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TWENTY SIXTH ANNUAL REPORT 1999

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B

INDIA LIMITED

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CHAIRMAN	SHRI ANAND KUMAR AGARWAL
WHOLETIME DIRECTOR	SHRI BINOY KRISHNA DHAR
DIRECTORS	SHRI MADAN GOPAL TODI SHRI CHANDRA KUMAR DHANUKA SHRI PURUSHOTTAM DAS CHITALANGIA SHRI MAHENDRA KUMAR AGARWAL SHRI M. SREENIVASA RAO SHRI D. BANDOPADHYAY SHRI MANISH BHOOPAL SHRI L. P. MEHTA SHRI B. D. SHAH
SECRETARY	SHRI SUNDAR GOPAL DAS
AUDITORS	M/S. V.N. PUROHIT & COMPANY
SOLICITORS	M/S. P.D. HIMMATSINGKA & COMPANY CALCUTTA - 700 013
BANKERS	CANARA BANK HONGKONG & SHANGHAI BANK STATE BANK OF INDIA INDIAN OVERSEAS BANK TIMES BANK LIMITED
REGISTERED OFFICE	KEDAR ROAD GUWAHATI-781 001

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Notice

NOTICE is hereby given that the 26th Annual General Meeting of the Members of **ABC India Limited** will be held on Monday, the 16th day of August, 1999 at Ritu Raj Hotel, Kedar Road, Guwahati, Assam at 3.00 PM to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Profit & Loss Account of the Company for the year ended 31st March, 1999 together with the Balance Sheet as at that date.
2. To declare a Dividend for the year ended 31st March, 1999
3. To appoint Directors in place of Sri M. Sreenivasa Rao, Sri Manish Bhoopal & Sri B.D. Shah, who retire by rotation and being eligible offer themselves for re-appointment.
4. To appoint Auditors of the Company.

   For this Purpose to consider and, if thought fit, to pass with or without modification, the following Resolution as Ordinary Resolution :

   RESOLVED that Messers. V. N. Purohit & Company, Chartered Accountants, be and are hereby reappointed as the Auditors of the Company to hold Office from the conclusion of the 26th Annual General Meeting to the conclusion of the 27th Annual General Meeting".

   "FURTHER RESOLVED that the Board of Directors be and are hereby authorised to fix the remuneration of the Auditors".

Special Business :

5. To consider and if thought fit to pass, with or without modification, the following resolution as Special Resolution.

   " RESOLVED that pursuant to the provisions of section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, Shri Binoy Krishna Dhar, be and is hereby appointed as the Wholetime Director of the Company w.e.f. 28.10.1998 for a period of 5 years ending 27.10.2003, on the terms and conditions given below:

I. Salary :

Rs. 35,000/- (Rupees Thirty Five Thousand only) per month with annual increment of Rs. 3000/- (Rupees Three thousand Only) and authority to the board to grant more than one increment at a time.

II. Perquisites :

1) Housing : Housing provision by the Company on the following terms & conditions :

   a) The expenditure by the Company on hiring accommodation will be subject to the ceiling of 35% of salary irrespective of place of posting.

   b) In case of making own arrangements for accommodation without requiring the company to hire any accomodation, he shall be entitled to House Rent Allowance @35% of salary irrespective of place of posting.

2) Reimbursement of Medical expenses incurred for self and family in accordance with the rules of the company.

3) Reimbursement of Soft Furnishing expenses in accordance with the rules of the Company.

4) Leave Travel Concession for self and family incurred once in a year, in accordance with the Rules of the Company.

5) Personal Accident Insurance as per the rules of the Company.

6) Contributions by the Company to Provident Fund as per rules of the Company.

7) Leave with full pay and allowances, with right to accumulate the same in accordance with the Rules of the Company.

8) Leave unavailed of is to be allowed to be encashed as per rules of the Company.

9) The Company shall provide car with driver and telephone at his residence for use on Company's business.

10) Gratuity as per the provisions of the payment of Gratuity Act, or as per the Gratuity Scheme of the Company, whichever is higher.

11) Minimum Remuneration :

    In the event of loss or inadequacy of profits during the aforesaid period, the salary and perquisites as envisaged hereinabove shall nevertheless be paid by way of minimum remuneration without any reduction.

12) Refund of Excess Remuneration :

    If by way of remuneration any such sums in excess of the limits prescribed by or sanctioned by the central government is drawn or received , he shall refund such sums to the Company and until such sums are refunded , he shall hold the same intrust for the Company.

