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ABC INDIA LIMITED

ANNUAL REPORT 1999 - 2000

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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
SECRETARY	SHRI SUNDAR GOPAL DAS
AUDITORS	M/S. V.N. PUROHIT & COMPANY
SOLICITORS	M/S. P.D. HIMMATSINGKA & COMPANY CALCUTTA - 700 013
BANKERS	UCO Bank CITIBANK INDIAN OVERSEAS BANK CANARA BANK STATE BANK OF INDIA
REGISTERED OFFICE	KEDAR ROAD GUWAHATI-781 001

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Notice

NOTICE is hereby given that the 27th Annual General Meeting of the members of **ABC India Limited** will be held on Saturday, the 26th day of August, 2000 at Ritu Raj Hotel, Kedar Road, Guwahati, Assam at 1.00 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, 2000 together with the Balance Sheet as at that date.
2. To declare a Dividend for the year ended 31st March, 2000
3. To appoint Directors in place of Shri Mahendra Kumar Agarwal, Shri Chandra Kumar Dhanuka and Shri Purshottam Das Chitlangia, 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 27th Annual General Meeting to the conclusion of the 28th 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. Re-appointment of Sri Anand Kumar Agarwal as Chairman w.e.f. 1.06.2000.

   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 Anand Kumar Agarwal, be and is hereby re-appointed as the Chairman of the Company w.e.f. 01.06.2000 for a period of 5 years ending 31.05.2005, on the terms and conditions given below:

I. Salary :

Rs.70,000/- per month with annual increment of Rs.5000/- and authority to the Board to grant more than one increment at a time.

II. Perquisites :

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

a) The Company shall deduct 10% of the salary for providing unfurnished accommodation.

b) The expenditure by the Company on hiring furnished accommodation will be subject to the ceiling : Mumbai, Calcutta, Delhi and Chennai - 60% of the salary, over and above 10% payable by him. Other places - 50% of the salary, over and above 10% payable by him.

c) If at any time he chooses to make his own arrangements for accommodation and the company does not have to hire any accommodation for him, he shall be entitled to House Rent Allowance @60% of his salary if posted at Mumbai, Calcutta, Delhi or Chennai and 50% of his salary if posted at any other places.

2) Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one months salary per year or three months salary in a period of three years.

3) Reimbursement of Soft Furnishing expenses not exceeding Rs.50,000/- as per rules of the Company.

4) Leave with full pay and allowances and the right to accumulate in accordance with the rules of the Company.

5) Leave Travel Consession for self and family once in a year incurred in accordance with the rules of the Company.

6) Fees of Clubs subject to a maximum of two Clubs, admission and life membership fees not being allowed.

7) Personal Accident Insurance Premium not exceeding Rs.4,000/- per annum.

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

9) Payment of Gratuity on his retirement or in the event of his earlier death to his estate, for each completed year of service with the Company of an amount equal to half of his monthly salary immediately prior to retirement or death, subject to the provisions of the Gratuity Act and as per rules of the Company and any other notifications issued by the central government to this effect.

10) No. Encashment of leave is allowed.

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

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12) General :

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

ii) Subject to the superintendence, control and directions of the Board, he shall exercise substantial management powers in general and specific powers, as any, from time to time be lawfully entrusted to and conferred upon him by the Board. Provided that the remuneration aforesaid as far as salary is concerned shall be subjected to a cut of 10% in the event of loss or in-adequacy of profits during the tenure of his appointment.

By Order of the Board
S. G. DAS
Secretary

Calcutta,
the 28th day of June, 2000.

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 Members and Transfer Books in respect of the Equity Shares of the Company will be closed from Thursday the 17th Day of August, 2000 to Friday the 25th Day of August, 2000, 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 Friday the 25th day of August, 2000 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 Anand Kumar Agarwal was re-appointed as Managing Director for a period of five years from 1.06.1995 to 31.05.2000. w.e.f. 2.4.1998 he was designated as Chairman for the remaining period of his appointment on existing terms and conditions.

His services are still required by the Company and he s being re-appointed as Chairman for a further period of five years. The board has already approved the same. Members are requested to approve and give their consent. The explanation together with the notice be treated as an abstract under section 302 of the Companies Act, 1956.

None of the Directors except Shri Anand Kumar Agarwal is in any way concerned or interested in this resolution proposed to be passed.

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Chairman's Communication

We enter the new millennium with 37 years of working experience. Looking back at these 37 years in retrospect, we find that each and every of these years has been a year of refocussing and realigning our workings to meet changing requirements of our customers. We have always highly valued our responsibility to provide best possible service to the industry & infractructure for ultimate growth and development of our beloved country and its citizens. This has been possible only because of our openness to new ideas and determined efforts in adapting to changing business environments.

