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**ANNUAL REPORT
2013-2014**

CHAIRMAN SHRI ANAND KUMAR AGARWAL

DIRECTORS SHRI KRISHAN ARYA
DR. DEBASIS SENGUPTA
PROF. ASHOKE KUMAR DUTTA
DR. ASHOK KUMAR AGARWAL
SHRI VIJAY KUMAR JAIN
DR. PADAM CHAND AGARWAL
SHRI ASHOK KUMAR SURANA
SHRI RAJYA VARDHAN KAJARIA

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

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CONTENTS

Directors' Report	2	Corporate Governance Report	8
Management Discussion & Analysis	17	Independent Auditors' Report	18
Balance Sheet	22	Statement of Profit & Loss	23
Cash Flow Statement	24		
Notes to Financial Statements	26	Consolidated Financial Statements	45

DIRECTORS' REPORT

The Directors have pleasure in presenting the 41st Annual Report of the Company together with Audited Accounts for the year ended 31st March 2014 :

	(Rs. in Lacs)	
FINANCIAL RESULTS	As on 31.03.2014	Previous Year
Turnover	16,483	18,065
Profit before Taxation, Depreciation & Amortisation	872	1,727
Depreciation & Amortisation	913	954
(Net of depreciation on revalued assets transferred from Capital Reserve)		
Profit (Loss) before Taxation	(42)	773
Provision for Taxation	(83)	153
Profit after Taxation	41	620
Add: Balance of Profit & Loss Account brought forward	1,384	1,141
Add: Tax adjustment for earlier year	---	17
Profit available for appropriation	1,425	1,778
Appropriation :		
Proposed Dividend	54	81
Tax on proposed dividend	9	13
Transfer to General Reserve	---	300
Balance carried forward to Balance Sheet	1,362	1,384

SERVICES AND EARNINGS

Company's total earnings including other income for the year amounted to Rs.16,483 lacs as compared with the previous year total earnings of Rs. 18,065 lacs.

DIVIDEND

The Directors recommend for your approval payment of dividend @ Re. 1/- (Rupee One only) per Equity Share of Rs.10/- each for the year ending 31.03.2014. (Previous year Rs.1.50 per Equity Share). The total amount of dividend (including Dividend tax thereon) would amount to Rs. 63 lacs (Previous year Rs. 94 lacs).

OUTLOOK

During the year the market conditions were not favourable for Company's business. Due to uncertainties of raw material procurements and other bottlenecks, there was no business generation from infrastructure sector which has most of Company's customers. Besides, due to low demand for logistics services, there was fierce competition in the market making realisations for Company's services unremunerable. Therefore the Company could neither achieve any volume growth nor desired profitability. At the same time, the Company had to incur interest on financed assets and depreciation thereon.

The Company is making sustained marketing efforts for its services in infrastructure sector which is expected to see revival, over the next few years. The Company has also undertaken cost control and reduction to improve its profitability.

Accordingly, the performance of the Company in current year as well as coming years shall continue to be highly dependent upon revival of infrastructure sector, industrial project and procurement of orders.

HUMAN RESOURCES

The Company has a adequate pool of trained and competent human resources which is highly capable 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 able and proved to deliver specialised services of desired quality 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, 2014 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	12,300
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 Nil 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.

- 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.24.99

- 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 :

	Rs. in lakhs
Net Income	
As reported	41
Add : Intrinsic value compensation cost	Nil
Less: Fair value compensation	4
Adjusted Net Income	37
Earning Per Share as reported	Rs. 0.77
As adjusted	Rs. 0.68
m) Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exercise or is less than the market price of the stock.	Weighted average price per option Rs. 55.00
	Weighted average fair value per option Rs. 31.01

- 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	0.56 years
(3) Expected volatility	30%
(4) Expected dividends	15%
(5) Price of the underlying share in market at the time of option grant	Rs.39.00

No money was realised in the current financial year by exercise of options.

The money earlier 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

During the year under review, Mr. Rajyavardhan Kajaria was appointed as an Additional Director in the category of non-executive director of the Company, in the meeting of the Board held on February 1, 2014, to hold office upto the date of the ensuing Annual General Meeting (AGM) of the Company. Resolution for appointment of Mr. Rajyavardhan Kajaria is put up for the approval of shareholders in the Notice of AGM.

At the ensuing Annual General Meeting, Dr. Ashok Kumar Agarwal, Shri. Krishan Arya and Shri. Vijay Kumar Jain retire by rotation. Dr. Ashok Kumar Agarwal, being eligible offers himself for re-appointment as non-executive director accordingly, on re-appointment, his term of office shall be liable to determination by rotation. Shri. Krishan Arya who has attained age of 70 years, and otherwise being eligible offers himself for re-appointment as Independent Director. Accordingly, on re-appointment by Special Resolution his term of office upto 31.03.2019 shall not be liable to determination by rotation. Shri. Vijay Kumar Jain, being eligible offers himself for re-appointment as Independent Director. Accordingly, on re-appointment his term of office shall not be liable to determination by rotation.

Pursuant to section 149(4) of the Companies Act, 2013, every listed company is required to appoint at least one third of its directors as independent directors. The Board already has over half of its directors in the category of independent directors in terms of the provisions of clause 49 of the listing agreement. The Board therefore, recommends re-appointing Dr. Debasis Sengupta and Prof. Ashoke Kumar Dutta the existing independent directors under clause 49 as 'independent directors' pursuant to Companies Act, 2013, subject to approval of shareholders. As required under the said Act and the Rules made thereunder, the same is now put up for approval of shareholders at the ensuing annual general meeting. Necessary details have been annexed to the Notice of the meeting in terms of section 102(1) of the Companies Act, 2013.

