ANNUAL REPORT

ABC
INDIA LIMITED
Moving made simple

ANNUAL REPORT
2011-2012

CHAIRMAN	SHRI ANAND KUMAR AGARWAL
DIRECTORS	SHRI KRISHAN ARYA DR. DEBASIS SENGUPTA SHRI ASHOKE KUMAR DUTTA DR. ASHOK KUMAR AGARWAL SHRI VIJOY KUMAR JAIN DR. PADAM CHAND AGARWAL SHRI ASHOK KUMAR SURANA
MANAGING DIRECTOR	SHRI ASHISH AGARWAL
COMPANY SECRETARY	SHRI A. K. THIRANI
AUDITORS	M/S. AGARWAL KEJRIWAL & CO. *Chartered Accountants*
BANKERS	STATE BANK OF INDIA UNITED BANK OF INDIA INDIAN OVERSEAS BANK
REGISTERED OFFICE	KEDAR ROAD GUWAHATI - 781 001

CONTENTS

Notice 2 Directors' Report 4 Corporate Governance Report 8

Management Discussion & Analysis 14 Auditors' Report 15

Balance Sheet 18 Statement of Profit & Loss 19 Cash Flow Statement 20

Notes to Financial Statements 22 Consolidated Financial Statements 41

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the Members of **ABC India Limited** will be held on Saturday the 1st day of September, 2012 at Vishwaratna Hotel, Onkar Plaza, A.T. Road, Guwahati-781001, Assam at 1:00 PM to transact the following business:

Ordinary Business:

1. To consider and adopt the Balance Sheet as at March 31, 2012 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To sanction declaration of dividend.
3. To appoint a Director in place of Shri Krishan Arya, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Ashok Kumar Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Ashoke Kumar Dutta, who retires by rotation and, being eligible, offers himself for re-appointment
6. To appoint Auditors of the Company and to fix their remuneration.

   For this purpose to consider and, if thought fit, to pass with or without modification, the following Resolution as Ordinary Resolution :

   "**RESOLVED** that Messers. Agarwal Kejriwal & Company, Chartered Accountants, be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of the 39th Annual General Meeting to the conclusion of the 40th Annual General Meeting.

   FURTHER RESOLVED that subject to approval of the Audit Committee, Sri Anand Kumar Agarwal, Chairman be and is hereby authorised to fix the remuneration of the Auditors".

By order of the Board
A. K. Thirani
Company Secretary

Kolkata
the 28th day of May, 2012

NOTES :

a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

b) Re-appointment of Directors :

   At the ensuing Annual General Meeting, Shri Krishan Arya, Dr. Ashok Kumar Agarwal and Shri. Ashoke Kumar Dutta retires by rotation and, being eligible offer themselves for reappointments. The information or detail pertaining to the Directors to be provided in terms of Clause 49 of the Listing Agreement with Stock 'Exchanges are furnished in the Statement on Corporate Governance.

c) The Company has already transferred all unclaimed dividends declared upto the financial year 1999-2000 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

   The last dates of claim for the following dividends are as follows:

Dividend for the financial year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend
March 31, 2010	September 4, 2010	September 07, 2017
March 31, 2011	September 24, 2011	September 27, 2018

d) Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.

e) Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of share hold by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents M/s. MCS Limited, 77/2A Hazra Road,Kolkata-700 029.

f) The Register of Member and Transfer Books in respect of the Equity Shares of the Company will be closed from Saturday, the 25th day of August, 2012 to Friday, the 31st day of August, 2012, (both days inclusive) for the purpose of Annual General Meeting and Dividend.

g) Dividend, if declared at the meeting will be paid on or after 10th day of September, 2012 to those shareholders whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as at the closing of business hours on 31st day of August, 2012.

h) Equity shares of the company are available for dematerialisation both with the National Securities Depository Limited and Central Depository Services India Ltd.

i) Shareholders holding shares in dematerilised form would receive their dividend directly to the Bank account nominated by them to their Depository Participant as per SEBI directives.

j) 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 and changes in their address to its Registrar and Transfer Agent to facilitate better service.

