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ANNUAL REPORT
2012-2013

CHAIRMAN SHRI ANAND KUMAR AGARWAL

DIRECTORS SHRI KRISHAN ARYA
DR. DEBASIS SENGUPTA
SHRI ASHOKE KUMAR DUTTA
DR. ASHOK KUMAR AGARWAL
SHRI VIJAY 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

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NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the Members of ABC India Limited will be held on Monday the 23rd day of September, 2013 at Hotel Nakashatra, Beltola, Opposite Sankar Netralaya, Guwahati - 781 028, Assam at 1:00 PM to transact the following business:

Ordinary Business :

1. To consider and adopt the Balance Sheet as at March 31, 2013 and the Statement of Profit & Loss for the year ended on that date alongwith the Reports of the Directors and the Auditors thereon.
2. To sanction declaration of dividend.
3. To appoint a Director in place of Dr. Debasis Sengupta, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Padam Chand Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri. Ashok Kumar Surana, 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 40th Annual General Meeting to the conclusion of the 41st 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".

Special Business :

7. 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 Companies Act, 1956, and subject to approval by the Central Government and as approved by the Remuneration Committee the consent of the Company be and is hereby accorded for reappointment of Shri Anand Kumar Agarwal, as Chairman w.e.f. 01.06.2013 for a period of 3 years ending on 31.05.2016 as follows :

 - a. Salary :

Rs. 3,50,000/- (Rupees Three Lakhs Fifty Thousand only) per month with annual increment @ Rs.50,000/- per month effective from 1st day of April each year, subject to performance reviewed by the Remuneration Committee.
 - b. Perquisites :

In addition to salary, he shall be entitled to perquisites, which shall be valued as per the provisions of the Income Tax Act, 1961, and which unless the context otherwise requires, are classified into two categories A & B as follows :

 - A. (i) Housing : Monthly House Rent Allowance @ 50% of Salary or Rent Free Accommodation in lieu thereof.
 - (ii) Provision of Electricity at residential accommodation.
 - (iii) Reimbursement of Medical expenses incurred for self and family subject to a maximum of Rs.75,000/- (Rupees Seventy Five Thousand only) per year.
 - (iv) Reimbursement of the cost of Individual Mediclaim Policy for self and family subject to a maximum of Rs. 25,000/- (Rupees Twenty Five Thousand only) per year.
 - (v) Reimbursement of the cost of overseas health & related insurance subject to a maximum of Rs. 10,000/- (Rupees Ten Thousand only) per year.

- (vi) Cost of Personal Accident Insurance subject to a maximum of Rs.30,000/- (Rupees Thirty Thousand only) per year.
 - (vii) Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.
 - (viii) Provision of Car with driver for use on Company's business.
- B. (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these are singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service payable at the end of his tenure, and
- (iii) Encashment of leave at the end of tenure.

General terms and conditions :

- a) The office of the Chairman may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.
- b) The terms and conditions set out for appointment and payment of remuneration herein may be altered and varied by the Board, as it may, from time to time, deem fit.

Overall Remuneration :

Above remuneration shall be subject to an overall limit of 5% of the net profits individually, and 10% of the net profits collectively to all the Managerial Personnel, as calculated in accordance with Section 198 and 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII thereto, as may be for the time being in force.

Minimum Remuneration :

Where in any financial year during the currency of tenure of Shri Anand Kumar Agarwal, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary and perquisites and other allowances as above in terms of Paragraph 1 (C) of Part II of Schedule XIII to the Companies Act, 1956.

8. To reduce shareholding in ABC Skyline Limited, Subsidiary Company :

For the purpose 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 the Companies Act, 1956, and subject to such approvals, permissions and sanctions as may be necessary and compliance with such conditions and modifications as may be necessary, whole or substantially the whole of the investment of the Company in the Equity Shares of ABC Skyline Limited, being a Subsidiary Company, be sold and or other wise disposed for such consideration and on such terms as the Chairman and Managing Director may consider beneficial to the Company.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred by the Board) be and is hereby authorised to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard, and to execute all such deeds, forms, undertakings, documents, writings as may be necessary, desirable or expedient as may be deemed fit and for this purpose to delegate the authority and the duty vested in it by virtue hereof to the Chairman or the Managing Director or any other person whom the Board may consider suitable to do the various acts, deeds and things required to be done in this behalf."

