

ANNUAL REPORT

2000 - 2001





PEERLESS ABASAN FINANCE LIMITED

ELEVENTH ANNUAL REPORT 2000-2001

BOARD OF DIRECTORS

Mr. S. K. Roy
Mr. S. Dutta
Mr. N. Saha
Mr. R. N. Misra
Mr. A. K. Ghosh
Mr. P. P. Ray
Mr. S. Bhattacharyya

CHIEF EXECUTIVE

Mr. T. K. Mukherjee

AUDITORS

De & Bose
Chartered Accountants

COMPANY SECRETARY

Mr. K. Balasubramanian

REGISTRARS

Computech International Ltd.

KEY EXECUTIVES

Chief Manager

Mr. K. K. Chatterjee

Manager Accounts

Mr. A. K. Das

PRINCIPAL BANKERS

Bank of Baroda
State Bank of India
Centurion Bank
United Bank of India
UCO Bank

REGISTERED & HEAD OFFICE

294, Bipin Behari Ganguly Street
2nd Floor
Kolkata - 700 012



CONTENTS

- Notice..... 3
- Directors' Report..... 8
- Auditors' Report..... 12
- Balance Sheet..... 14
- Profit & Loss Account..... 15
- Schedules to the Accounts..... 16
- Balance Sheet Abstract and
Company's General Business Profile..... 24
- Cash Flow Statement..... 25



PEERLESS ABASAN FINANCE LIMITED



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of PEERLESS ABASAN FINANCE LIMITED will be held at "Kala Kunj" (Basement of Kala Mandir), 48, Shakespeare Sarani, Kolkata - 700 017 on Wednesday, 19th September, 2001 at 3.30 P. M. to transact the following business :

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2001, Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N. Saha, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Salil Dutta, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification the following Resolutions.

5. As an Ordinary Resolution

"That pursuant to Section 269 read with schedule XIII, Sections 198 and 387 and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby approve the appointment of Mr. T. K. Mukherjee as Manager designated as Chief Executive of the Company for a period of one year with effect from 1st October, 2000 and also the remuneration payable to Mr. T. K. Mukherjee 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. T. K. Mukherjee, with liberty to the Board of Directors to alter and vary such terms and conditions including remuneration not exceeding the limit 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. T. K. Mukherjee 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."

6. As a Special Resolution

"That subject to the provisions of the Companies Act, 1956 and to the Regulations of the Securities and Exchange Board of India and subject to such approvals, permission and sanction as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval, permission and sanctions, which may be agreed to, by the Board of Directors of the Company (herein after referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising such powers conferred on the Board by this Resolution), consent is accorded to the Board to delist the Equity Shares of the Company from the Madras Stock Exchange Limited, The Delhi Stock Exchange Association Limited, Bangalore Stock Exchange Limited and The Stock Exchange, Ahmedabad."

Registered & Head Office,
294, B. B. Ganguly Street, (2nd Floor)
Kolkata - 700 012

Dated : 27th July, 2001.

By Order of the Board
K. Balasubramanian
Company Secretary



PEERLESS ABASAN FINANCE LIMITED

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy Form, in order to be effective, must be received by the Company at the Registered Office not less than 48 hours before the meeting.
2. An Explanatory Statement under Section 173 of the Companies Act, 1956 in respect of Item Nos. 5 & 6 is annexed hereto.
3. The Register of Members of the Company will remain closed from 12th September, 2001 to 19th September, 2001, both days inclusive.
4. Members are requested to intimate immediately, changes, if any, in their registered address along with the pincode number.
5. The Shareholders are informed that the dividends which were declared at the previous Annual General Meetings and which remained unpaid/unclaimed have been transferred by the Company to the General Revenue Account of the Central Government pursuant to Section 205A (5) of the Companies Act, 1956. Such unpaid/unclaimed dividend for the financial year ended 31st March, 1996 shall be transferred to the concerned Fund as per the new provision of the Companies Act, 1956, as amended in 1999.
6. The equity shares of the Company are compulsorily traded in demat mode effective from 29th January, 2001 for which connectivity has been established with National Securities Depository Limited and Central Depository Services (India) Limited. The shareholders are requested to take advantage of the demat facility and contact the Company's Registrars for the purpose.
7. Particulars of Mr. N. Saha and Mr. S. Dutta, directors, who are proposed to be reappointed, are annexed hereto, as required by the Listing Agreement.

EXPLANATORY STATEMENT

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

Item No. 5

Mr. T. K. Mukherjee was functioning as the General Manager (Development) of the Company and is on secondment from The Peerless General Finance & Investment Company Limited. Upon expiry of tenure of appointment of Mr. M. M. Das as the Chief Executive of the Company, the Board of Directors, in compliance with Section 269 of the Companies Act, 1956 ("the Act") and for smooth functioning of the Company, appointed Mr. T. K. Mukherjee, as Manager as defined in Section 2(24) of the Act, and designated him as Chief Executive, at the Board Meeting held on 28th September, 2000, for a period of one year, with effect from 1st October, 2000. The terms and conditions of the said appointment and remuneration payable to Mr. Mukherjee, as approved by the Board have been embodied in the Draft Agreement to be entered into between the Company and Mr. Mukherjee subject to approval of the members. It is also proposed to authorise the Board of Directors to modify the terms and conditions of appointment including the remuneration of Mr. Mukherjee within the overall limits specified in Schedule XIII of the Act or any amendments thereto as may be notified by the Central Government. The aforesaid Draft Agreement is open for inspection at the Registered Office of the Company at 294, B.

