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ANNUAL REPORT

1998

BALURGHAT

TRANSPORT COMPANY LIMITED

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MD	✓	BKC	✓
CS	✓	RY	✓
RO	✓	Y	✓
TRA	✓	SHI	✓
AGM	✓		✓
YE	✓		✓

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Shri Uttam Chand Sethia

Vice-Chairman

Prof. Sukumar Bhattacharya

Managing Director

Shri Pawan Sethia

Director

Shri Mahavir Prasad Goenka

Company Secretary cum

Financial Controller

Shri D. Sarkar

Auditors

Guha & Sons

Chartered Accountants

Calcutta

Banker

Vijaya Bank

REGISTRARS & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

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BALURGHAT TRANSPORT CO. LTD.

NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Members of Balurghat Transport Company Limited will be held at Gyan Mancha, 11, Pretoria Street, Calcutta-700 071 Thursday 25th March, 1999 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 period ended 30th September, 1998 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

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

“RESOLVED that the Company hereby approves the appointment of and the remuneration payable to Shri Arun Kumar Sethia as Wholetime Director (designated as Executive Director) of the Company for a period of five years from 1st December, 1998 on the terms and condition including remuneration set out in the relative letter of appointment dated 1st December, 1998, a copy of which initialled by the Vice-Chairman for the purpose of identification is placed before the meeting.”

By Order of the Board
BALURGHAT TRANSPORT CO. LTD.

Registered Office :
170/2C, A. J. C. Bose Road,
Calcutta-700 014
Dated : 28th November, 1998

P. K. SETHIA
Managing Director

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 March, 1999 to 25th March, 1999 (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.
4. Members are requested to notify any correction/change in their address immediately to the Registrars & Share Transfer Agent.

BALURGHAT TRANSPORT CO. LTD.**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956****ITEM 4**

At its meeting held on 28th November 1998, the Board of Directors of the Company ('the Board') appointed Shri Arun Kumar Sethia, Vice President (HQ) of the Company, as a Wholetime Director (designated as Executive Director) for a period of five years from 1st December, 1998. The terms of his appointment and remuneration, subject to the approval of the Company in General Meeting, are set out in the Company's letter to Shri Arun Kumar Sethia dated 1st December, 1998 the material points of which may be summarised as under :

Shri Arun Kumar Sethia shall be a Wholetime Director (designated as Executive Director) for a period of five years from 1st December, 1998.

As Executive Director Shri Arun Kumar Sethia shall, subject to the superintendence, control and direction of the Board and/or the Managing Director of the Company to look after the day to day management of the Company's business 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.

Shri Arun Kumar Sethia shall be entitled to a monthly salary at the rate of Rs. 8000/- and to perquisites (restricted to an amount equal to annual salary) such as housing/house rent allowance, gas, electricity, water and furnishings at residence, medical expenses 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, Shri Arun Kumar Sethia shall also be entitled to leave in accordance with the Rules of the Company.

His appointment is terminable by one month's notice in writing on either side or such shorter notice as may be mutually agreed upon.

The Appointment of Shri Arun 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 him also requires the approval of the members of the Company in General Meeting pursuant to Section 309 of the Companies Act, 1956.

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

A Copy of the letter of appointment dated 1st December, 1998 will be available for inspection by the members of the Company at its Registered Office between 11.00 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 and Shri Arun Kumar Sethia is concerned or interested in the appointment of Shri Arun Kumar Sethia as Executive Director.

This may also be regarded as an abstract of the terms of appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

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

By Order of the Board
BALURGHAT TRANSPORT.CO. LTD.

Dated : 28th November, 1998

P. K. SETHIA
Managing Director

BALURGHAT TRANSPORT CO. LTD.**DIRECTORS' REPORT*****To the Members :***

Your Directors have pleasure in presenting the 5th Annual Report of the Company together with the Financial Accounts for the 18th month period which ended on 30th September, 1998. The financial year under review was extended to end on 30th September, 1998, comprising an 18 month period with the permission of the Registrar of Companies, West Bengal.

Particulars	(Rs. In Lacs.)	
	1997-98 (18 Months)	1996-97 (12 Months)
Total Turnover	6448.62	4764.92
Less : Operating Expenses	6200.66	4578.62
Operating Profit	247.96	186.30
Less : Depreciation	94.90	58.53
Finance Charges	105.16	55.03
	200.06	113.56
Profit before Tax	47.90	72.74
Provision for Tax	17.85	21.00
Profit after Tax	30.05	51.74
Balance brought forward from Previous Year	—	207.05
Less : Provision for Taxation for earlier years	—	(10.15)
	30.05	248.64
Appropriations :		
Transferred to General Reserve	4.90	208.00
Debenture Redemption Reserve	20.00	—
Balance Carried Forward	5.15	40.64

DIVIDEND

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

OPERATIONS

The massive slump overcasting the entire economy has affected almost all industries who are passing through actual depression and financial crisis. The general economic depression has caused tremendous drop in industrial activities. This had a direct effect on the road transport sector who are also passing through similar rough weather. The continuing stiff competition in the transport sector in the area in which we are operating has considerably affected our profitability. In view of the tight financial position, inability of timely payment of freight (on part of our customer) also proved to be a bottleneck in expanding the operations of our Company. On top of it, the recent devastating flood during the monsoon in the North Bengal region have completely dislocated our business operations for 3 (three) months. The movement of goods in the north-east sector, where your Company is extensively operating were virtually closed for one and half month. Not only the North Eastern part, but during 97-98 the operation in the southern region was also badly affected by the cyclone in the coastal Andhra which has resulted in a completely dislocation of routes linking southern Zone with Eastern part, which has caused a substantial business loss to us. This has greatly affected the operations. However, ups and downs in business is inevitable. In spite of the rough weather, your Company could achieve turnover and profit as indicated in the aforesaid table. The Company, due to continued depression in the Diamond Export Market could not make any export but is exploring the possibilities of domestic market. Your directors are confident to

BALURGHAT TRANSPORT CO. LTD.

overcome the rough weather and expect to improve the performance in the coming period.

PROSPECTS FOR THE CURRENT YEAR

Your Directors are hopeful that the industry in general will come out of the current recessionary trend and will commence its upward growth in the current year. Your Directors are implementing various cost control measures which are vital for survival in the current market conditions. Efforts are also on to achieve more business by means of proper planning and control.

Consolidation of branch operations and proper financial discipline is being enforced. Your Directors feel that the aforesaid measures will result in improved turnover and profitability during the coming period.

FIXED DEPOSIT

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

DIRECTORS

Your directors sincerely regret to inform the resignation of Sh. B. R. Sethia Sh. Nirmal Sethia and Sh. Ratan Kumar Sethia from the Board, on account of personal reasons, and places on record sincere appreciation for their contributions to the Company. Sh. B. R. Sethia is one of the founder member of the Company since its inception in 1952. His untiring efforts, dedication and management in the field of finance and administration have taken your company to a great height. His social involvement coupled with business management shall remain the torch light for the new generation.

Prof. Sukumar Bhattacharya and Shri Mahabir Prasad Goenka retire by rotation 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 applicable.

FOREIGN EXCHANGE EARNING AND OUTGO

There had 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

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 various departments of Central and State Governments, banks & financial institutions, 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 record their gratitude to the valued shareholders of the Company whose unstinted support made the Company sustain its growth.

For and on behalf of the Board,

Dated : 28th November, 1998
Place : Calcutta

P. K. Sethia
Managing Director.