall be deducted by the Company.

Housing III - In case no accommodation is provided by the Company, the appointee shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules 1962. This shall however be subject to a ceiling of ten percent of salary of the appointee.

2. Leave Travel Concession shall be allowed for the appointee and his family once in a year incurred in accordance with any rules specified by the Company.
3. Reimbursement of medical expenses actually incurred for self and family the total cost of which shall not exceed one month's salary in a year or three month's salary in a block of three years.
4. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

PART - B

- a). Company's contribution towards Provident Fund, Superannuation Fund or Annuity Fund to the extent that is not taxable under the Income Tax Act, 1961.
- b) Gratuity payable as per the Company's rules at the end of the tenure.
- c) Encashment of leave at the end of tenure.

PART - C

1. Leave on full pay and allowance as per the Rule of the Company but not exceeding one month's leave per year of service and leave accumulated but not availed of will be allowed to be encashed as per the Rule of the Company.
2. Reimbursement of entertainment and all other expenses actually and properly incurred for the purpose of the Company's business.

Commission :

Remuneration by way of commission may also be allowed in addition to salary or perquisites or both or in lieu thereof. The amount of it, based on the net profits of the Company in a particular year, shall be subject to overall ceiling laid down in section 198 and section 309, and the quantum of commission will be decided by the Board of Directors.

In the event of the loss or inadequacy of profits during the aforesaid periods, the Company shall pay remuneration to the Managing Director by way of salary, perquisites and other allowances not exceeding the limits specified under Part II of Schedule XIII to the Companies Act, 1956.

III. Other Terms :

1. The Managing Director shall not be paid any sitting fees for attending any meeting of the Board or Committee thereof.
2. The Managing Director shall not be liable to retire by rotation.
3. The Managing Director shall not divulge or disclose any confidential information or knowledge as to the business and affairs of the Company.
4. Both parties are entitled to terminate the appointment by giving to the other party ninety days notice in writing without showing any cause.

The Company has been advised that the appointment of Dr. P.V.R. Murthy as Managing Director will not require approval of the Central Government in terms

of the provisions of Section 269 of the Companies Act, 1956 read with Schedule XIII to the said Act.

Dr. P.V.R. Murthy, aged 49 years, is a F.C.A., M.B.A., LL.B. with over 26 years of experience in the field of Finance and Management. He joined the services of the Company from its inception and from the beginning he is in charge of the operation of the Company. Your Directors are of the view that having regard to, inter alia, Dr. P.V.R. Murthy's age, educational qualification and experience, he is fit and proper person to have further term of Five Years as Managing Director and that his re-appointment will be in the interest of the Company and its shareholders and, accordingly, commend the resolution of item no. 4 for your approval.

The draft letter of appointment referred to in the Resolution is available for inspection of members at the Registered Office of the Company between 10.30 a.m. and 1.00 p.m. on all working days (except Saturdays)

Dr. P.V.R. Murthy is interested in the Resolution at item No. 4 & No. 5 since it concern his own appointment and remuneration. None of the other Directors is interested in the passing of this resolution.

This explanation, together with the accompanying Notice, is and shall be treated as an abstract under Section 302 of the Companies Act, 1956.

Registered Office :

401, Chiranjiv Towers,
43, Nehru Place
New Delhi - 110 019.

Place : Mumbai

Date : 31st August, 1999.

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