

FOURTH ANNUAL REPORT 1997

REPORT



BALURGHAT
TRANSPORT COMPANY LIMITED

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	SP	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Shri Uttam Chand Sethia

Vice-Chairman

Prof. Sukumar Bhattacharya

Shri Bachhraj Sethia

Managing Director

Shri Pawan Sethia

Executive Directors

Shri Nirmal Sethia

Shri Ratan Sethia

Director

Shri Mahavir Prasad Goenka

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Company Secretary cum

Financial Controller

Shri D. Sarkar

REGISTRARS & SHARE TRANSFER AGENTS

ABC Computers Private Limited
National Council of Education Building
Jadavpur University Campus, Jadavpur
Calcutta-700 032

Auditors

Guha & Sons
Chartered Accountants
Calcutta

REGISTERED OFFICE

170/2C, A. J. C. Bose Road
Calcutta-700 014

Banker

Vijaya Bank

BALURGHAT TRANSPORT CO. LTD.**NOTICE**

Notice is hereby given that the 4th Annual General Meeting of the Members of Balurghat Transport Company Limited will be held at Gyan Manch, 11, Pretoria Street, Calcutta-700 071 on Wednesday, 24th September, 1997 at 10 A.M. to transact the following business :

1. To consider and adopt the audited Profit and Loss Account of the Company for the year ended 31st March, 1997 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint Directors in place of those retiring by rotation.
3. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification, the following ordinary resolutions:

4. "RESOLVED that the Company hereby approves the appointment of and the remuneration payable to Shri Pawan Kumar Sethia as Managing Director of the Company for a period of five years from 24th February, 1997 on the terms and conditions including remuneration set out in the relative letter of appointment dated 25th February, 1997 a copy of which initialled by the Chairman for the purpose of identification is placed before the meeting."
5. "RESOLVED that the Company hereby approves the appointment of and the remuneration payable to Shri Nirmal Kumar Sethia as Executive Director of the Company for a period of five years from 24th February, 1997 on the terms and conditions including remuneration set out in the relative letter of appointment dated 25th February, 1997 a copy of which initialled by the Chairman for the purpose of identification is placed before the meeting."

Registered Office :
170/2C, A. J. C. Bose Road,
Calcutta-700 014
Dated : 30th June, 1997

By Order of the Board
BALURGHAT TRANSPORT CO. LTD.

D. SARKAR
Company Secretary cum
Financial Controller

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered office of the Company not less than forty-eight hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 1997 to 24th September, 1997, (both days inclusive).
3. Members are requested to bring their copies of the Report and Accounts to the Meeting. Please bring the Admission Slip with you duly filled in and handover the same at the entrance of the Meeting Hall.

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4. Members are requested to notify any correction/change in their address immediately to the Registrars & Share Transfer Agents.
5. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items of Special Business is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956

ITEMS 4 & 5

At its meeting held on 24th February 1997, the Board of Directors of the Company ('the Board') accepted the resignation of Shri Nirmal Kumar Sethia as Managing Director with immediate effect and as from the said date he was appointed a Wholetime Director designated as Executive Director of the Company for a period of five years from 24th February 1997. At the same meeting the Board appointed Shri Pawan Kumar Sethia as Managing Director of the Company also for a period of five years from 24th February 1997. The terms of their respective appointments and remuneration which are in each case expressed to be subject to the approval of the Company in general meeting are set out in the Company's separate letters to Shri Nirmal Kumar Sethia and Shri Pawan Kumar Sethia, both dated 25th February, 1997, the material terms of which may be summarised as under :-

Shri Pawan Kumar Sethia shall be the Managing Director for a period of five years from 24th February 1997.

Shri Nirmal Kumar Sethia shall be a Wholetime Director designated as Executive Director for a period of five years from 24th February 1997.

As Managing Director Shri Pawan Kumar Sethia shall, subject to superintendence, control and direction of the Board have substantial powers of Management and shall perform the duties and exercise the powers referable or in relation thereto and which may from time to time be entrusted to or conferred upon him by the Board.

As Executive Director Shri Nirmal Kumar Sethia shall, subject to the superintendence, control and direction of the Board and/or the Managing Director of the Company look after the day to day management of the Company's business in Western India until otherwise decided by the Board and shall perform such duties and exercise such powers as are entrusted to or conferred upon him by the Board and/or the Managing Director of the Company.

Each of them is entitled to a monthly salary at the rate of Rs. 8000/- and to perquisites (restricted to an amount equal to the annual salary) such as housing/house rent allowance, gas, electricity, water and furnishings at residence, medical expenses for self and family, leave travel concession for self and family, club fees/subscription, Provident and Superannuation Funds contributions, Gratuity, Personal Accident Insurance, free car with driver and telephone at residence.

Further, each of them is entitled to leave in accordance with the Rules of the Company. In each case the appointment is terminable by one month's notice in writing on either side or such shorter notice as may be mutually agreed.

The appointments and remuneration of Shri Pawan Kumar Sethia as Managing Director and Shri Nirmal Kumar Sethia as Executive Director require the approval of the members of the Company in general meeting pursuant to paragraph (1) of Part III of Schedule XIII to the Companies Act, 1956 and the remuneration payable to them also requires the approval of the members of the Company in General

BALURGHAT TRANSPORT CO. LTD.



Meeting pursuant to Section 309 of the Companies Act, 1956 .

The resolutions set out in items 4 & 5 of the convening Notice have to be considered accordingly and the Board recommends the same.

Copies of the letters of appointment of Shri Pawan Kumar Sethia and Shri Nirmal Kumar Sethia both dated 25th February 1997, will be available for inspection by the members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working day of the Company and will also be available at the meeting.

