



REPORTS **A** COM

CHAIRMAN SHRI ANAND KUMAR AGARWAL

DIRECTORS SHRI MAHENDRA KUMAR GOYAL
SHRI VIJAY KUMAR JAIN
DR. PADAM CHAND AGARWAL
SHRI ASHOK SURANA

SECRETARY SHRI A. K. THIRANI

AUDITORS M/S. V. N. PUROHIT & COMPANY
Chartered Accountants

SOLICITORS M/S. P. D. HIMMATSINGKA & COMPANY
KOLKATA

BANKERS UCO BANK
UNITED BANK OF INDIA
INDIAN OVERSEAS BANK
HDFC BANK LTD.
CANARA BANK
STATE BANK OF INDIA

REGISTERED OFFICE KEDAR ROAD
GUWAHATI - 781 001

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NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of **ABC India Limited** will be held on Monday the 25th day of September, 2006 at Ritu Raj Hotel, Kedar Road, Guwahati, Assam at 1.00 PM to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Profit & Loss Account of the Company for the year ended 31st March 2006 together with the Balance Sheet as at that date.
2. To appoint a Director in place of Sri. Mahendra Kumar Goyal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company.

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

RESOLVED that Messers. V. N. Purohit & Company, Chartered Accountants, be and are hereby reappointed as the Auditors of the Company to hold Office from the conclusion of the 33rd Annual General Meeting to the conclusion of the 34th Annual General Meeting. **FURTHER RESOLVED** that subject to approval of the Audit Committee, the Board of Directors be and are hereby authorised to fix the remuneration of the Auditors".

Special Business:

4. To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that M/s. Agarwal Kejriwal & Company, Chartered Accountants, be and are hereby appointed as the Joint Auditors of the Company, together with M/s. V. N. Purohit & Company, Chartered Accountants, the retiring Auditors of the Company, from conclusion of 33rd Annual General Meeting of the Company till the conclusion of 34th Annual General Meeting of the Company at such remuneration as may be mutually agreed upon between the said M/s. Agarwal Kejriwal & Company, and the Board of Directors of the Company".

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

"RESOLVED that pursuant to the provisions of section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Company's Act 1956, the terms and conditions of appointment of Shri Anand Kumar Agarwal w.e.f. 1st April, 2006 for the remaining tenure of his existing appointment ending on 31.05.2010 be modified to the effect that he be paid a salary of Rs.1,00,000/- (Rupees one lakh only) per month with annual increments of Rs.5,000/- (Rupees five thousand only) per month and authority to the Board to grant more than one increment at a time, all other terms and conditions remaining unchanged."

6. To consider and if thought fit to pass, with or without modification, the following resolution as Special Resolution:

"RESOLVED that subject to the approval of the Central Government and in pursuance of the provisions of Section 314 of the Companies Act, 1956, consent be and is hereby accorded to Mr. Ashish Agarwal, a relative of Shri Anand Kumar Agarwal, Chairman of the Company to hold an office or place of profit as a Vice President of the Company with effect from 1st April, 2006 for a period of 3 years ending 31.3.2009 on the following terms:

I. Basic Salary :

Rs. 40,000/- per month with annual increments of Rs.5000/- per month.

II. Perquisites :

1. Housing provision by the Company on the following terms & conditions:
 - a) The Company shall deduct 10% of the salary for providing unfurnished accommodation.
 - b) The expenditure by the Company on hiring furnished accommodation will be subject to 35% of Basic Salary, over and above 10% payable by him.
 - c) If at any time he chooses to make his own arrangements for accommodation and the Company does not have to hire any accommodation for him, he shall be entitled to House Rent Allowance 35% of his Basic salary.
2. Computer Education Allowance @ 5% of Basic Salary
3. Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary per year or three months salary in a period of three years.

