



ANNUAL REPORT 2002 - 2003

CHAIRMAN SHRI ANAND KUMAR AGARWAL

WHOLETIME DIRECTOR SHRI BINOY KRISHNA DHAR

DIRECTORS SHRI MAHENDRA KUMAR GOYAL
SHRI VIJAY KUMAR JAIN
DR. PADAM CHAND AGARWAL
SHRI ASHOK SURANA

SECRETARY SHRI SUNDAR GOPAL DAS

AUDITORS M/S. V. N. PUROHIT & COMPANY
Chartered Accountants

SOLICITORS M/S. P. D. HIMMATSINGKA & COMPANY
KOLKATA

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 30th Annual General Meeting of the Members of **ABC India Limited** will be held on Thursday, the 18th day of September, 2003 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, 2003 together with the Balance Sheet as at that date.
2. To appoint a Director in place of Sri. Mahendra Kumar Goyal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company:

To consider and, if thought fit, to pass with or without modification, the following resolution as an 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 30th Annual General Meeting to the conclusion of the 31st Annual General Meeting".

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

Special Business:

4. To consider and, if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution.
'RESOLVED that Sri. Ashok Surana, who was appointed as an Additional Director of the Company under Article 46 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956, and holds office until this Annual General Meeting, be and is hereby appointed as a Director of the Company, whose term of office shall be determined by retirement of Directors by rotation".

5. To consider and if thought fit to pass, with or without modification, the following resolution as a 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 re-appointed as Wholetime Director of the Company w.e.f. 28.10.2003 for the period ending 29th January, 2005 on the terms and conditions given below:

i. Salary:

Rs. 44,000/- (Rupees Forty four 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 in a year.

Provided that the annual increments, if any granted, shall be effective from 1st of April every year.

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 accommodation; 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 premium paid towards Mediclaim Insurance Policy for self and dependent family members as per the rules of the Company.
- 4) Reimbursement of Soft Furnishing expenses in accordance with the rules of the Company.
- 5) Leave Travel Concession for self and family incurred once in a year, in accordance with the rules of the Company.
- 6) Children Education Allowance limited to maximum of Rs.5000/- per annum or actual expenses incurred whichever is less. Such allowance is admissible up to a maximum of two children
- 7) Journal Reimbursement limited to Rs.250/- per month or actual expenses incurred, whichever is less for subscribing to Newspapers, Business Journals etc.
- 8) Reimbursement of membership fee paid to social/cultural/health clubs up to a maximum of Rs.5000/-(Rupees five thousand only) per annum.
- 9) Reimbursement of membership fee paid to professional associations relevant to his field of work up to a maximum of Rs.1,000/- (Rupees one thousand only) per annum.

- 10) Personal Accident Insurance as per the rules of the Company.
- 11) Contribution by the Company to Provident Fund as per rules of the Company.
- 12) Leave with full pay and allowances, with right to accumulate the same in accordance with the rules of the Company.
- 13) Leave unavailed of is to be allowed to be encashed as per rules of the Company.
- 14) The Company shall provide car with driver and telephone at his residence for use on Company's business.
- 15) Gratuity as per the provisions of the payment of Gratuity Act, or as per the Gratuity Scheme of the Company, whichever is higher.
- 16) 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.
- 17) 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 in trust for the Company.
- 18) Dis-entitlement to Directors Fees:
He shall not be paid any sitting fees for attending meetings of the Board or committees thereof.
- 19) Convents:
In the event the Central Government revises and makes changes in the provisions contained in Schedule XIII to the Act, the Company may favourably consider such changes.
- 20) 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.
- 21) Notwithstanding anything herein contained, the appointment hereunder shall be determined if, for any reason, Mr. Dhar shall cease to be a Director of the Company.
- 22) 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.