Kolkata
the 25th day of May, 2013

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/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, Dr. Debasis Sengupta, Dr. Padam Chand Agarwal Shri. Ashok Kumar Surana 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
March 31, 2012	September 01, 2012	September 04, 2019

- 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 Share Transfer Agent Limited, 12/1/5 Monohar Pukur Road, Kolkata - 700 026.
- f. The Register of Member and Transfer Books in respect of the Equity Shares of the Company will be closed from Saturday, the 14th day of September, 2013 to Friday, the 20th day of September, 2013, (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 Tuesday, 1st day of October, 2013 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 20th day of September, 2013.
- 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 dematerialised 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 Share Transfer Agent Limited, 12/1/5 Monohar Pukur Road, Kolkata - 700 026 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.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956
Item No. 7

The present terms of appointment of Shri Anand Kumar Agarwal as Chairman expires on 31.05.2013. As his services are continuously required by the Company, it is proposed to reappoint him for another period of 3 years. His reappointment and the terms and conditions thereof have been approved by a resolution passed by the Remuneration Committee and the Board of Directors and require approval by the shareholders at the General Meeting by a Special Resolution and approval by the Central Government. A statement giving information in terms of clause (iv) to Paragraph 1(C) of Part II of the Schedule XIII to the Companies Act, 1956 is as follows :

GENERAL INFORMATION :

(1)	Nature of Industry		Multi-model transportation services		
(2)	Date of commencement of commercial production		1972-1973		
(3)	In case of new companies, expected date of commencement of activities as per project approval by financial institutions appearing in the prospectus		Not applicable as an existing company.		
(4)	Financial performance based on given indicators		(Rs. in Lakhs)		
Year ending 31st March		Turnover	Profit before Taxation & Depreciation	Profit before taxation	Profit after taxation
2013		18065	1727	773	620
2012		25873	1499	689	486
2011		20732	1268	848	553
2010		14677	409	169	108
2009		16364	834	606	426
(5)	Export Performance and net foreign exchange collaboration		Earning in foreign exchange in the Financial Year 2012-2013 was Rs. 4,55,689/- towards Freight and Rs. 16,30,20,000/- towards sale of investment in joint venture.		
(6)	Foreign investments or collaboration, if any.		The Company has 5% interest in Nissin ABC Logistics Limited, an erstwhile joint venture with Nissin Corporation, Japan.		

INFORMATION ABOUT THE APPOINTEE :

(1)	Background details	He has been with the Company since its incorporation. Qualified B. Com, and aged about 61 years, he has rich experience of over 42 years in the business of the Company.
(2)	Past Remuneration	Basic Salary of Rs.30,00,000/-, Rs.24,00,000/- and Rs.36,00,000/- and other perquisites as per his terms of appointment annually in Financial Year 2010-11, 2011-12, and 2012-13 respectively.
(3)	Recognition or awards	None in particular as recognised and awarded several times for specific achievements by the Company.
(4)	Job profile & his suitability	His Job profile shall include devoting whole time attention to the management & Administration of the affairs of the Company and exercises powers subject to the superintendence, direction and control of the Board of Directors and Chairman. With valuable contributions made by him to the company during his hitherto association with the company, he has been considered perfectly suitable for his job profile.

(5) Remuneration proposed	Salary Rs.3,50,000/- per month and other perquisites as spelt out in the explanatory statement herein above.
(6) Comparative remuneration profile with respect to industry, size of company, profile of the position and person.	The remuneration proposed is in consonance with respect to industry, size of company, profile of the position and the person.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Apart from salary and perquisites to be received from the Company, he has interest in the Company as promoter with substantial holdings. He is related to Shri Ashish Agarwal, Managing Director and Dr. Ashok Kumar Agarwal, Director

OTHER INFORMATION :

Reasons of loss or inadequate profits. Steps taken or proposed to be taken for improvement Expected increase in productivity and profits in measurable terms	There is profit in the Company at present, but as abundant caution, this information is being provided to the shareholders for payment of minimum remuneration to Shri Anand Kumar Agarwal, in case of no profit or inadequate profit in any financial year.
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DISCLOSURES :

Remuneration package offered to Shri Anand Kumar Agarwal, Chairman, is as per the above resolution.

Other disclosures in terms of clause IV (2) of paragraph 1-C of Section - II of Part II of schedule XIII to the Companies Act, 1956 are being provided in the Corporate Governance Report attached to the Board of Director's Report.