DIRECTORS' REPORT

The Directors have pleasure in presenting the 39th Annual Report of the Company together with Audited Accounts for the year ended 31st March 2012 :

(Rs. in Lacs)

FINANCIAL RESULTS	As on 31.03.2012	Previous Year
Turnover	**26142**	20731
Profit before Taxation and Depreciation	**1499**	1268
Depreciation (Net of depreciation on revalued assets transferred from Capital Reserve)	**809**	420
Profit before Taxation	**690**	848
Provision for Taxation	**204**	295
Profit after Taxation	**486**	553
Add: Balance of Profit & Loss Account brought forward	**1038**	884
Less: Tax adjustment for earlier year	**12**	4
Profit available for appropriation	**1535**	1433
Appropriation :		
Proposed Dividend	**81**	81
Tax on proposed dividend	**13**	14
Transfer to General Reserve	**300**	300
Balance carried forward to Balance Sheet	**1141**	1038

SERVICES AND EARNINGS

Company's total earnings including other income for the year amounted to Rs.26142 lacs as compared with the previous year total earnings of Rs.20731 lacs.

DIVIDEND

The Directors recommend for your approval for payment of dividend @ Rs.1.50 per Equity Share of Rs.10/- each for the year ending 31.03.2012. (Previous year Rs.1.50 per Equity Share). The total amount of dividend (including Dividend tax thereon) would amount to Rs. 94 lacs (Previous year 95 lacs).

OUTLOOK

During the year under review, the Company could materialise results from its execution of major logistics work in North East India. By execution of such major logistics work the Company has substantially improved its capacities in providing complex logistics solutions to its customer. There was good demand for Company's service in the year with growing industrialisation in North East India. The Company is continuously making sustained marketing efforts reaping its business from ongoing as well as new projects in major infrastructure sectors. The performance of the company in current year and coming years shall continue to depend on continuity of industrial projects, and procurement of orders amidst fierce competition.

Project Cargo Division was successful in converting its strength into business. Petrol Pump segment has shown satisfactory performance. The Company expects to improve its performance in all segments in coming year.

HUMAN RESOURCES

The Company has trained and developed its human resources to meet the challenges of growing quality perspective and complex logistics requirement of the customers. In view of increased competition, the human resources of the company are geared up to deliver better quality and specialised services both to meet the competition and to satisfy customer requirements.

EMPLOYEES STOCK OPTION SCHEME, 2007

Member's approval was obtained at the Annual General Meeting held on July 31, 2007 for introducing of Employees Stock Option Scheme.

Employees Stock Option Scheme was approved and implemented by the Company and Options were granted to employees in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (the SEBI Guidelines). The Compensation Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme.

The applicable disclosure as at March 31, 2012 stipulated under the SEBI Guidelines are given as follows:

a)	Options Granted (Including Re-Issue)	1,45,880
b)	The Pricing Formula	For all option vesting on or before 1st November, 2008 exercise price was Rs. 50/- and for all options vesting after 1st November, 2008 the exercise price shall be Rs. 55/- for each share.
c)	Options vested	1,23,230
d)	Options exercised	14,870
e)	The total number of shares arising as a result of exercise of Options	14,870
f)	Options lapsed	1,14,070
g)	Variation of the terms of Options	None
h)	Money realized by exercise of Options	Rs.7,90,100/-
i)	Total number of Options in force	30,306
j)	Employee wise details of Options granted to	

1. Senior Management Personnel

Mr. Binoy Krishna Dhar	3300	Mr. R.P.Shah	3600
Mr. Sunder Gopal Das	910	Mr. Sushil Kumar Pransukhka	2460
Mr. Ishwar Chandra Sharma	1080	Mr. Ved Prakash	1180
Mr. V.Chatrapathi	880	Mr. Mihir Mani Tripathi	1280
Mr. C.K.Ojha	1300	Mr. Arun Kumar Thirani	1160
Mr. J.S.Yadav	390	Mr. Surendra Pd. Tiwari	510
Mr. Parameshwar Lal Tamrayat	430	Mr. Ramesh Kr. Bansal	1030
Mr. M.V.K.S.R. Sharma	310	Mr. Ram Nawal Yadav	670
Mr. Raveender Kr. Sharma	960	Mr. T.Chakraborty	1000
Mr. Kamal Kr. Makharia	1190	Mr. Avdhesh Gautam	400
Mr. Sanjay Agarwal	1020		

2.	Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year.	Nil
3.	Identified employee who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
k)	Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Rs. 9.19
l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so comuted and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The company has calculated the employee compensation cost using the intrinsic value of the stock option. The effect on the net income and earning per share, had the fair value method been adopted is described below :

Net Income		Rs. in lakhs
As reported		486
Add : Intrinsic value compensation cost		Nil
Less : Fair value compensation		13
Adjusted Net Income		473
Earning Per Share as reported	Rs.	9.19
As adjusted	Rs.	8.74
Weighted average price per option	Rs.	55.00
Weighted average fair value per option	Rs.	43.43

m) Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.

n) A description of the method and significant assumptions used during the year to estimate the fair values of options.