6. Delisting of Company's Equity Shares from certain Stock Exchanges:

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

"RESOLVED that subject to such approvals, permissions and sanctions as may be necessary and compliance with such conditions and modifications as may be necessary, the Equity Shares of the Company be delisted from The Guwahati Stock Exchange Ltd., and The Calcutta Stock Exchange Association Ltd., in accordance with the relevant laws, rules, regulations and guidelines including any statutory modifications(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred by Board) be and is hereby authorised to seek voluntary delisting, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to de-listing of the Equity Shares and to execute all such deeds, documents, writings as may be necessary, desirable or expedient as may be deemed fit and for this purpose to delegate the authority and the duty vested in it by virtue hereof to the Chairman or the Company Secretary or any other person whom the Board may consider suitable to do the various acts, deeds and things required to be done in this behalf".

Kolkata,
the 29th day of July, 2003

By Order of the Board
S. G. DAS
Secretary

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 pursuant to section 173 of the Companies Act, 1956 relating to the special business to be transacted at the meeting is appended hereto.
- c) The Register of Member and Transfer Books in respect of the Equity Shares of the Company will be closed from Monday the 1st Day of September, 2003 to Thursday the 18th Day of September, 2003, both days Inclusive.
- d) Equity shares of the company are available for dematerialization both with the National Security Depository Limited and Central Depository Services India Ltd.
- e) The Company has appointed M/s. MCS Ltd., 77/2A Hazra Road, Kolkata 700 029 as its Registrar and Transfer Agent. Members holding shares in physical form are requested to notify/send any changes in their address to its Registrar and Transfer Agent to facilitate better service.

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Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**Item No.: 4**

Shri Ashok Surana was appointed as Additional Director of the Company under Article 46 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. He holds office upto the ensuing Annual General Meeting. Your Company has received a notice under provisions of Section 257 of the Companies Act, 1956 proposing the candidature of Shri Ashok Surana for the office of Director liable to retire by rotation.

Particulars of Directors proposed to be appointed:

- | | | |
|---------------------|---|---|
| 1. Name | : | Shri Ashok Surana |
| Age | : | 48 years |
| Qualifications | : | B. Com. |
| Experience | : | Renowned businessman having excellent knowledge about business activities in North Eastern India. |
| Other Directorships | : | Magnoplas Private Limited |

Your directors recommend their appointment as Directors of the Company liable to retire by rotation. Resolution proposed at Item 4 to 6 are meant for aforesaid purpose.

None of the Directors, other than Shri Ashok Surana is interested or concerned in passing of this resolutions.

Item No. 5

Sri Binoy Krishna Dhar was appointed as Wholetime Director for a period of 5 years from 28.10.1998 to 27.10.2003. The terms and conditions of his appointment were revised w.e.f. 1.7.2001 for the remaining period of his appointment.

His services are still required by the Company, and he is being re-appointed as Wholetime Director for a further period up to 29th January, 2005. This explanation together with the notice be treated as an abstract under Section 302 of the Companies Act, 1956. The resolution requires approval of shareholders in general meeting.

The Board commends the resolution set out in item no. 5 of the notice of this meeting for your approval.

None of the Directors of the Company, other than Shri Binoy Krishna Dhar himself is interested or concerned in passing of said resolution.

Item No. 6

It is proposed that the shares of the Company be got delisted from The Gwahati Stock Exchange Limited and The Calcutta Stock Exchange association Limited. It shall not only result in saving in listing fee but also the time taken in complying in various regular formalities. Company's shares shall however continue to be listed at the Stock Exchange, Mumbai. Therefore, there will be no adverse effect on liquidity and marketability of Company's shares.

The board commends the resolution set out in item no. 6 of the notice of this meeting for your approval.

None of the directors of the Company is interested in the resolution.

Chairman's Communication:

1. We are working together for the past 40 years. Presently we see that the road transport industry is passing through continued phase of recession. In spite of which, we continue to serve the industries, a difficult job made possible by the continuous and untiring efforts of our staff members and the invaluable support and trust of our shareholders and our dear customers.
2. The reasons for this state of recession are not far to seek, the industrial growth is stagnant, share of industrial sector in GDP is still not encouraging if compared with China having 49% and Thailand having 40% of their respective GDP, by industrial sector.
3. It would be difficult for India to achieve even 7% growth only on the uneven growth of services sector. If we have to attain 7% GDP growth over a decade, manufacturing has to grow by at least 10-12% per year which is high target. All these targets can be achieved only by availability and quality of economic infrastructure of which transport infrastructure influences economic productivity and social welfare by directly contributing to and by enhancing amenities and influencing location decisions of private industry.
4. Increasing the emphasis on the transportation sector, particularly on road transport, can provide a developing economy like India the necessary infrastructure backbone for accelerated economic growth. A historical overview of road development provides the right perspective for further policy prescriptions and initiatives. With this in mind, a closer look at the national highway system of India becomes significant due to the fact that it carries 45 per cent of the traffic on just 1.4 per cent of the total road surface. Road transport now forms the backbone of the economy as it carries 87 per cent of the total passenger traffic and 65 per cent of the freight traffic.
5. In the last 3-4 years the small transporters have found it very difficult to remain in business and hence have begun to drop out of this business. The economic slowdown has made it impossible for them to earn economic returns from business. To remain in business, the larger transport companies have been employing different strategies like outsourcing their truck requirements rather than buying their own trucks. Through this they can concentrate on increasing their market network, warehousing facilities etc., and promote a decrease in average costs. The road transport business is under constant scrutiny in order to control costs.
6. The Road Transportation has also come to occupy a major role in logistics. The main reason behind this being that the road network is more far reaching than the railway network.

Moreover, improvement in road transport technologies has also resulted in reduction in costs per kilometer, which, though, has been offset by the hike in diesel fuel prices.

7. We hope that the road transport sector, which has an approximate growth rate of 5-6 percent per year, will grow at a greater pace. This can be effected by providing more and more value added services like backhaul services, tracking, single point accountability, alternative standby arrangements etc. for which we will have to work harder with a greater degree of commitment and a sense of fair competition. We are sure that all the members of the road transport sector, across the country, will endeavor to make our business a success.

8. Performance :

Several external constraints and impediments continued to adversely affect the performance of your Company during the year under review. The unprecedented recession has not spared any segment of transport sector. In addition, problems of unremunerative rates, cash crunch and unethical competition coupled with high interest rates continued to depress our margins and consequently the profitability. We hope, we will come out of this recession also successfully.

9. Project Division :

The Project Division has been functioning smoothly though the growth figures are not very satisfactory. Performance of Nissin ABC Logistics Private Limited, the joint venture Company floated by our Company in collaboration with Nissin Corporation of Japan has been encouraging. However, the 2003-2004 started with prospect of increased volume of project business for implementing project's in certain Oil sector PSU.

10. Organizational transformation :

Your Company is aware of the fact that its employees are its key resources and to keep the work force highly motivated, we continued to emphasise on building up strategic strength by practicing organizational transformation and re-structuring. Initiatives were taken for increased profitability and savings in overhead costs. To keep our dedicated workforce more objective oriented, we have placed core emphasis on teamwork and development of human resources. For the purpose of growth and orientation towards more market demand and customer satisfaction, we have divided our entire team to work dedicatedly for bulk and small segments.

11. Total quality management, kaizen and staff education - Our efforts to create human assets :

We wish to reiterate that Customer focus oriented with total quality management is the key factors that integrate the human resources practices of your Company.

Participative planning and strategy formulation process has helped us to improve involvement and alignments amongst the employees. Continuous in house training and development programs and continuous learning process is absolutely necessary for ensuring retention of the best talent, besides providing us with a sustainable platform for overall growth in the business environment.

Our training programs have been formulated to develop cross-functional skills amongst the workforce. The objective is to provide our workforce with an opportunity to acquaint with the areas, not immediately relevant to their job profile, which is important from the perspective of all round development. Such training program were held at cyber cafes to make our employees familiar with the operation and functioning of the world of internet.

The Company continued to organize in-house training programs regularly for motivation, team building, quality consciousness and overall personality development. Through these training programs, specific case studies are made relating to our Company and its various projects.

In order to develop our Company into a learning organization side by side our business activities, our entire

team with internal initiative, determination and oneness of purpose continues to redefine the manner in which our Company conducts its business albeit maintaining its values and traditions.

We have immensely benefited by the expert guidance of external faculty invited to our training programs and meetings from time to time and our efforts in this direction shall continue.