None of the Directors are concerned or interested in this resolution except Shri Anand Kumar Agarwal himself Shri Ashish Kumar Agarwal, Managing Director and Dr. Ashok Kumar Agarwal who are related to each other.

Item No. 8

ABC Skylines Limited, a subsidiary of the Company is an inactive Company without any foreseeable prospects in future, hence it is proposed to reduce the shareholding of the Company in the Company. The Company has an investment of Rs.5,00,000/- i.e. 50,000 Equity Shares of Rs.10/- each in ABC Skyline Limited. None of the Directors of the Company except Shri Anand Kumar Agarwal, Shri Asish Agarwal and Shri Debasis Sengupta who are also Directors in ABC Skyline Limited are interested in the resolution.

DIRECTORS' REPORT

The Directors have pleasure in presenting the 40th Annual Report of the Company together with Audited Accounts for the year ended 31st March 2013 :

	(Rs. in Lacs)	
FINANCIAL RESULTS	As on 31.03.2013	Previous Year
Turnover	18,065	25,873
Profit before Taxation and Depreciation	1,727	1,499
Depreciation	954	809
(Net of depreciation on revalued assets transferred from Capital Reserve)		
Profit before Taxation	773	690
Provision for Taxation	153	204
Profit after Taxation	620	486
Add: Balance of Profit & Loss Account brought forward	1,141	1,038
Add: Tax adjustment for earlier year	17	12
Profit available for appropriation	1,778	1,536
Appropriation :		
Proposed Dividend	81	81
Tax on proposed dividend	13	13
Transfer to General Reserve	300	300
Balance carried forward to Balance Sheet	1,384	1,142

SERVICES AND EARNINGS

Company's total earnings including other income for the year amounted to Rs.18,065 lacs as compared with the previous year total earnings of Rs.25,873 lacs.

DIVIDEND

The Directors recommend for your approval payment of dividend @ Rs.1.50 per Equity Share of Rs.10/- each for the year ending 31.03.2013. (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 Rs. 94 lacs).

OUTLOOK

After successfully completing a major logistics work in North East India in the last year, the Company could not bag any other job of similar size and value. During the year the infrastructure sector which has most of the Company's customers faced uncertainties in view of regulatory issues and also issues relating to raw material procurements. New project were not upcoming in the sector which directly affected new business generation and consequently the Company's growth. Therefore, during the year, the market for Company's services and activities itself shrank on the one hand, and on the other hand the market was dominated by fierce competition. In addition, the Company had to face increased regulatory issues relating to permission and clearances in planning and execution of its core competency business of logistics for Over Dimensional Consignments. Therefore the Company could not achieve any volume growth during the year. The Company is continuing sustained marketing efforts for new jobs in infrastructure sectors where the Company is a established service provider. Accordingly, the performance of the Company in current year as well as in coming years shall be highly depended on continuity of industrial projects and procurement of orders amidst fierce competition.

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, 2013 stipulated under the SEBI Guidelines are given as follows :

a)	Option 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	1,36,820
d)	Options exercised	14,870
e)	The total number of shares arising as a result of exercise of Options	14,870
f)	Options lapsed/not exercised	1,14,770
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	16,240
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. Avdresh Gautam	400
Mr. Sanjay Agarwal	1020		

- 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
- 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. -18.35

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 computed 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		620
Add : Intrinsic value compensation cost		Nil
Less : Fair value compensation		8
Adjusted Net Income		<u>612</u>
Earning Per Share as reported	Rs.	11.75
As adjusted	Rs.	11.29
Weighted average price per option	Rs.	55.00
Weighted average fair value per option	Rs.	49.65
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		1.46 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

Dr. Debasis Sengupta, Dr. Padam Chand Agarwal and Shri Ashok Kumar Surana retire by rotation and being eligible, offer themselves for reappointment. The present terms of appointment of Shri Anand Kumar Agarwal as Chairman expires on 31.05.2013. It is proposed to reappoint him for another period of 3 years. His reappointment and the terms and conditions thereof have been approved by a resolution passed by the Remuneration Committee and the Board, and require approval by the shareholders at the General Meeting by a special resolution and approval by the Central Government.

AUDITORS

M/s Agarwal Kejriwal & Co. Chartered Accountants, Statutory Auditors 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.