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ANNUAL REPORT 1997-98

MD	✓			BKC	✓
CS	✓			DPY	✓
RO	✓			DIV	✓
TRA	✓			AC	✓
AGM	✓	✓		SH	✓
YE	✓	✓			

PEERLESS ABASAN FINANCE LIMITED

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PEERLESS ABASAN FINANCE LIMITED

EIGHTH ANNUAL REPORT 1997-98

BOARD OF DIRECTORS

Mr. Justice A. N. Sen (Retired)
Mr. S. K. Roy
Mr. S. Dutta
Mr. N. Saha
Mr. C. K. Sharma
Mr. Justice S. C. Ghose (Retired)
Mr. A. K. Ghosh

COMPANY SECRETARY

Mr. K. Balasubramanian

KEY EXECUTIVES

General Managers
Mr. T. K. Mukherjee
Mr. M. M. Das
Chief Manager
K. K. Chatterjee
Manager Accounts
Mrs. Sujata De

CHAIRMAN

Mr. Justice A. N. Sen (Retired)

EXECUTIVE DIRECTOR

Mr. A. K. Ghosh

AUDITORS

De & Bose
Chartered Accountants

REGISTRARS

Computech International Ltd.

PRINCIPAL BANKERS

United Bank of India
The Vysya Bank Ltd.
Corporation Bank
Centurion Bank Ltd.
State Bank of India

REGISTERED & HEAD OFFICE

75C, Park Street, 7th Floor
Calcutta 700 016

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighth Annual General Meeting of PEERLESS ABASAN FINANCE LIMITED will be held at Mini Auditorium, Science City, J. B. S. Haldane Avenue, Calcutta-700 046, on Friday, the 28th August 1998, at 12-00 noon to transact the following business.

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 1998, Balance Sheet as at 31st March, 1998, the Auditors' Report thereon and the Directors' Report.
2. To appoint a Director in place of Mr. S. K. Roy, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. N. Saha, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification the following Ordinary Resolution:

5. "That pursuant to Section 269 read with Schedule XIII, Sections 198 and 309 and other applicable provisions, if any, of the Companies Act 1956, the Company do hereby approve the appointment of Mr. A. K. Ghosh, as the Executive Director of the Company for a period of one year with effect from 14th June, 1998 and also the remuneration payable to Mr. A. K. Ghosh for the aforesaid period of his appointment on the terms and conditions including remuneration as set out in the Draft Agreement submitted before this Meeting and initialled by the Chairman for the purpose of identification, to be entered into between the Company and Mr. A. K. Ghosh, with liberty to the Board of Directors to alter and vary such terms and conditions including remuneration not exceeding the limits specified in Schedule XIII to the Companies Act 1956 or any amendments thereto as may be notified by the Central Government and agreed by the Board of Directors and Mr. A. K. Ghosh and that the Board of Directors be and is hereby authorised to execute on behalf of the Company the aforesaid Agreement and amendments thereto, as and when effected, under the common seal of the Company."

Registered & Head Office :
75C, Park Street
7th Floor
Calcutta 700 016
Dated : 29th June, 1998

By order of the Board
K. Balasubramanian
Company Secretary

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NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.
2. An Explanatory Statement under Section 173 of the Companies Act 1956 in respect of item 5 is annexed hereto.
3. The Register of Members of the Company will remain closed from 18th August, 1998 to 28th August, 1998, both days inclusive.
4. Members are requested to intimate immediately, changes, if any, in their registered addresses alongwith the pincode number.
5. Shareholders are requested to advise the Company their Bank Account particulars for noting in the Company's records.
6. The Shareholders are informed that the dividend which was declared at the previous Annual General Meeting held on 30th August, 1994 and which remained unpaid/unclaimed has been transferred by the Company to the General Revenue Account of the Central Government pursuant to Section 205A (5) of the Companies Act, 1956.