13) Dis-entitlement to Directors Fees :

    He shall not be paid any sitting fees for attending meetings of the Board or commitees thereof.

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14) Convenats :

In the event the Central Government revises and makes changes in the provisions contained in Schedule XIII to the Act, the Company may favorably consider such changes.

15) Either party hereto may, without assigning any reason, terminate this agreement by giving to the other party six months notice , in writing provided that the Company may terminate this Agreement by paying six months remuneration as enumerated in Clause I thereof, as far as permissible, in lieu of such notice.

16) Notwithstanding anything herein contained, the appointment hereunder shall be determined if, for any reason, Mr. Dhar shall ceases to be a Director of the Company.

17) Subject to the Superintendence, control and directions of the Board he shall exercise substantial management powers in general and specific powers, as may, from time to time be lawfully entrusted to and conferred upon him by the Board.

By Order of the Board
S. G. DAS
Secretary

Calcutta,
the 27th day of May, 1999.

NOTES :

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.

b) An explanatory statement persuant to section 173 of the Companies Act, 1956 relating to the special business to be transacted at the meeting is appended hereto.

b) The Register of Member and Transfer Books in respect of the Equity Shares of the Company will be closed from Monday the 2nd Day of August, 1999 to Monday the 16th Day of August, 1999, Both days Inclusive.

c) Dividend on Equity Shares when sanctioned will be made payable to those Shareholders whose names stand on the Company's Register on 16th August, 1999 and dividend warrants will be posted within the statutory period.

d) Members are requested to notify changes of address, if any, immediately to the Company at its Registered Office.

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Explanatory Statement Under Section 173(2) of the Companies Act, 1956

Item No. 5

Sri Binoy Krishna Dhar is one of the Senior most employees of the Organisation serving the Company over a period of 34 years in various capacities. He has acquired wide experience in the trade. At present he is looking after Bangalore Project Division. On his elevation to the post of Wholetime Director, the Company will benefit and he will have additional responsibilities of Delhi and Mumbai Project Divisions also.

Notice has been received from a Member of the Company signifying his intention to propose his appointment as a Director. His appointment is not subject to retirement on rotation.

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Chairman's Communication

In the past 36 years of our Company's existence, we have seen many facets of business environment in our country. With every change in such business environment, we have aligned overselves with new needs and demands of our customers. At the same time, we took upon us a responsibility to provide best services to our customers towards growth and development of industry, infrastructure and ultimately the common needs of our people. Our actions and efforts shall continue to be guided by the basic force of our sense of responsibility.

I must confess that our business is passing through a very difficult time in India today. Many of our large basic industries e.g. iron and steel, cement, paper, chemicals, textiles and capital goods are experiencing unprecedented slow down in demand and terrible squeeze on margins. Millions of investors who have invested in these companies have suffered heavy losses due to sharp decline in market capitalization of these companies. Many of these companies had invested heavily in capacity creation and modernization in the post 1991 era to make themselves world class. No one could have predicted the global meltdown and the subsequent dumping of goods from abroad into Indian market and an acute demand recession in India. Now, many of these companies are on the verge of financial disaster and thereafter will be easy prey to global players at throw away prices, or will end up at the door step of BIFR. Both the situations are highly undesirable. I therefore, urge you to interface with us in the spirit of partnership to find a solution to this impasse.

Our road transportation industry is one of the most important aspect of infrastructure in any country. Unfortunately till now our Government has been most unsympathetic to the problems of our industry. Such unsympathetic attitude has resulted in major bottle neck in development of trade and industry in our country. Fortunately, this year, the government has understood the importance of infrastructure for growth and taken some positive steps in this direction.

Recognizing the importance of infrastructure in our development process, the allocation for such projects has been substantially augmented by over 35 percent - from Rs. 45,252 crores to Rs. 61,146 crores. In the project sanctions of the All-India Financial Institutions, the share of infrastructure projects has gone up by 217 percent in the current year. Infrastructure projects now account for one-third of the sanctions of Rs. 75,000 crores.

Some other steps to strengthen infrastructure financing have also been taken. The infrastructure Development Finance Company Ltd (IDFC) has been set up with a capital base of Rs. 1,650 crores, with a unique public and private sector partnership to channel private capital into viable infrastructure projects.