The past one year in Indian business environment has withnessed many important changes. For corporate India, the past reform era especially the last three recessionary years have proved to be a tightrope walk because of increased competition, vanished protectionism, globalisation with its concomitant merits and demerits, economic recession, prolonged lull in the capital market, impact of the Asian crisis, rise of tech industry etc. In short a scenario of struggle for existence. The signs of recovery have however emerged in the current year. At least the feel-good factor has been restored. Big business houses with traditional business and huge conglomerates have taken a back seat. The true winners have been companies that became focused on their strengths, became lean and efficient.

Development of road transport is essential for growth of industry. After much loss of time, the need to develop roads recently caught attention of the government. Few announcements pertaining to the road sector have already been made, yet implementations thereon remain tardy. The government has given top must priority to National Highways. Six-lane North-South and East-West corridor have already been announced. National Highways Authority of India has been entrusted with development of Golden Quadrilateral linking four metros - Delhi, Calcutta, Chennai an Mumbai aggregating length of about 5800 kms. The government has also embarked upon a strategy to plan and implement Expressways for safe and fast movement of vehicles. But road development seems to be hitting a roadblock because of the lukewarm response from private developers and financiers. Private sector participants in road projects face several uncertainties regarding land acquisition, environmental and other clearances, and finally, of course, charging user charges. Thus, some sort of partnership from the government is viewed as essential for completion of the project.

We, can see that global economy is undergoing a transition from the 'old' to the 'new' fostered by rapid advances in information technology and telecommunication. Internet has emerged as a medium for conducting business. Our company continued to take dedicated efforts to strengthen our system for taking advantage of this technology in providing best services to our customers.

PERFORMANCE

During the year under reference, the Company continued to face many external constrains and impediments to growth and profitability. There include unremunerative rates, cash crunch, unethical competition, high interest rates etc. Inspite of these problems, the performance of the Company was satisfactory. Fundamental strength of the company, highly motivated employees and strong reputation in the market are some of the reasons for which the company could perform satisfactorily inspite of many problems. We have taken these problems as challenges and are determined to improve our performance with strategic planning and management and effective Cost Management.

PROJECT DIVISION

Project Division could not achieve substantial growth during the year. However, this division executed some prestigious jobs which shall provide us long mileage in future jobs. The joint venture company formed by our company with Nissin Corporation, Japan started operations during the year and its performance is encouraging.

ORGANIZATION TRANSFORMATION

Our efforts towards organisational restructuring for building up strategic strength continued during the year. Our workforce was reinforced with youthful talent to build up intellectual capital for future. We have placed substantial emphasis on team work and development of human assets.

TOTAL QUALITY MANAGEMENT, KAIZEN AND STAFF EDUCATION

Ongoing efforts integrate information Technology with Total Quality Management are continuing. Efforts on the TQM front have helped create greater empowerment and team culture in the 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 is regularly organizes in-house Programs for improving productivity through quality circles and quality improvement teams. In addition staff members are regularly deputed for training courses organised externally. Staff Members at all levels are encouraged to improve their professional expertise by exchanging ideas and opinions, by

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providing leadership and motivation and by team work. Our efforts towards orientation and human engineering will continue to produce definite improvements in the methods of working.

The Company's entire team already involved with many new internal initiatives, continues to redefine the manner in which Company conducts its business, 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.

During the current year, we have engaged Consultant - faculty from the Indian Institute of Management, Calcutta to impart and enlighten various conceptual and practical knowledge of Strategic Marketing Management. The initiative on this will continue initially for a period of three years to make our salesforce compatible with technology oriented marketing keeping our eyes open on E-Commerce.

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 28th day of June 2000.

A. K. Agarwal
Chairman

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Financial Highlights for last ten years