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EXPLANATORY STATEMENT

PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

In terms of the previous appointment of Mr. A. K. Ghosh as Executive Director for a period of two years, his tenure of office was upto 13th June, 1998. The Board of Directors of the Company at their meeting held on 29th May, 1998, have appointed Mr. A. K. Ghosh as Executive Director for a further period of one year effective from 14th June, 1998. The terms and conditions of the said appointment and remuneration including commission payable to Mr. Ghosh, as approved by the Board have been embodied in the Draft Agreement, to be entered into between the Company and Mr. Ghosh which requires the approval of the members of the Company in General Meeting in terms of Part III of Schedule XIII of the Companies Act, 1956 ("the Act") and the remuneration payable also requires the approval of the Company in General Meeting under Section 309 of the Act. It is also proposed to authorise the Board of Directors to modify the terms and conditions of appointment, including the remuneration of Mr. Ghosh within the overall limits specified in the Schedule XIII of the Act or any amendments thereto, as may be notified from time to time by the Central Government. The aforesaid Draft Agreement is open for inspection at the Registered and Head Office of the Company at 75C, Park Street, 7th Floor, Calcutta - 700 016, on all working days during business hours, till the date preceeding the date of the Annual General Meeting and also at the said Meeting. The principal terms and conditions, as contained in the Draft Agreement, are as follows :-

1.	Salary	:	Rs. 12,000/- per month (including Dearness Allowance and other Allowances) with effect from 14th June, 1998.
2.	Commission	:	Commission in addition to salary equivalent to 1% of the net profit of the Company, subject to a ceiling of Rs. 90,000/- per annum.
3.	Perquisites	:	In addition to salary and commission as specified in categories A, B & C below :

CATEGORY 'A'

i) Housing I - The expenditure by the Company on hiring unfurnished accommodation for the Executive Director will be sixty percent of the Salary over and above ten percent payable by the Executive Director.

Housing II - In case the accommodation is owned by the Company, ten percent of the Salary of the Executive Director shall be deducted by the Company.

Housing III - In case no accommodation is provided by the Company, the Executive Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

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The expenditure incurred by the Company on Gas, Electricity, Water and furnishing, shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the Salary of the Executive Director.

ii) Medical Reimbursement : Expenses incurred for the Executive Director and the family, subject to a ceiling of one month's salary in a year.

iii) Leave Travel Concession : For the Executive Director and his family, once in a year for expenses incurred in accordance with rules specified by the Company.

iv) Club Fees : Fees of the Clubs, subject to a maximum of two clubs. This will not include Admission and Life Membership Fees.

v) Personal Accident Insurance : Premium not to exceed Rs. 1,000/- per annum.

For the purpose of category 'A', 'Family' means the spouse, the dependent children and dependent parents of the Executive Director.

vi) Encashment of Privilege Leave : In accordance with the rules as applicable to the employees of the Company.

Category 'B'

The Executive Director shall be entitled to contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund or Gratuity as per rules of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable should not exceed half a month's salary for each completed year of service, subject to a ceiling of Rs. 1,00,000/-. This will, however, be subject to variance as per Gratuity Act.

Category 'C'

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 to the Executive Director.

Mr. Ghosh will not be entitled to any Sitting Fee for attending Meetings of the Board or Committee thereof.

Mr. Ghosh shall not, so long as he functions as Executive Director of the Company, become interested or otherwise be concerned directly and/or through his wife and/or minor children, in any Selling Agency of the Company without prior approval of the Board.

The Executive Director, so long he holds the Office of the Executive Director, shall not be liable to retirement of Directors by rotation.

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The Executive Director shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company.

The Agreement may be terminated by either party by giving three months' notice in writing to the other.

The extent and scope of the remuneration and the perquisites including the monetary value thereof specified in the Agreement may be enhanced, enlarged, widened, altered or varied in accordance with the relevant provisions of the Act, for the payment of managerial remuneration in force from time to time.

The Executive Director shall devote his whole time and energy for the business of the Company and shall be responsible for the day-to-day affairs of the Company subject to the superintendence, control and direction of the Board of Directors of the Company.

Pursuant to Part III of Schedule XIII of the Act, both the appointment of Mr. A. K. Ghosh as Executive Director and payment of remuneration to him, require the approval of the Members in General Meeting. The proposed Resolution set out under Item No. 5 of the convening notice is to be considered in the above context and the Board recommends the acceptance thereof.

No Director of the Company other than Mr. A. K. Ghosh is interested or concerned in the Resolution.

This may also be regarded as an abstract of Mr. Ghosh's terms of appointment as Executive Director of the Company and Memorandum of Interest under Section 302 of the Act.

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