Information Technology is revolutionizing every facet of life-including, most dramatically , the national and global economy. In days to come, development of Information Technology shall influence every aspect of trade and business all over the world. As such, it is important that the trade and industry of our country must take full advantage of this modern science and really become global players in true sense. Transportation industry has much to gain from development in information technology and provide world class services to our customers. Dedicated efforts in this direction are being taken in your Company.

PERFORMANCE

Keeping in view the various external constraints and impediments faced by the Company the performance of your company in the year 1998-99 was satisfactory. Due to the inner strength we have been able to maintain our performance record only because of the inherent strength of our company and strong support of our customers and staff members. During the year we continued to face a number of problems e.g. unremunerative rates , high interest rates, unethical competition, cash crunch etc. These factors although hindering our aim of growth, has also provided us with force to improve our performance with well defined objectives.

PROJECT DIVISION

Project Division has shown impressive growth. Business activities increased appreciably. This division is expected to show steady growth in coming years. Major breakthrough in the field of logistics has been achieved by formation of a Joint Venture Company with M/S. Nissin Corporation , Japan.

ORGANIZATION TRANSFORMATION

In order to maintain the pace of growth during the last few years, we have also placed emphasis on organizational renewal and transformation. A steady influx of youthful talent, will help us build intellectual capital for the future. We have opted for "networking" with emphasis on teamwork and human capital.

CORPORATE GOVERNANCE

The development that is most responsible for the management of shareholder value is corporate governance. This trend can be simply described as the exercise of ownership and management rights that is in the best interests of all the company's shareholders, creditors,and employees and also the state.

TOTAL QUALITY MANAGEMENT, KAIZEN AND STAFF EDUCATION

There is an ongoing effort to integrate information technology with Total Quality Management.Kaizen activities at all our offices have been activated. Continuous efforts on the TQM front have helped create greater empowerment and team culture in the

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Company. A large number of teams, including cross-functional ones are working on various improvement processes. These efforts have led to a greater focus on customer services.

The Company regularly organizes in-house and outside Orientation Programmes for improving productivity through quality circles and quality improvement teams.Staff Members at all levels are encouraged to improve their professional expertise by exchanging ideas and opinions, by providing leadership and motivation and by team work. Our efforts towards orientation and human engineering will continue to produce continuous improvements in the methods of working.

The Company's entire team , which has already been involved with many new internal initiatives, will have to continue to redefine the manner in which Company conducts its business, while maintaining its value systems and traditions. This will call for their resolve, their commitment and their oneness of purpose. Our people will surely rise to the occasion, and the company will continue to be a major player in transport industry.

I appreciate the services of hundreds of staff members, at all levels, under stress and strain. I extend my thanks to those customers, who are with us reposing high confidence. I deeply thank our Shareholders, who will be our inspiring spirit in the future to come. I also thank the Members of the Board, who have guided me at all times.

With my best and warmest wishes to each of you.

Calcutta
The 27th day of May 1999.

A. K. Agarwal
Chairman

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Financial Highlights for last ten years

