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For ABEE-INFO CONSUMABLES LTD.

Managing Director/Authorised Signatory



ABEE INFO CONSUMABLES LTD.

(Formerly known as Abee Printer Ribbons Ltd.)

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COMPANY

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BOARD OF DIRECTORS

MR. BADRINARAYAN B. SOMANI
CHAIRMAN & MANAGING DIRECTOR

MRS. PRIYA B. SOMANI
WHOLE-TIME DIRECTOR

MR. OMPRAKASH MANTRI
DIRECTOR

* * * * *

AUDITORS

M/S. V.L.JAIN & CO.

"Indradhanushya" Apartments, 4th floor, Opp. Firodiya Hostel,
BMCC road, Pune 411004.

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COMPANY SECRETARY

MR. AJAY M. ANTARKAR

"Maheshwar" , Plot No. 1 / 2 (A) Erandawana, Pune 411004.

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BANKERS

MAHESH SAHAKARI BANK LTD. PUNE
RUPEE CO-OP BANK LTD. PUNE

* * * * *

REGISTERED OFFICE

"AKSHAY", 156-1 / B, Mangalwar Peth, Barne Road, Near Sinchan Bhavan, Pune 411 011.
Tel: (020) 632842, 632875. FAX : 91 - 20 - 634606

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WORKS

Gat No. 699 / 2, Koregaon Bhima, Taluka Shirur, District Pune, State Maharashtra.

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LISTING OF SHARES ON

PUNE, MUMBAI & AHMEDABAD STOCK EXCHANGES

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NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the members of ABEE INFO-CONSUMABLES LIMITED (formerly known as ABEE PRINTER RIBBONS LIMITED) will be held on Friday, the 31st day of December, 1999 at 3.30 p.m. at the Works of the Company at Gat No.699/2, Koregaon Bhima, Dist Pune to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 1999 the Balance-Sheet as on that date togetherwith the Reports of Directors and Auditors thereon.
2. To re-appoint Mr. Omprakash Mantri, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold the office from conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT subject to the necessary approval of the Government of India, Securities Exchange Board of India or any other Statutory Authority, consent of the members be and is hereby accorded to list 30,20,100 Equity Shares of Rs. 10/- each including the Equity Shares that may be issued in future from time to time in one or more trenches, on Inter Connected Stock Exchange of India Limited (i.e. ISE) subject to such terms and conditions, as may be deemed fit between the company and said Stock Exchange."

"FURTHER RESOLVED THAT Mr.B.B.Somani,Managing Director of the Company be and is hereby singly authorised to make and sign the necessary application and/or to execute a deed, undertaking, instrument, writing or any other document as may be necessary so as to effectuate the aforesaid resolution including affixing the Common Seal thereto, wherever necessary."

5. To consider if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

" Resolved that subject to the provisions of Section 31, 94, and other applicable provision, if any, of the Companies Act 1956 consent of the members be and is hereby accorded to increase the amount of Authorised Capital from Rs. 4 Crores divided into 40,00,000 Equity Shares of Rs. 10/- each to Rs. 10 Crores divided into 1,00,00,000 Equity Shares of Rs. 10/- each by creation of 60,00,000 additional new Equity Shares of Rs. 10/- each, ranking pari-passu with the existing Equity Shares except pro-rata dividend and to effect the consequential changes in the Memorandum & Articles of Association of the Company."

" Further Resolved that subject to the provisions of Section 81 (1) (a) of the Companies Act 1956 and subject to the necessary approval of the Reserve Bank of India, Securities Exchange Board of India or any other Statutory Authority, consent of the members be and is hereby accorded to issue 60,00,000 Equity Shares of Rs. 10/- each subject to such terms and conditions as may be deemed fit by the Board of Directors of the Company to the existing members and/ or to any other person, in one or more trenches whether he is a member of the Company or not and Mr. B.B.Somani, Managing Director of the Company be and is hereby authorised to take all necessary steps so as to effectuate the aforesaid resolution."

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Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) A relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 4 & 5 is enclosed.
- 3) The Register of Members and Share Transfer Books of the Company shall remain closed between Thursday, the 16th day of December, 1999 to Friday, the 31st day of December, 1999 (Both days inclusive)

On behalf of the Board
FOR ABEE INFO-CONSUMABLES LIMITED
(formerly Abee Printer Ribbons Ltd.)

