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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
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ABG Heavy Industries Limited

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Corporate Information

BOARD OF DIRECTORS

Kamlesh Kumar Agarwal	<i>Chairman</i>
Rishi Agarwal	<i>Director</i>
S. N. Jhunjhunwala	<i>Director</i>
A. R. Jagannathan	<i>Director</i>
Saket Agarwal	<i>Managing Director</i>

COMPANY SECRETARY

Neville Fernandes

REGISTERED OFFICE

5th Floor, Bhupati Chambers
13 Mathew Road
Mumbai 400 004.

AUDITORS

M/s. M. M. Chaturvedi & Co.
24 Atlanta
Nariman Point
Mumbai 400 021.

ABG group has been ranked amongst the Top Five companies in Asia Pacific by the reputed "International Cranes" IC 50 listing in June, 1998.

BANKERS

Oriental Bank of Commerce
The Federal Bank Ltd.
State Bank of India
Societe Generale
Deutsche Bank

LEGAL ADVISORS

M/s. Bachubhai Munim & Co.
Mumbai

REGISTRARS AND SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
J/12, Ansa Industrial Estate,
Sakivihar Road, Sakinaka
Andheri (E), Mumbai 400 072.
Tel. : 8524914 · Fax : 8525207

CONTENTS

Corporate Information	2
Directors' Report	3
Auditor's Report	7
Cash Flow	9
Balance Sheet	10
Profit & Loss Account	11
Schedules	12
Notice	21

ABG Heavy Industries Limited**Directors' Report****TO THE MEMBERS,**

Your Directors have pleasure in presenting the Fourteenth Annual Report with the audited accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	1997-98	1996-97
Gross Receipts	6457	5895
Gross Profit before Interest & Depreciation	4830	4344
Less : Interest	2199	1468
Less : Depreciation	1625	1063
Profit before tax	1006	1813
Less : Provision for Taxation	1	111
Profit after tax	1005	1702
Add : Profit brought forward from earlier year	1210	550
Net profit available for appropriation	2215	2252
Proposed Dividend (Including tax on Proposed Dividend & short Provision for earlier year)	461	442
Transfer to General Reserve	400	600
Balance carried to Balance Sheet	1354	1210

OPERATIONS :

Ports and related services have recorded a significant growth and new opportunities are being explored in such activities. The long term contracts with Jawaharlal Nehru Port Trust and Chennai Port Trust for the deployment of Complete container handling and Bulk handling



Bulk handling operation at Chennai Port.

systems have accounted for about 70% of the revenues generated during the year. The operation of all Container handling and Bulk handling systems in the Major Ports have successfully exceeded



Reach Stackers

88~92% availability i.e., more than contracted availability.

On account of general economic slow down, the performance of charter hire, erection and heavy lift business has not improved during the year. However, implementation of few large scale industrial projects is likely to provide growth to these activities as ABG has secured prime contracts from Reliance Petroleum, Mangalore Refinery, Essar Oil and others.

With the existing long term contracts in Major Ports and expected growth in the economy with planned investments in infrastructure and core industries, ABG is expected to further improve performance in the coming year.

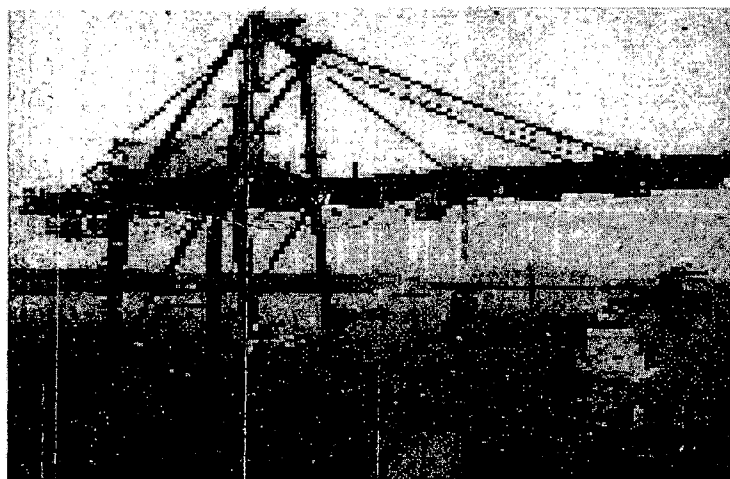
DIVIDEND

Your Directors recommend the following Dividends for the year ended 31st March, 1998 :

1. Rs. 1.50 per share on 14,00,000 15% Cumulative Redeemable Preference Shares of Rs. 10/- each.
2. Rs. 1.25 per share on 26,00,000 12.5% Cumulative Redeemable Preference Shares of Rs. 10/- each on pro-rata basis.
3. Rs. 3.50 per share on 1,13,20,200 Equity Shares of Rs.10/- each.

SHARE CAPITAL

Pursuant to the resolution passed by the members at the Extraordinary General Meeting held on 9th March, 1998, the Board of Directors have allotted Preference Shares of Rs. 10/- each aggregating Rs. 2.60 crores. These shares will be entitled for pro-rata dividend from the date of allotment.