PEERLESS ABASAN FINANCE LIMITED



B. Ganguly Street, 2nd floor, Kolkata - 700 012 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:

The existing system of reimbursing by the Company to The Peerless General Finance & Investment Company Limited (PGFI) for the payments referred to in A, B & C below being made to Mr. T. K. Mukherjee shall continue in accordance with the terms of appointment.

A) The salary and allowances upon appointment are :

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---|-------------------------|
| i) Basic | — | Rs. 6, 040.00 per month |
| ii) Dearness Allowance | — | Rs. 11,177.90 per month |
| iii) House Rent Allowance | — | Rs. 724.80 per month |
| iv) Special Allowance | — | Rs. 1,870.00 per month |
| v) Contribution to Provident Fund and Gratuity are as per terms and conditions of PGFI. (He will be entitled to increments etc., as admissible in PGFI). | | |

B) Reimbursement of Medical Expenses incurred for self and dependent family members subject to a ceiling of one month's basic salary per annum.

C) Leave Travel Concession and encashment of privilege leave as per rules.

In addition to the above, the Chief Executive shall be entitled to the following payments :

- D) Compensatory allowance of Rs. 6,000/- per month shall be paid by the Company so long as he continues as Chief Executive of the Company.
- E) Car running expenses of Rs. 9,500/- per month, subject to an overall limit of Rs. 1,10,000/- per annum.
- F) Provision of telephone at residence will not be considered as perquisite. Personal long distance calls on telephone shall be billed by the Company to the Chief Executive.

The Chief Executive shall not, so long as he functions as Chief Executive 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 Chief Executive 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 Chief Executive shall devote his whole time and energy for the business of the Company and shall have the management of substantially the whole of the affairs of the Company subject to the superintendence, control and direction of the Board of Directors of the Company.



PEERLESS ABASAN FINANCE LIMITED

Pursuant to Part III of Schedule XIII to the Act, both the appointment of Mr. T. K. Mukherjee as Manager, designated as Chief Executive, 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 is interested or concerned in the Resolution.

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

Item No. 6

The Company's equity shares are presently listed on the following Stock Exchanges.

1. The Calcutta Stock Exchange Association Limited
2. Bangalore Stock Exchange Limited
3. The Stock Exchange, Ahmedabad.
4. The Delhi Stock Exchange Association Limited
5. Madras Stock Exchange Limited.
6. Stock Exchange, Mumbai.

The equity shares of the Company are not generally traded in the Stock Exchanges at Bangalore, Ahmedabad, New Delhi and Madras.

In view of the losses incurred by the Company, efforts are made for reduction of cost to contain losses. Accordingly, the equity shares of the Company are proposed for voluntary delisting from the four Stock Exchanges at New Delhi, Ahmedabad, Chennai and Bangalore retaining listing at the Calcutta Stock Exchange Association Limited and the Stock Exchange, Mumbai, particularly since the equity shares are not generally traded in those Stock Exchanges and that such delisting would lead to substantial reduction of cost by way of Listing Fees paid.

Pursuant to directions of the Securities and Exchange Board of India (SEBI), the equity shares of the Company are to be traded compulsorily only in demat form by all investors, the interest of the concerned shareholders could be dealt with through the Calcutta Stock Exchange and the Stock Exchange, Mumbai and the liquidity of the Company's equity shares will not be affected. As per the SEBI Regulations, for voluntary delisting of securities from the stock exchanges, the approval of the shareholders by a special resolution would be required and accordingly the Board recommends the acceptance of the resolution set out in Item No. 6 of the convening Notice.

No Director of the Company is interested or concerned in the resolution.

PEERLESS ABASAN FINANCE LIMITED

**PARTICULARS OF DIRECTORS**

Mr. N. Saha and Mr. Salil Dutta, Directors who retire by rotation are proposed to be reappointed at the Eleventh Annual General Meeting. As required in the Code of Corporate Governance, particulars of these directors are furnished herein below.

Mr. N. Saha

Mr. Niranjan Saha, 59 years, is a Fellow Member of the Institute of Chartered Accountants of India. Mr. Saha is the Managing Partner of M/s. Ray & Ray, Chartered Accountants.

Mr. Saha has wide knowledge and experience in various facets of finance, accounts and auditing areas.

Mr. Saha is a director of Ray & Ray Consultants Pvt. Ltd. Mr. Saha is the Chairman of the Company's Audit Committee and member of Shareholders/Investors Grievance Committee.

Mr. S. Dutta

Mr. Salil Dutta, 70 years, is a Law Graduate and has diploma in Social Welfare. Mr. Dutta has several years experience in the field of personnel and administrative functions in senior position in leading public sector undertakings and as Director Marketing of The Peerless General Finance & Investment Company Limited. Mr. Dutta is also the former Managing Director of Peerless Abasan Finance Limited.

Mr. Dutta is a Director of Peerless Hospitex Hospital and Research Center Ltd.

Mr. Dutta is a member of the Audit Committee of the Company.

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