4. Reimbursement of Uniform & Washing expenses not exceeding one month Basic Salary per year as per Rules of the Company.
5. Leave with full pay and allowances and the right to accumulate and encash in accordance with the Rules of the Company.
6. Leave Travel Concession not exceeding one month Basic Salary per annum for self and family once in a year incurred in accordance with the Rules of the Company.
7. Journal Allowance upto Rs.3,000/- per annum.
8. Fees of Clubs subject to a maximum of two Clubs, admission and life membership fees not being allowed.
9. Reimbursement of Individual Mediclaim Policy upto Rs.3,000/- per year.
10. Personal Accident Insurance Premium not exceeding Rs. 4,000/- per annum.
11. Premium upto Rs.5000/- per annum for overseas health & related insurance
12. Contributions by the Company to Provident Fund on monthly Basic Salary.
13. Payment of Gratuity on his retirement or in the event of his earlier death to his estate, for each completed year of service with the Company, of an amount equal to half of his monthly salary immediately prior to retirement or death, subject to the provisions of the Gratuity Act and as per rules of the company and any other notifications issued by the central government to this effect.
14. The Company shall provide car with driver and telephone at his residence for use on Company's business the expenses on which shall not exceed Rs.1,20,000/- per annum.

Kolkata,
the 31st day of July, 2006

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

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 and the Proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
- b. An explanatory statement pursuant to section 173 of the Companies Act, 1956 relating to special business to be transacted at the meeting is appended hereto.
- c. Re-appointment of Directors:
At the ensuing Annual General Meeting, Shri Mahendra Kumar Goyal, retire by rotation and being eligible offer themselves for reappointment. The information or details pertaining to the Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the statement on Corporate Governance.
- d. The Company has already transferred all unclaimed dividends declared upto the financial year ended 1994-95 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Shareholders who have so far not claimed or collected their dividends upto the aforesaid financial year are requested to claim their dividend from the Registrar of Companies, Shillong, Meghalaya, in the prescribed form which will be furnished on receipt of request by the Registrar and Transfer Agents, M/s. MCS Limited, 77/2A Hazra Road, Kolkata 700029.
- e. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year 1995-96 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Company has already transferred the unclaimed dividend for the year ended 1997-98 to the IEPF. Information in respect of such unclaimed dividend when due for transfer to the said fund is given below:

Financial year ended on	Date of Declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP fund
31st March 1999	27.09.1999	26.09.2006	26.10.2006
31st March 2000	07.10.2000	06.10.2007	06.11.2007

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, M/s. MCS Limited immediately. Shareholders are requested to note that no claims

shall be against the Company or the said fund in respect of any amount which were unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.

- f) 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.
- g) Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held 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.
- h) The Register of Member and Transfer Books in respect of the Equity Shares of the Company will be closed from Monday, the 11th day of September, 2006 to Monday, the 25th day of September, 2006, both days inclusive.
- i) Equity shares of the company are available for dematerialization both with the National Security Depository Limited and Central Depository Services India Ltd.
- 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 any changes in their address to its Registrar and Transfer Agent to facilitate better service.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 :

Item No. 4

The Company has received a notice from a member under section 225 of the Companies Act, 1956, proposing the name of M/s. Agarwal Kejriwal & Company, Chartered Accountants, to be appointed as the Joint Auditors of the Company along with the existing Auditors M/s. V. N. Purohit & Company, Chartered Accountants, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

The special notice given by the member is circulated in resolution form by the management of the Company thinking that appointment of Joint Auditors could be in line with the modern management technique and for increasing efficiency of the operation of the company through stricter surveillance.

M/s. V. N. Purohit & Company, Chartered Accountants, the retiring Auditors of the company have been duly informed with a copy of the aforesaid notice and the company has so far not received any representation to the contrary to the proposed resolution. None of the directors are interested in this resolution.

Item No. 5

The terms of appointment of Shri. Anand Kumar Agarwal presently provides for payment of salary of Rs.75000/- (Rupees seventy Five Thousand) with Annual Increment of Rs.5000/- and authority to the Board to grant more than one increment at a time. The present Salary is considered inappropriate and accordingly it is sought to increase it to Rs.100000/- per month, other terms and conditions remaining unchanged. This requires approval by shareholders in General Meeting by Special Resolution. Shri Anand Kumar Agarwal himself may be considered as interested in this resolution.