ABG's Quay Cranes have recorded more than 92% availability at JNPT

ABG Heavy Industries Limited

24 hrs. maintenance & teamwork

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since your Company does not own any manufacturing facility, the particulars as required u/s 217(1)(e) of the Companies Act 1956, so far it relates to Conservation of Energy and Technology

Absorption are not applicable.

The particulars regarding Foreign Exchange Earnings and Outgo are as under :

	(Rs. in Lacs)
Foreign Exchange earned	NIL
Foreign Exchange outgo	
i. Import of Capital Goods	11
ii. Import of Raw materials, Spare parts and Components	5
iii. Other Expenditure (Travelling / Interest etc.)	212

FIXED DEPOSITS

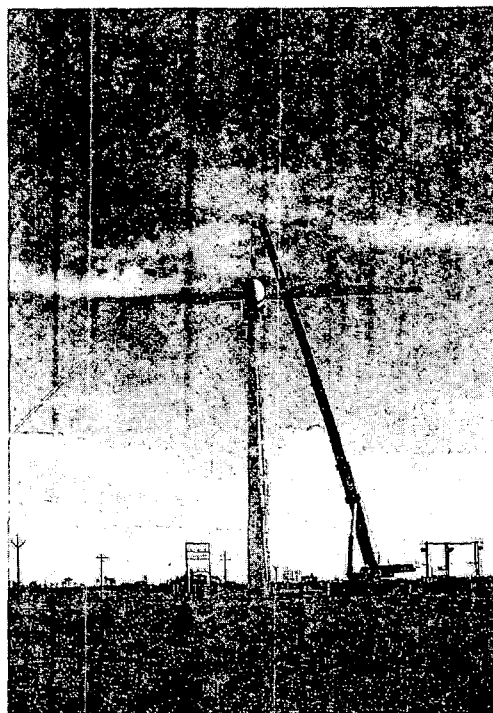
Your Company has not accepted any Fixed Deposits from Public during the year ended March 31, 1998.

DIRECTORS

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956 and also Article 128 of the Articles of Association of the Company, Mr. A. R. Jagannathan and Mr. S. N. Jhunjhunwala retire by rotation and are eligible for reappointment.

AUDITORS

M/s M. M. Chaturvedi & Co., Chartered Accountants, retire as Auditors of the Company and being eligible, offer themselves for reappointment.

ABG Heavy Industries Limited

440 MT capacity all terrain crane in action

PARTICULARS OF EMPLOYEES

A statement giving the requisite information as per the Section 217 (2A) of the Companies Act, 1956 is annexed hereto and forms part of this report.

APPRECIATION

Your Directors wish to place on record their appreciation for the support received from Bankers/ Financial Institutions and Government bodies. The employees have contributed in large to the success of the Company during the year under review and your Directors look forward to their continued support.

For and on behalf of the Board of Directors

Mumbai
30th June, 1998

Kamlesh Kumar Agarwal
Chairman

STATEMENT OF PARTICULARS OF EMPLOYEES FORMING PART OF DIRECTORS' REPORT AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956.

Name	Age	Qualification	Experience	Date of Employment	Designation	Gross Income (Rs.)	Previous Employment
Saket Agarwal	34	B.Com.	14 years	11.06.84	Managing Director	4,70,400	First Employment
Yogesh Rungta	37	B.Com; MMS	15 years	10.09.97	General Manager (Finance)	1,77,173*	—
S.D.D. Gunasekar	57	DME, FIEL, FIME	34 years	23.01.96	Chief Executive	4,23,538	JNPT
A.H. Sharma	61	B.Sc. (Engg.)	38 years	07.04.94	General Manager (Projects)	5,18,370*	ENGG ASSOCIATES
G. Dharmaraj	57	B.E. (MECH) IIT	33	05.11.97	General Manager	1,81,332*	MPT
S. Gopalan	58	Dip. Elect. Engg.	38	01.12.94	General Manager (Material Handling)	2,71,744*	I.S.P.L.

* Employed for the part of the year.

Notes :

- (1) The nature of employment is contractual.
- (2) Remuneration includes salaries, allowances, bonus, gratuity, payments made under voluntary retirement scheme and expenditure incurred in providing rent free accommodation, medical expenses, value of other perquisites on the basis of Income tax Act and Rules and Company's contribution to Provident and Pension Fund.
- (3) Shri Saket Agarwal is a relative of two Directors of the Company. None of the others is related to any Director of the Company.

Auditor's report

To the Members of ABG Heavy Industries Ltd.

We have audited the attached Balance Sheet of ABG Heavy Industries Ltd. as at 31st March, 1998 and the Profit & Loss Account of the Company for the year ended on that date, annexed thereto and report that :

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4-A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- (2) Further to our comments in the Annexure referred to in paragraph (1) above :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view,
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
 - (ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date.

For M.M. Chaturvedi and Co.

Chartered Accountants

M. M. Chaturvedi

Partner

Mumbai
30th June, 1998