The fair value of options is estimated using the Black Scholes Option Pricing Model after applying the following key assumptions on weighted average basis

(1)	Risk free interest rate	8.00%
(2)	Expected life	1.88 years
(3)	Expected volatility	30%
(4)	Expected dividends	15%
(5)	Price of the underlying share in market at the time of option grant	Rs.45.10/.Rs.39.00

The Money realised by exercise of options has been utilised in the business of the Company especially for funding capital investments. A certificate from the Auditors in terms of Clause 14 SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines,1999, shall be placed before the shareholders at the ensuing Annual General Meeting.

DIRECTORS

Shri Krishan Arya, Dr. Ashok Kumar Agarwal and Shri Ashoke Kumar Dutta retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

M/s Agarwal Kejriwal & Co. Chartered Accountants, Statutory Auditor retires at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a Certificate from the auditors to the effect that their reappointment, if made, will be in accordance with the provisions of Section 224 (1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

None of the employees of the Company were in receipt of remuneration exceeding limits prescribed under section 217 (2A) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 with respect to the Director's Responsibility Statement, it is hereby confirmed:

(i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) that the directors have selected such accounting policies and applied them consistently and made judgmets and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

The Company has not invited or accepted any deposits from the public during the year under report.

INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.

A. **Conservation of Energy:**

The Company's operation involves no energy consumption.

B. Form of Disclosure of particulars with respect to absorption of Technology and Development of R & D

i) Research and Development: The Company does not have any R & D Division and Company's Operations does not require this type of establishment.

ii) Technology absorption, adoption and innovation: The Company has not imported any technology due to its nature of operation.

iii) Foreign Exchange earnings and outgoing: The Company has no activities related to export of its services. The Company earned Foreign Exchange worth Rs.50,34,956/- during the year (Previous Year- Rs.53,72,804/-). Value of imports calculated on C. I. F. basis by the Company was Rs.4,47,53,972/- (Previous Year Nil). The Company has spent foreign exchange worth Rs.20,96,43,995/-. (Previous Year – Rs. 7,08,01,165/-) on account of freight paid by overseas constituents on our behalf and/or freight collected by the Company on their behalf and civil/ operational expenses in foreign countries. The Company has incurred Rs.30,19,910/- (Previous Year – Rs.8,93,991/-) by way of foreign tours for business purposes.

AUDIT REPORT

The Auditor's report does not contain any qualification or adverse comments.

CODE OF CONDUCT

The Board of Directors has laid down a code of conduct applicable to the Board of Directors and Senior Management, which is available on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

CORPORATE GOVERNANCE

Your Company has always striven to incorporate appropriate standards for good Corporate Governance. It has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Agreements of the Stock Exchanges, with which the Company is listed, are complied with.

A certificate of compliance from the Auditors together with a report on Corporate Governance forms part of this Report.

INVESTOR SERVICES

In compliance to the requirements of clause 54 of the Listing Agreements with Stock exchanges, the Company has dedicated a column for investor services in its website www.abcindia.com. The Company would keep on updating these particulars as and when necessary.

CAUTIONARY NOTE

The statements forming part of the Directors' Report may contain certain forward looking statements within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

ACKNOWLEDGEMENTS

The Directors wish to convey their sincere appreciation of all the staff members for their enormous personal efforts as well as their collective contribution to the company's performance.

The Directors would also take this opportunity to acknowledge the co-operation and assistance of Financial Institutions, Banks and various Central and State Government Departments and Agencies.

Finally, the Directors owe their gratitude to all the Customers and Shareholders for their continued support to the Company and their confidence in its management.

By order of the Board

Ashish Agarwal
Managing Director

Place : Kolkata
Date : May 28, 2012

CORPORATE GOVERNANCE REPORT

In compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and the practices followed by the Company.

1. Company's Philosophy on Code of Governance:

Your Company's philosophy is to enhance customers' satisfaction and serve the objective of maximizing the shareholder value by practicing the principles of good corporate governance.