The present terms of appointment of Shri Ashish Agarwal as Managing Director expires on 31.07.2014. As his services are continuously required by the Company, it is proposed to reappoint him for another period of 3 years w.e.f. 01.08.2014 on remuneration and terms & conditions proposed details whereof are provided in the proposed Special Resolutions and the Report on Corporate Governance.

At the 40th Annual General Meeting of the Company in the year 2013, Shri Anand Kumar Agarwal was reappointed for a period of 3 years w.e.f. 01.06.2013 with remuneration subject to approval by Central Government, which is still awaited. Considering the implementation of the Companies Act, 2013 it is considered prudent to reappoint Shri Anand Kumar Agarwal (DIN 00380908) for a period of 3 years w.e.f. 01.09.2014 as per the provisions of the Companies Act, 2013 in supersession of resolution passed or consent recorded earlier. The details of remuneration and terms & conditions proposed are as provided in the proposed Special Resolutions and the Report on Corporate Governance.

AUDITORS

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules made thereunder, the current auditors of the Company, M/s Agarwal Kejriwal & Company, Chartered Accountants are eligible to hold office for a period of three years, upto 2017. The members are therefore requested to appoint M/s Agarwal Kejriwal & Company, Chartered Accountants as auditors for three years from the conclusion of the ensuing annual general meeting till the conclusion of the 44th Annual General Meeting as proposed.

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 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Sub Section (2AA) of Section 217 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 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 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

During the year the Company invited and accepted public deposits on which payment of interest was regular. During the year deposits amounting to Rs.21,85,000/- matured and repaid. Deposit amounting to Rs.40,000/- matured during the year but not claimed. The outstanding balance of Public Deposit as at the end of the year was Rs.1,77,56,000/-. The Company complied with all the applicable provisions of the Company's (Acceptance of Deposits) Rules, 1975 as amended upto date.

CASH FLOW STATEMENT

Cash flow statement for the year ended 31.03.2014 is also attached herewith and form part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement for the Financial Year 2013-14 of the Company and its subsidiary M/s. ABC Skyline Limited has been prepared by the Company in accordance with the requirements of Accounting Standards issued by "The Institute of Chartered Accountants of India". The Audited Consolidated Financial Statements together with Auditors Report thereon form part of the Annual 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.6,50,280/- towards Freight (Previous Year- Rs.4,55,689/- towards freight and Rs.16,30,20,000/- towards sale of investments in Joint Venture.) Value of imports calculated on C. I. F. basis by the Company was Rs. NIL (Previous Year Rs. 2,34,009/-). The Company has spent foreign exchange worth Rs. 4,98,978/- (Previous Year Rs.15,47,258/-) on account of freight paid by overseas constituents on our behalf and/or freight collected by the Company on their behalf and Rs.6,79,220/- on account of Shipment Expenses (Previous Year NIL). The Company has incurred Rs.10,86,359/- (Previous Year – Rs.17,54,719/-) 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.

DELISTING OF EQUITY SHARES OF THE COMPANY FROM THE CALCUTTA STOCK EXCHANGE LIMITED

The Board of Directors has resolved to delist the equity shares of the Company in accordance with Regulation 6 of the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 from The Calcutta Stock Exchange Limited provided that the equity shares of the Company would continue to be listed on the Bombay Stock Exchange Limited having nation wide trading terminals.

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 cooperation 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

Place: Kolkata

Date : the 11th day of August, 2014

Ashish Agarwal
Managing Director

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 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 Chairmanship
Shri Anand Kumar Agarwal	Chairman, Executive, Promoter.	4	-	2	-	-
Dr. Ashok Kumar Agarwal	Non-Executive Director	2	-	5	-	-
Shri. Rajyavadhan Kajaria	Non-Executive Director	-	-	-	-	-
Shri Krishan Arya	Non-Executive, Independent Director	1	-	-	-	-
Dr. Debasis Sengupta	-do-	4	1	1	-	2
Prof. Ashoke Kumar Dutta	-do-	2	1	5	-	1
Shri Vijay Kumar Jain	-do-	3	1	1	1	1
Dr. Padam Chand Agarwal	-do-	4	-	-	3	-
Shri Ashok Kumar Surana	-do-	4	-	1	2	-
Shri Ashish Agarwal	Managing Director, Executive, Promoter	4	1	1	-	-

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, 2014 four Board Meetings were held on 25th May, 2013, 07th August, 2013, 30th October, 2013, and 11th February, 2014. The maximum time gap between any two meetings was not more than four months.

- 2) Required particulars of other Non-executive and Independent Directors proposed to be appointed/re-appointed are provided in respective Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to the Notice calling Annual General Meeting.

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 Vijay Kumar Jain	350
Dr. Padam Chand Agarwal	187
Shri Ashok Kumar Surana	2500
Shri Rajyavardhan Kajaria	Nil

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 31.03.2014. 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, 2014.

Ashish Agarwal
Managing Director

4. Audit Committee

- 4.1 The Audit Committee was 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 comprised of Non Executive Directors Dr. Debasis Sengupta as Chairman and Shri Vijay Kumar Jain & Dr. Padam Chand Agarwal as members besides Shri Sushil Kumar Pransukhka, Senior Vice President as Executive Member, following non-executive Directors held four meetings in the financial year 2013-14. Details as to attendance of members at the meeting are as follows :

Name of Director	Designation	No. of meetings attended
(a) Dr. Debasis Sengupta	Chairman	4
(b) Shri Vijay Kumar Jain	Member	3
(c) Dr. Padam Chand Agarwal	Member	4

The Company Secretary acted as the Secretary to the Committee. As and when considered necessary, the Statutory Auditor & Internal Auditors are invited to the Audit Committee meetings. The Chairman of the Audit Committee attended the last Annual General Meeting.