(RUPEES IN LAKHS)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
(A) ASSETS OWNED BY THE COMPANY										
1. Net Fixed Assets	**2691.20**	2715.66	2712.29	2796.04	2553.51	1233.14	1214.66	1179.87	1169.28	1190.85
2. Investments	**135.40**	56.38	155.13	51.38	50.05	62.22	50.22	54.92	54.18	54.68
3. Current Assets, Loans & Advances and Deposits	**3202.32**	2861.69	3020.31	2361.88	1681.11	1991.69	1142.24	1088.64	844.17	833.61
4. Total Assets	**6028.92**	5633.73	5887.73	5209.30	4284.67	3287.05	2407.12	2323.43	2067.63	2079.14
(B) DUES TO BE PAID										
1. Loans	**1872.90**	1771.35	1598.10	1421.23	726.64	1500.78	760.94	690.23	697.34	725.35
2. Current Liabilities & Provisions	**1213.04**	954.76	1476.93	998.41	874.11	840.46	814.69	865.13	627.24	626.52
3. Total Liabilities	**3085.94**	2726.11	3075.03	2419.64	1600.75	2341.24	1575.63	1555.36	1324.58	1351.87
(C) COMPANY'S NET WORTH REPRESENTED										
BY SHAREHOLDERS' FUND	**2942.98**	2907.62	2835.61	2789.66	2683.92	945.81	820.36	768.10	743.05	727.27
1. Capital	**499.69**	399.65	399.65	399.63	399.08	270.19	270.19	180.13	180.13	180.13
2. Reserves & Surplus	**2443.29**	2507.97	2435.96	2390.03	2284.84	675.62	563.53	587.97	562.92	547.14
(D) NET WORTH PER EQUITY SHARE OF Rs. 10/- EACH	**58.89**	72.66	70.89	69.72	67.00	35.00	30.66	42.65	41.25	40.38
(E) EARNINGS FROM										
1. Freight Earnings from Transportation of Goods	**11019.58**	11501.94	10602.06	8706.59	8352.93	6970.72	6346.32	5359.56	4808.35	5095.56
2. Rent, Commission, Interest, Dividend & Other receipts	**259.76**	177.48	87.59	137.23	336.12	269.62	31.45	51.80	53.52	39.94
3. Total Income	**11279.34**	11679.42	10689.65	8843.82	8689.05	7240.34	6377.77	5411.36	4861.87	5135.50
(F) WE PAID AND PROVIDED FOR										
1. Expenses of Transportation of Goods	**9175.50**	9666.41	8819.94	7264.22	7140.50	5990.85	5388.19	4427.62	4010.55	4284.47
2. Non-Commercial Staff	**501.15**	479.46	426.49	374.85	325.54	292.41	249.05	218.72	216.40	181.74
3. Establishment, Storage and Other expenses	**939.92**	786.51	720.98	611.42	559.47	460.80	404.06	418.14	386.06	336.08
4. Interest	**310.71**	280.51	294.12	124.43	104.34	110.74	82.65	95.77	93.89	80.42
5. Managerial Remuneration	**11.99**	13.52	12.30	9.63	7.05	3.45	2.57	2.51	1.93	2.40
6. Depreciation	**180.10**	168.34	160.33	137.62	96.57	131.07	68.94	134.54	82.88	103.01
7. Income Tax	**80.50**	130.00	118.00	120.00	129.56	90.00	76.00	62.00	24.46	36.83
8. Total Expenses	**11199.87**	11524.75	10552.16	8642.17	8363.03	7079.32	6271.46	5359.30	4816.17	5024.95
(G) NET SRPLUS	**79.47**	154.67	137.49	201.65	326.02	161.02	106.31	52.06	45.70	110.55
(H) APPROPRIATION OF NET SURPLUS										
1. Dividend	**49.52**	65.93	75.13	79.92	75.90	48.63	40.53	27.02	27.02	27.02
2. Retained in Business	**29.95**	88.74	62.36	121.73	250.12	112.39	66.78	25.04	18.68	83.53

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Directors' Report

The Directors hereby present the 26th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 1999

FINANCIAL RESULTS	As on 31.03.1999 (Rs. in lacs)	Previous Year (Rs. in lacs)
Turnover	11,280	11,679
Profit before Taxation and Depreciation	340	453
Profit before Taxation	160	285
Provision for Taxation	81	130
Profit after Taxation	79	155
Balance of Profit & Loss Account brought forward	16	2
Excess Provision written back	22	—
Profit Available for appropriation	117	157
Appropriation :		
a) General Reserve	34	75
b) Proposed Dividend @ 10% (Previous year 15%)	45	60
c) Dividend Tax	5	6
d) Debenture Redemption Fund	25	–
e) Balance carried forward to Balance Sheet	8	16
	117	157

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SERVICES AND EARNINGS

Company's total freight earnings amounted to Rs. 11,280 lacs including other income for the period as compared with the previous year freight earnings of Rs. 11,679 lacs.

DIVIDEND

The Directors recommend payment of Dividend for the year ending 31.03.1999 @10% on the paid-up value of Equity Shares. Bonus shares issued during the year shall be eligible for dividend for 6 months.

OUTLOOK

In view of the reputation of the Company, demand for the Company's services continue to be strong. Efforts are being made to expand the business of Project Division through International Freight Forwarding and related services.

HUMAN RESOURCES

Your Company continued to emphasise the development of Human Resources through various training activities and programmes aimed at upgrading and improving the knowledge, skills and competencies of its employees.

DIRECTORS

Shri M.Sreenivasa Rao, Sri Manish Bhoopal, and Sri B.D. Shah retire by rotation and being eligible for re-election offer themselves for reappointment.

Sri Binoy Krishna Dhar, one of the senior most employee of the Company was appointed as Whole Time Director on 28.10.1998 for a period of five years. His appointment as Whole Time Director needs regularisation and approval at ensuing Annual General Meeting.

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