2. Board of Directors :

1) Particulars of composition of Board of Directors, attendance of each Director at Board Meetings & the last Annual General Meeting, and number of other Board of Directors or Board Committees of which Directors are Member/ Chairman, are as under :

Name of Director	Category	Attendance Particulars		No. of other Directorships and Committee Memberships/Chairmanships**		
		Board Meetings	Last AGM	Other Directorships	Other Committee	Committee Chairmanships
Shri Anand Kumar Agarwal	Chairman	3	—	1	—	—
Shri Krishan Arya	Independent Non-Executive Director	3	—	—	—	—
Dr. Debasis Sengupta	-do-	4	1	1	—	2
Shri Ashoke Kumar Dutta	-do-	1	—	4	—	1
Dr. Ashok Kumar Agarwal	-do-	2	—	3	—	—
Shri. Vijoy Kumar Jain	- do -	3	1	1	1	1
Dr. Padam Chand Agarwal	- do -	4	—	—	3	—
Shri. Ashok Kumar Surana	- do -	4	—	—	2	—
Shri Ashish Agarwal	Managing Director	3	—	—	—	—

Shri. Anand Kumar Agarwal, Shri. Ashish Agarwal & Dr. Ashok Kumar Agarwal are related to one another.

** This excludes Directorships held In Indian private limited companies/foreign companies and trustee/membership of managing Committee of various trusts and other bodies.

During the Financial year ended 31st March, 2012 four Board Meetings were held on 31st May, 2011, 9th August, 2011, 14th November, 2011, and 7th February, 2012. The maximum time gap between any two meetings was not more than four months.

2) Particulars of Non-Executive Directors proposed to be reappointed are as follows:

i) Name : Shri Krishan Arya
Age : 68 yars
Qualifications : M. Sc. (Physics), M. Phil. & Master Diploma in Public Administration
Experience : Held various position as IAS Officer (Retd.) and as Managing Director of State Farms Corporation of India
Other Directorships : None
Shareholding in the company : Nil

ii) Name : Dr. Ashok Kumar Agarwal
Age : 56 years
Qualifications : MBBS
Experience : Businessman and educationalists with medical background
Other Directorships : TCI Infrastructure Finance Ltd. (Managing Director)
Transcorp International Ltd. , TCI Industries Ltd.
Sharma East India Hospitals & Medical Research Ltd.
Shareholding in the Company : Nil

iii) Name : Shri Ashoke Kumar Dutta
Age : 65 years
Qualifications : PGDM(MBA), B. Sc. Hons.
Experience : In areas of Business & Organizational Development, Strategic & Change Management, Personnel & Industrial Relation, Turn around of sick companies and Capacity Building in India, Germany & USA, Environmental Health Care etc. Presently he is Director, Rajiv Gandhi Indian Institute of Management, Shillong besides other directorship & trusteeship.
Other Directorships : All India Techonologies Ltd., (Chairman)
Khadims India Ltd.
Batchmate.Com Private Limited
NHPC Limited
Shareholding in the Company : Nil

3) Shareholding of Non-Executive Directors in the Company :

Name	No. of equity Shares
Shri Krishan Arya	Nil
Dr. Debasis Sengupta	Nil
Shri Ashoke Kumar Dutta	Nil
Dr. Ashok Kumar Agarwal	Nil
Shri Vijoy Kumar Jain	350
Dr. Padam Chand Agarwal	187
Shri Ashok Kumar Surana	2500

3. Code of Conduct :

The Company has laid down a Code of Conduct for all its Directors and Senior Management personnel for avoidance of conflicts of interest. It has received from all of them the necessary declarations affirming compliance with it for the financial year ended 31.03.2012. There were no material personnel interest adverse to the interest of the Company or improper personal benefits received as a result of their position by the Directors and Senior Management personnel, which could lead to potential conflict of interest with the Company. The Code of Conduct is available on the Company's website.

ANNUAL DECLARATION BY MANAGING DIRECTOR (CEO) PURSUANT TO CLAUSE 49(I) (D) (ii) OF STOCK EXCHANGE LISTING AGREEMENT

As the Managing Director (Chief Executive Officer) of ABC India Limited and as required by clause 49(I) (D) (ii) of the Stock Exchange Listing Agreement, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Company's Code of Business conduct and Ethics for the Financial year ending 31st March, 2012.

Ashish Agarwal
Managing Director

4. Audit Committee :

4.1 The Audit Committee has been mandated with the same terms of reference as specified in clause 49 of the Listing Agreements with the Stock Exchanges. The terms of reference also conform to the requirements of Section 292A of the Companies Act, 1956.

4.2 The Audit Committee of the Board of Directors comprises of Non Executive Directors Dr. Debasis Sengupta as Chairman and Shri Vijoy Kumar Jain & Dr. Padam Chand Agarwal as members besides Shri Sushil Kumar Pransukhkha, Senior Vice President as Executive Member, following non-executive Directors held four meetings in the financial year 2011-12. Details as to attendance of members at the meeting are as follows :