No Director excepting Shri Pawan Kumar Sethia in his case and no Director excepting Shri Bachhraj Sethia and Shri Nirmal Kumar Sethia in the case of Shri Nirmal Kumar Sethia is concerned or interested in the appointments of Shri Pawan Kumar Sethia as Managing Director and of Shri Nirmal Kumar Sethia as Executive Director.

By Order of the Board
BALURGHAT TRANSPORT CO. LTD.

Registered Office :
170/2C, A. J. C. Bose Road,
Calcutta-700 014
Dated : 30th June, 1997

D. SARKAR
Company Secretary cum
Financial Controller



BALURGHAT TRANSPORT CO. LTD.



DIRECTORS' REPORT

To the Members :

The Directors have pleasure in presenting the 4th Annual Report of the Company together with the Financial Accounts for the year ended 31st March, 1997.

Financial Results**(Rs. In Lacs.)**

	<u>As on 31.3.97</u>	<u>As on 31.3.96</u>
Total Turnover	4764.92	4734.95
Less : Operating Expenses	4578.62	4553.69
Operating Profit	<u>186.30</u>	<u>181.26</u>
Less : Depreciation	58.53	46.78
Finance Charges	55.03	69.38
	<u>113.56</u>	<u>116.16</u>
Profit before Tax	72.74	65.10
Provision for Tax	21.00	—
Profit after Tax	<u>51.74</u>	<u>65.10</u>
Balance brought forward from Previous Year	207.05	145.33
Excess provision of Dividend in Previous Year	—	3.21
Less : Provision for Taxation for earlier years	(10.15)	—
	<u>248.64</u>	<u>213.64</u>
Appropriations :		
Transferred to General Reserve	208.00	6.60
Balance Carried Forward	<u>40.64</u>	<u>207.04</u>

DIVIDEND

Due to insufficient profits of the Company, your Directors regret that they are unable to recommend any dividend.

OPERATIONS

Your Directors had expected improvements in turnover and profitability during this year, barring unforeseen circumstances. Unfortunately the financial year 1996-97 witnessed a lot of upheavals in the country which led to decline in operations not only in transport sector but the industry in general. The General Elections in the country during May 1996 lead to a seizure of a number of vehicles by the appropriate authorities for its election purpose which in turn affected operations of the Company for 2 months. Operation received a further set back particularly in the north-eastern region, due to restrictions imposed by the Hon'ble Supreme Court of India restraining the carriage of forest products like plywood and Charcol etc. Coupled with the aforesaid problems, natural calamities like cyclone and floods adversely affected the traffic transport for nearly 2 months in the southern region of the country. Last but not least, the political instability of the country witnessed during the financial year again affected the trade and industry in general including the Surface Transport as well. In spite of the aforesaid difficulties, your Company could achieve a turnover of Rs 4764.92 lacs compared to Rs 4734.95 lacs last year. Operating profit for the year under review has also improved marginally from Rs. 181.26 lacs last year to Rs. 186.30 lacs this year. The Company, due to depression in the Diamond Export Market, did not have any Export turnover on that front.

PROSPECTS FOR THE CURRENT YEAR

Your Directors are conscious of the general depression in the industrial scenario throughout the country. While the year 1996-97 was not so stable year for the country as a whole, after the passing of the Finance Bill 1997 in Parliament, it is expected that the current year should be much better.

BALURGHAT TRANSPORT CO. LTD.

The Budget 1997 has indicated that the process of liberalisation will continue which in turn means more foreign investments in various spheres. The first three months of the current year has witnessed investments by multinationals in various infrastructural projects viz. power plants, steel, aluminium, and electronics / telecommunications, etc. This would mean growth of more industries and more industries trying to achieve higher output. Consequently, the surface transport industry has to cater to this development and growth in industrial output. More goods have to be reached to more factories and more consumers. Your Directors foresee enormous opportunity for growth and is drawing up its plans accordingly. Further, the steep increase in railway fare again will make railway transport prohibitive. Road surface transport will certainly be economical. Last but not least, the foreign policy being pursued by the Government will throw open business opportunities with neighbouring countries like Nepal, Bangladesh etc. for industry in general and road surface transport in particular. Considering the aforesaid, your Directors feel that the current year should witness improved result and profitability.

FIXED DEPOSIT

The Company has not received any fixed deposit during the year under review.

DIRECTORS

During the year under review, Shri. Nirmal Kumar Sethia resigned as Managing Director and was appointed as a Wholtime Director. Shri Pawan Kumar Sethia was appointed as Managing Director of the Company.

Shri Uttam Chand Sethia and Shri Ratan Kumar Sethia retire by rotaion at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Having regard to the nature of your Company's business these are not applicale.

FOREIGN EXCHANGE EARNING AND OUTGO

There has been no foreign exchange earnings or outgo during the year under review.

PARTICULARS OF EMPLOYEES

Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

No statement in terms of the aforesaid Section and Rules is annexed to this report as the Company did not have any employee who was in receipt of remuneration for the year under review which in the aggregate was not less than Rs 3,00,000 or who was in receipt of remuneration for any part of the said year at a rate which in the aggregate was not less than Rs. 25,000 per month.

AUDITORS' REPORT

The observations made by the Auditors in their report are self explanatory and hence dealt with in the Notes to the Accounts.

AUDITORS

M/s Guha & Sons, Chartered Accountants, the retiring Auditors, being eligible, offer themselves for reappointment.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to banks, various departments of Central and State Governments, suppliers and customers, for their valuable support. Your Directors also appreciate the support provided by the employees and workmen at all levels of the organisation for its operations.

Your Directors also wish to place on recored their gratitude to the valued shareholders of the Company whose unstinted support made the company sustain its activities.

For and on behalf of the Board,

Dated : 30th June, 1997
Place : Calcutta

Uttam Chand Sethia
Chairman.