Place : Pune
Date : 30.10.1999

B.B.SOMANI
(CHAIRMAN & MANAGING DIRECTOR)

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

Item No. 4

Inter Connected Stock Exchange of India Ltd. (i.e. ISE) is the first recognised Stock Exchange in India, which has technology as its backbone. It is recognised by SEBI w.e.f. 18.11.1998 and it has commenced its operations w.e.f. 26.02.1999. The said Exchange has created the national level market by interconnecting 15 recognised Stock Exchanges in the country. This will enable the participating Exchanges and traders of such exchanges accessibility to this national level ISE segment in addition to the existing trading segment.

One of the unique features of this Exchange is the in-built mechanism for a separate Index for Technology Stocks. ISE proposes to consider assigning greater weightage for software and technology base stocks in order to focus on this industry and to make such stock investors fancy on the similar lines of NASDAQ.

As your company is venturing into diversification of the business, the proposed listing is expected to provide immense benefits to the company as the web site of ISE can depict the product line and nature of services provided by such company alongwith the latest price list on-line for expanding the business, which in turn will enable the investors to share the prosperity in the years to come.

None of the directors of the company is deemed to be concerned or interested in the said resolution except to the extent of his shareholding.

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Item No.5.

In order to finance the expansion & diversification plans of the Company, it is necessary to inject additional funds into the Company by making a private placement and / or further issue of Shares as may be decided by the Board in due course of time.

At present, the Authorised Capital of the Company is Rs. 4 Crores divided into 40,00,000 Equity Shares of Rs. 10/- each which is proposed to be increased to Rs. 10 Crores divided into 1,00,00,000 Equity Shares of Rs. 10/- each by creation of 60,00,000 new Equity Shares of Rs. 10/- each. In order to increase the Authorised Capital and to effect the consequential changes in the Memorandum & Articles of Association of the Company consent of the members is required to be taken as per the provisions of Section 94 of the Companies Act, 1956.

None of the directors of the company is deemed to be concerned or interested in the said resolution except to the extent of his shareholding.

On behalf of the Board
For ABEE INFO-CONSUMABLES LIMITED
(Formerly Abby Printer Ribbons Ltd.)

B. B. SOMANI
(CHAIRMAN & MANAGING DIRECTOR)

Place : Pune
Date : 30.10.1999

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DIRECTORS' REPORT

Your directors have pleasure in presenting the Seventh Report togetherwith the audited Statement of Accounts for the year-ended 31st March 1999.

1. CHANGE OF NAME :

In order to reflect the nature of activities carried out by the company in a better perspective, the company has changed its name from ABEE PRINTER RIBBONS LTD. to ABEE INFO-CONSUMABLES LTD. and has obtained a fresh Certificate of Incorporation from the Registrar of Companies, Pune to that effect.

2. PERFORMANCE :

The gloomy economic conditions in Indian economy continue to adversely affect overall performance of the Industry in general. The steep increase in the prices of diesel and other petroleum products is a fatal blow to the Industry, as it is bound to trigger inflation in already sub-dued economic conditions in all the sectors.

However, despite the gloomy economic conditions affecting the industry in general, your directors are happy to state that the turnover of your company for the year-ended 31st March 1999 showed a marginal increase which amounted to Rs. 322.99 Lacs as against Rs.291.11 lacs in the last year. The main reason attributed to this marginal increase in turnover is drastic change in Credit Policy of the Company. In fact, as a strategic move, the company has stopped giving any credit to the buyers.

Therefore, evenif such measure is likely to bring down the turnover in the next financial year, it will be in the long term interest of the company, as it will improve the quality of debtors, besides improving the cash generation from debtors and thereby cutting interest costs to be incurred by the Company.

The net profit for the year under review amounted to Rs. 6.32 lacs as against the Net Loss of Rs. 37.51 lacs in the last year.

The highlights of financial performance are as under:

	<u>Rs. (In lacs)</u>
Turnover	322.99
Other Income	41.60
Total Expenditure (excluding Interest)	358.27
Interest	52.89
Gross Profit	6.32
Depreciation	8.97
Net Profit	6.32



3. FUTURE PROSPECTS :

Yours directors are happy to state that your company has entered into a Memorandum of Understanding (MOU) with I.T. Image Ltd. London, U.K., belonging to Tonerflow Group London UK. for manufacture of Compatible Laser and Inkjet Cartridges. For this purpose, a joint venture company is proposed to be incorporated under the name and Style "ABEE TONERFLOW INDIA LTD." which will acquire exclusive master franchisee rights from the aforesaid foreign company for all the seven SAARC countries. Moreover, your company has agreed to provide its entire distribution network for successful marketing of the products manufactured by the proposed Joint Venture Company. The proposed capital structure of the new Joint Venture Company will be as under :

ABEE INFO-CONSUMABLES LTD.	51%
I.T. Image Ltd, London, U.K.	26%
OTHERS	23%
	<u>100%</u>

Your Company will immensely benefit from this Joint Venture, as it will receive a one-time down payment of US \$ 2,75,000 and Royalty @ 5% p.a. on gross sales each year for the infra-structure to be provided to this new company.