(RUPEES IN LAKHS)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
(A) ASSETS OWNED BY THE COMPANY										
1. Net Fixed Assets	**2665.13**	2691.20	2715.66	2712.29	2796.04	2553.51	1233.14	1214.66	1179.87	1169.28
2. Investments	**160.02**	135.40	56.38	155.13	51.38	50.05	62.22	50.22	54.92	54.18
3. Current Assets, Loans & Advances and Deposits	**3678.71**	3202.32	2861.69	3020.31	2361.88	1681.11	1991.69	1142.24	1088.64	844.17
4. Total Assets	**6503.86**	6028.92	5633.73	5887.73	5209.30	4284.67	3287.05	2407.12	2323.43	2067.63
(B) DUES TO BE PAID										
1. Loans	**2015.34**	1872.90	1771.35	1598.10	1421.23	726.64	1500.78	760.94	690.23	697.34
2. Current Liabilities & Provisions	**1517.43**	1213.04	954.76	1476.93	998.41	874.11	840.46	814.69	865.13	627.24
3. Total Liabilities	**3532.77**	3085.94	2726.11	3075.03	2419.64	1600.75	2341.24	1575.63	1555.36	1324.58
(C) COMPANY'S NET WORTH REPRESENTED										
BY SHAREHOLDERS' FUND	**2983.85**	2942.98	2907.62	2835.61	2789.66	2683.92	945.81	820.36	768.10	743.05
1. Capital	**499.69**	499.69	399.65	399.65	399.63	399.08	270.19	270.19	180.13	180.13
2. Reserves & Surplus	**2484.16**	2443.29	2507.97	2435.96	2390.03	2284.84	675.62	563.53	587.97	562.92
(D) NET WORTH PER EQUITY SHARE OF Rs. 10/- EACH	**59.65**	58.89	72.66	70.89	69.72	67.00	35.00	30.66	42.65	41.25
(E) EARNINGS FROM										
1. Freight Earnings from Transportation of Goods	**10884.41**	11019.58	11501.94	10602.06	8706.59	8352.93	6970.72	6346.32	5359.56	4808.35
2. Rent, Commission, Interest, Dividend & Other receipts	**165.40**	259.76	177.48	87.59	137.23	336.12	269.62	31.45	51.80	53.52
3. Total Income	**11049.81**	11279.34	11679.42	10689.65	8843.82	8689.05	7240.34	6377.77	5411.36	4861.87
(F) WE PAID AND PROVIDED FOR										
1. Expenses of Transportation of Goods	**9117.88**	9175.50	9666.41	8819.94	7264.22	7140.50	5990.85	5388.19	4427.62	4010.55
2. Non-Commercial Staff	**485.81**	501.15	479.46	426.49	374.85	325.54	292.41	249.05	218.72	216.40
3. Establishment, Storage and Other expenses	**633.77**	939.92	786.51	720.98	611.42	559.47	460.80	404.06	418.14	386.06
4. Interest	**332.16**	310.71	280.51	294.12	124.43	104.34	110.74	82.65	95.77	93.89
5. Managerial Remuneration	**16.05**	11.99	13.52	12.30	9.63	7.05	3.45	2.57	2.51	1.93
6. Depreciation	**194.57**	180.10	168.34	160.33	137.62	96.57	131.07	68.94	134.54	82.88
7. Income Tax	**80.00**	80.50	130.00	118.00	120.00	129.56	90.00	76.00	62.00	24.46
8. Total Expenses	**10860.24**	11199.87	11524.75	10552.16	8642.17	8363.03	7079.32	6271.46	5359.30	4816.17
(G) NET SRPLUS	**118.26**	79.47	154.67	137.49	201.65	326.02	161.02	106.31	52.06	45.70
(H) APPROPRIATION OF NET SURPLUS										
1. Dividend	**60.96**	49.52	65.93	75.13	79.92	75.90	48.63	40.53	27.02	27.02
2. Retained in Business	**57.30**	29.95	88.74	62.36	121.73	250.12	112.39	66.78	25.04	18.68

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Directors' Report

The Directors hereby present the 27th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS	As on 31.03.2000 (Rs. in lacs)	Previous Year (Rs. in lacs)
Turnover	11,061	11,301
Profit before Taxation and Depreciation	395	362
Profit before Taxation	200	182
Provision for Taxation	80	81
Profit after Taxation	120	101
Balance of Profit & Loss Account brought forward	8	16
Income tax for earlier year	2	—
Profit available for appropriation	126	117
Appropriation :		
a) General Reserve	25	34
b) Proposed Dividend @ 10% (Previous year 10%)	50	45
c) Dividend Tax	11	5
d) Debenture Redemption Fund	25	25
e) Balance carried forward to Balance Sheet	15	8
	126	117

SERVICES AND EARNINGS

Company's total freight earnings amounted to Rs. 11,061 lacs including other income for the year as compared with the previous year freight earnings of Rs.11,301 lacs.

DIVIDEND

The Directors recommend payment of Dividend for the year ending 31.03.2000 @10% on the paid-up value of Equity Shares.

OUTLOOK

The Company with its reputation and infrastructure has been able to tide over sluggish market conditions. It is expected that demand for company's services shall improve substantially with emerging economic scenario. Business from our Project & Freight Forwarding Division is also poised for growth.

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 Mahendra Kumar Agarwal, Shri Chandra Kumar Dhanuka, Shri Purshottam Das Chitlangia retire by rotation and being eligible for re-election offer themselves for re-appointment.

Shri B.D. Shah and Shri L.P. Mehta resigned as Directors of the Company during the year. The Company records and appreciates the services rendered by them during their tenure.

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