12. I appreciate the services of all our staff members, at all levels, under stress and strain. I extend my thanks to all our customers, who reposed high confidence in us.

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 to you.

Kolkata,
The 29th July, 2003

A.K. Agarwal
Chairman

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Financial Highlights for last ten years

(RUPEES IN LAKHS)

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
(A) ASSETS OWNED BY THE COMPANY										
1. Net Fixed Assets	2491.91	2396.28	2588.69	2665.13	2691.20	2715.66	2712.29	2796.04	2553.51	1233.14
2. Investments	448.29	129.18	160.18	160.02	135.40	56.38	155.13	51.38	50.05	62.22
3. Current Assets, Loans & Advances and Deposits	4005.79	3827.03	4036.95	3678.71	3202.32	2861.69	3020.31	2361.88	1681.11	1991.69
4. Total Assets	6945.99	6352.49	6785.82	6503.86	6028.92	5633.73	5887.73	5209.30	4284.67	3287.05
(B) DUES TO BE PAID										
1. Loans	2308.14	2121.89	2244.46	2015.34	1872.90	1771.35	1598.10	1421.23	726.64	1500.78
2. Current Liabilities & Provisions	1939.35	1619.64	1485.63	1517.43	1213.04	954.76	1476.93	998.41	874.11	840.46
3. Total Liabilities	4247.49	3741.53	3730.09	3532.77	3085.94	2726.11	3075.03	2419.64	1600.75	2341.24
(C) COMPANY'S NET WORTH REPRESENTED BY SHAREHOLDERS' FUND										
1. Capital	499.70	499.70	499.70	499.69	499.69	399.65	399.65	399.63	399.08	270.19
2. Reserves & Surplus	2198.80	2111.26	2556.03	2484.16	2443.29	2507.97	2435.96	2390.03	2284.84	675.62
(D) NET WORTH PER EQUITY SHARE OF Rs. 10/- EACH										
	53.94	52.19	61.11	59.65	58.89	72.66	70.89	69.72	67.00	35.00
(E) EARNINGS FROM										
1. Freight Earnings from Transportation of Goods	9281.26	9327.59	10675.52	10884.41	11019.58	11501.94	10602.06	8706.59	8352.93	6970.72
2. Rent, Commission, Interest, Dividend & Other receipts	745.34	627.93	541.03	165.40	259.76	177.48	87.59	137.23	336.12	269.62
3. Total Income	10026.60	9955.52	11216.55	11049.81	11279.34	11679.42	10689.65	8843.82	8689.05	7240.34
(F) WE PAID AND PROVIDED FOR										
1. Expenses of Transportation of Goods	8276.10	8099.78	9229.88	9117.88	9175.50	9666.41	8819.94	7264.22	7140.50	5990.85
2. Expenditure on Personnel	485.98	485.86	533.91	485.81	501.15	479.46	426.49	374.85	325.54	292.41
3. Establishment, Storage and Other expenses	640.38	671.99	719.91	633.77	939.92	786.51	720.98	611.42	559.47	460.80
4. Interest	280.20	358.72	357.50	332.16	310.71	280.51	294.12	124.43	104.34	110.74
5. Managerial Remuneration	16.32	15.47	15.13	16.05	11.99	13.52	12.30	9.63	7.05	3.45
6. Depreciation	149.96	180.92	199.92	194.57	180.10	168.34	160.33	137.62	96.57	131.07
7. Income Tax	92.48	55.77	72.00	80.00	80.50	130.00	118.00	120.00	129.56	90.00
8. Total Expenses	9941.42	9868.51	11128.25	10860.24	11199.87	11524.75	10552.16	8642.17	8363.03	7079.32
(G) NET SURPLUS										
	85.18	87.01	88.30	118.26	79.47	154.67	137.49	201.65	326.02	161.02
(H) APPROPRIATION OF NET SURPLUS										
1. Dividend	-	-	-	60.96	49.52	65.93	75.13	79.92	75.90	48.63
2. Retained in Business	85.18	87.01	88.30	57.30	29.95	88.74	62.36	121.73	250.12	112.39