Moreover, in pursuit of increasing the activities in the global markets of your Company, the company proposes to open branch offices in Singapore and Dubai which are the Gateways of the business world so as to facilitate consistency in exports.

4. DIVIDEND :

Your directors do not recommend any dividend in view of inadequate profits made by company during the current year.

5. PUBLIC DEPOSITS

No deposits have been accepted from the public within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1960.

6. DETAILS OF CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS AND OUT GO RESEARCH AND DEVELOPMENT :

The information under Section 217(1)(e) of the Companies Act 1956 in respect of Conservation of Energy Foreign Exchange Earnings and Outgo, Research and Development is enclosed by way of Annexure No. I which forms a part and parcel of this Report.

7. PARTICULARS OF EMPLOYEES

As none of the employees of the company is receiving remuneration in excess of prescribed limits as mentioned in Section 217(2-A) of the Companies Act, 1956 the question of giving the relevant information does not arise.

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8. CHANGES IN DIRECTORS :

Mr. Bansilal D. Somani, one of the directors of the company expired on 20.04.1999. The Board of Directors wish to place on record its sincere appreciation for the invaluable services rendered by Late Mr. B. D. Somani during his tenure of directorship.

9. RE-APPOINTMENT OF AUDITORS :

M/s. V. L. JAIN & Co. Chartered Accountants, Pune retire at the ensuing Annual General Meeting of the company and being eligible, offer themselves for re-appointment.

10. Y2K COMPLIANCE :

Your directors state that the hardware & software systems used by the company have been made Y 2K compliant well before the prescribed time limit.

11. PROPOSED LISTING OF EQUITY SHARES ON INTER CONNECTED STOCK EXCHANGE OF INDIA LTD. :

Your Company firmly believes in cementing the ties with its share holders scattered in different parts of the country. Therefore, the company proposes to list its shares on INTER CONNECTED STOCK EXCHANGE OF INDIA LTD. to provide wider marketability to the investors in addition to the existing listing at Pune, Mumbai and Ahmedabad. The Listing Code allotted by the Bombay Stock Exchange at present is 30833.

For ABEE-INFO CONSUMABLES LTD.

Managing Director/Authorised Signatory

Place : Pune

Date : 30.10.1999

On behalf of the Board
FOR ABEE INFO-CONSUMABLES LIMITED
(formerly Abee Printer Ribbons Ltd.)

B.B.SOMANI
(CHAIRMAN & MANAGING DIRECTOR)

ANNEXURE NO. I TO DIRECTORS' REPORT

A.	POWER AND FUEL CONSUMPTION	Current Year	Previous Year
1.	Electricity		
(a)	Purchased Units	45540	78875
	Total Amount (Rs.)	211954	28631
	Average Rate/Unit (Rs.)	4.65	3.63

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(b) Own Generation

(i) Through Diesel Generator unit	Nil	
Unit per Ltr. of diesel oil	Nil	Nil
Cost/Unit	Nil	Nil
(ii) Through Steam Turbine Generator Units	Nil	
Unit per Ltr. of diesel oil	Nil	
Cost/Unit	Nil	Nil

2. Coal

Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average Rate	Nil	Nil

3. Furnace Oil

Quantity (K. ltrs.)	Nil	Nil
Total Cost	Nil	Nil
Average Cost	Nil	Nil

4. Other / Internal Generation

Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standard (if any)	
Product with details		
Unit	Nil	Nil
Electricity	Nil	Nil
Furnace Oil	Nil	Nil
Coal	Nil	Nil
Others	Nil	Nil

C. TECHNOLOGY ABSORPTION

Research and Development (R&D)

1. Specific areas in which R&D is carried out by the Company	NA	NA
2. Benefits derived as a result of the above R&D	NA	NA
3. Future plan of action	NA	NA
4. Expenditure on R&D	NA	NA

Technology Absorption, Adaptation and Innovation.

1. Efforts in brief, made towards technology absorption, adaptation and innovation	NA
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction on product development, import substitution etc.	NA