Item No. 6

It is sought to enhance the remuneration payable to Mr. Ashish Agarwal who is son of Mr. Anand Kumar Agarwal, Chairman and to be appointed as Vice President. Mr. Ashish Agarwal is a well-qualified young executive of the Company and is rendering valuable services to the Company. This requires approval by shareholders in General Meeting by Special Resolution and approval of the Central Government. Shri Anand Kumar Agarwal, Chairman may be considered as interested in this resolution.

DIRECTORS' REPORT

The Directors hereby present the 33rd Annual Report of the Company together with Audited Accounts for the year ended 31st March 2006.

FINANCIAL RESULTS

	As on 31.03.2006 (Rs. in lacs)	Previous Year (Rs. in lacs)
Turnover	10917	10152
Profit before Taxation and Depreciation	326	294
Depreciation	176	147
Profit before Taxation	150	147
Provision for Taxation	9	87
Profit after Taxation	141	60
Balance of Profit & Loss Account brought forward	44	134
Less : Tax adjustment for earlier year	21	150
Profit available for appropriation	164	44
Appropriation :		
Balance carried forward to Balance Sheet	164	44
	164	44

SERVICES AND EARNINGS

Company's total earnings including other income for the year amounted to Rs.10917 lacs as compared with the previous year total earnings of Rs.10152 lacs.

DIVIDEND

The Directors do not recommend payment of dividend for the year ending 31.03.2006.

OUTLOOK

During the year under review, the Company concentrated on improving quality of its transportation business. Project Cargo Division improved its capabilities. Market demand for road transportation business including Project Cargo Division appears to be improving. The Company is developing its capabilities in providing value added solutions to its customers. Petrol Pump segment also improved its performance. The Company expects to improve its performance in both segments in coming years.

HUMAN RESOURCES

Training and Development of employees at all levels continued to be an area of prime focus.

DIRECTORS

Shri Mahendra Kumar Goyal retire by rotation and being eligible, offer himself for reappointment.

AUDITORS

M/s V.N. Purohit & Co., Chartered Accountants, Kolkata 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 provision of Section 224(1B) of the Companies Act, 1956.

The Company has also received a notice from a member under section 225 of the Companies Act, 1956, proposing the name of M/s. Agarwal Kejriwal & Company, Chartered Accountants, to be appointed as the Joint Auditors of the Company along with M/s. V. N. Purohit & Company, Chartered Accountants, the retiring Auditor of the Company. The Company has also received a certificate from M/s. Agarwal Kejriwal & Company, Chartered Accountants, that their appointment, 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 u/s. 217(2A) of the Companies Act, 1956.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state:

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

- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments 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 had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

No public deposit were invited or accepted 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 involve 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.22,00,440/- during the year. The Company has remitted foreign exchange worth Rs.8,53,388/- on account of freight paid by overseas constituents on our behalf and / or freight collected by the Company on their behalf. The Company has also incurred Rs.13,37,668/- by way of foreign tours for business purpose, Rs.7,34,829/- by way of subscription and other expenses.

AUDIT REPORT

The board of directors wish to state about the observations made by auditors in their report as below:

- (a) Regarding Clause (a) of paragraph 4(vi), that the Company is regularly charging claims as and when settled / paid and that the estimated liability is nominal.
- (b) Regarding Clause (b) of paragraph 4(vi), that bad debts as and when ascertained are regularly written off, and till ascertained, it is difficult to estimate the bad debts.
- (c) Regarding Clause (c) of paragraph 4(vi), that profit / loss on sale of subject flat shall be duly accounted on obtaining related sale deed.

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.

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

Your Directors wish to record their sincere appreciation of the efforts put in by all the staff members of your Company and of their commitment during the period.

Your Directors also take this opportunity to acknowledge the cooperation and assistance of Financial Institutions, Banks and various Central and State Government Departments and Agencies.

Finally, your Directors owe their gratitude to all the Customers and Shareholders for their continued support to the Company.

By order of the Board
A. K. Agarwal
 Chairman
M. K. Goyal
 Director

Kolkata, the 31st day of July, 2006

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 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	Committee Memberships	Committee Chairmanships
Sri A.K. Agarwal	Chairman	4	—	1	—	—
Sri M. K. Goyal	Independent Non Executive Director	2	1	—	—	2
Sri V. K. Jain	— do —	4	—	—	2	—
Dr. P. C. Agarwal	— do —	4	—	—	2	—
Sri Ashok Surana	— do —	4	—	—	—	—

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

- (2) During the Financial year ended 31st March 2006 four Board Meetings were held as per statutory requirements on 26th April, 2005, 29th July, 2005, 28th October, 2005 and 20th January, 2006. The maximum time gap between any two meetings was not more than four months.

- (3) Particulars of Directors proposed to be reappointed are as follows :

Name : Shri Mahendra Kumar Goyal
 Age : 53 years
 Qualifications : B. Com
 Experience : Renowned businessman having excellent knowledge about road transport business.
 Other Directorships : Konkan Roadways Private Limited.
 Vikram Financial Services Limited

- (4) 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 during the period since it became effective to the 31.03.2006. There were no material personnel interest adverse to the interest of the Company and improper personal benefits received as a result of his 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.

3. AUDIT COMMITTEE :

- 3.1 The audit committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the auditors about internal control systems, the scope of audit including the observation of the Audits, adequacy of the internal control system, major accounting policies, practices and entries, compliances with accounting standards and listing agreement entered into with the Stock Exchanges and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow up thereon, to review the Quarterly, Half Yearly and Annual financial statements before they are submitted to the Board of Directors.

- 3.2 The Audit Committee of the Board of Directors comprises of following non executive Directors held four meetings in the financial year 2005-06. Details as to attendance of members and the meeting are as follows :

		No. of meetings attended
(a)	Sri M.K. Goyal Chairman	4
(b)	Sri V.K. Jain Member	4
(c)	Dr. P.C. Agarwal Member	4

4. REMUNERATION OF DIRECTORS :

The Company does not have formal Remuneration Committee. No remuneration is paid to Non-Executive Directors except sitting fees if any, for attending the meetings of the Board of Directors or Committee thereof. Further the remuneration of the Chairman is decided by the Board of Directors subject to approval of shareholders in General Meeting. The Company does not currently have a stock option plan or performance linked incentive for its Directors.

Details of remuneration paid or payable to Directors for the financial year ended 31st March, 2006, are set out below

Name of Director	Remuneration (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Sri A. K. Agarwal	9,27,640	Nil	9,27,640
Sri M. K. Goyal	Nil	Nil	Nil
Sri V. K. Jain	Nil	4,000	4,000
Dr. P. C. Agarwal	Nil	4,000	4,000
Sri Ashok Surana	Nil	4,000	4,000

Notes :

- Appointment of Chairman is for five years. All elements of remuneration of the Chairman i.e. Salary, Perquisites and other benefits, etc. are given in Schedule 14 annexed to and forming part of Profit & Loss Account. As per terms of remuneration, for the purpose of Gratuity, Pension and other benefits, the service of the Chairman is considered continuous service with the Company from the date they joined the service.
- Mr. Ashish Agarwal an employee of the Company is related to the Chairman of the Company.

5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE :

The Company's Shareholders cum Investors Grievance Committee looks into various matters relating to:

- expeditious redressal of investors grievances,
- transfer and transmission of share
- issue of duplicate share certificates
- approving of split and consolidation requests
- review of shares dematerialised
- all other matter related to shares

The Chairman of the Committee is Sri. M. K. Goyal, Director with Dr. P C Agarwal, Director and Sri V K Jain, Director as its members. The Company Secretary acts as the Secretary to the Committee.

The Board has designated Mr. A. K. Thirani, Company Secretary as the Compliance Officer.

During year 11 complaints were received from shareholders and investors, directly or through regulatory authorities. All the complaints have been attended /resolved to the satisfaction of complainants and sub-judice matter, which would be resolved on final disposal by the judicial and other authorities. There were no pending requests for transfer of shares as on 31st March, 2006.

6. GENERAL BODY MEETINGS

Location and time where last three Annual General Meeting were held is given below :