



AGARWAL INDUSTRIAL CORPORATION LTD.

- Petrochemicals [Manufacturers of Bitumen and Bituminous Products]
- Logistics for Bitumen & LPG • Wind Mills

Registered Office : "Eastern Court", Unit No. 201 / 202, Plot No. 12, V. N. Purav Marg, S. T. Road, Chembur, Mumbai - 400 071.

Tel. : +91-22- 25291149 / 50 • Fax : +91-22- 25291147

E-mail : agarwalgroup101@gmail.com, r.bhalla@aicltd.in, sales@agarwalgroup.com

Website : www.aicltd.in

CIN NO.: L99999MH1995PLC084618

FORM A

(Pursuant to Clause 31 [a] of the Listing Agreement)

Covering Letter of the Annual Audit Report

1	Name of the Company	AGARWAL INDUSTRIAL CORPORATION LTD
2	Annual Financial Statements for the year ended	March 31, 2014
3	Type of Audit Observation	Un-Qualified
4	Frequency of observation	Not Applicable
5	To be signed by -	Signatures
	Managing Director	Mr. Jaiprakash Agarwal
	CFO	Mr. Rakesh Bhalla
	Auditors of the Company	M/s Ladha Singhal & Associates Chartered Accountant (Firm Registration No : 120241W) Ajay Singhal (Partner) M.NO. 104451
	Audit Committee's Chairman	Mr. Jaswant D. Sharma



For Agarwal Industrial Corporation Ltd.

CFO & Company Secretary

Belgaum Office : Plot No. 40, KIADB Industrial Area, Honaga, Belgaum - 591113 • Telefax : 0831 - 2414670

Hyderabad Office : Survey No. 196, 7, Elkatta, Farooq Masjid, Malibah, Koganti, Ring Road, Hyderabad - 509410 • Mob : 98000-267700 • 33

Baroda Office : Plot No 1314, GIDC, Ranoli Industrial Area (Dist : BARODA) 391350 Tel : 0265 223 664, 208706 • Fax : 0265 2240264 • E-mail : jag@agarwalgroup.com

Jodhpur Office : G 1/80, New Jodhpur Industrial Area, Opp IOCL Depot, JODHPUR-342003 • Tel : 2744244 • Fax : 0291 2742859 • E-mail : pm@agarwalgroup.com

AGARWAL

INDUSTRIAL CORPORATION LTD.



AGARWAL GROUP



**Twentieth
Annual Report
2013-2014**



AGARWAL INDUSTRIAL CORPORATION LTD.
(CIN : L99999MH1995PLC084618)

TWENTIETH ANNUAL REPORT 2013-2014

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BOARD OF DIRECTORS

Mr. Jaiprakash Agarwal
Managing Director

Mr. Ramchandra Agarwal
Whole Time Director

Mr. Mahendra Agarwal
Director

Mr. Lalit Agarwal
Whole Time Director

Mr. Jaswant D. Sharma
Director

Mr. Harikrishna Patni
Director

Mr. Rajkumar Mehta
Director

Mr. Alok Bharara
Director

Mr. Jawahar D. Patil *
Whole Time Director
(Resigned w.e.f. 15.11.2013)

Mr. R.T. Rajguroo* *
Director
(Resigned w.e.f. 16.04.2014)

CFO & COMPANY SECRETARY (COMPLIANCE OFFICER)

Mr. Rakesh Bhalla

REGISTERED OFFICE

Eastern Court, Unit No. 201-202,
Plot No. 12, V.N. Purav Marg,
S.T. Road, Chembur,
Mumbai - 400071.
Phone Nos : +91-22-25291149/50.
Fax : +91-22-25291147.
Website : www.aicltd.in ;
E-mail : r.bhalla@acltd.in

AUDITORS

M/s Ladha Singhal & Associates,
Chartered Accountants,
209, Apollo Complex,
R.K.Singh Marg,
Off. Parsi Panchayat Road,
Near Sona Udyog,
Andheri (East),
Mumbai - 400069,

WORKS**Belgaum**

Plot No. 40, KIADB
Honga Industrial Area
Honga, Belgaum
Karnataka

Hyderabad

Survey No. 196, Elikatta Village
Farooq Nagar Mandal
Mahbubnagar
Andhra Pradesh - 509410

BANKERS

ING Vysya Bank
Yes Bank
Union Bank of India
HDFC Bank
Indusind Bank
Dombivili Sahakari Bank

REGISTRARS & SHARE TRANSFER AGENTS

Ankit Consultancy P. Ltd.
60, Electronic Complex
Paradeshi Pura
Indore (M.P.) - 452010
Tel. No. 022-25541469/25549202
Contact Person : Mr. Lav Mishra

CORPORATE IDENTITY NUMBER (CIN)

L99999MH1995PLC084618

BSE SCRIP ID AND CODE

ID -AGARIND
CODE - 531921

National Stock Exchange Ltd**SCRIP ID AND CODE**

Symbol - AGARIND
Series - EQ

WHOLLY OWNED SUBSIDIARY COMPANY

Bituminex Cochin Pvt. Ltd.

NOTICE

Notice is hereby given that the **Twentieth Annual General Meeting** of the Members of **Agarwal Industrial Corporation Limited** will be held on Tuesday, September 30, 2014 at 11.00 A.M at Unit No.12, A Wing, 1st Floor, Sita Estate, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and Statement of Profit & Loss Account for the year ended March 31, 2014 along with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the Financial Year 2013-14.
3. To appoint a Director in place of Mr Mahendra Agarwal (DIN - 01366495) who retires by rotation, and being eligible, offers himself for re- appointment.
4. **Appointment of Auditors**

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

"**RESOLVED** that pursuant to the provisions of Section 139 of the Companies Act, 2013 (" Act ") and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time, M/s Latha Singhal & Associates, Chartered Accountants, 209, Apollo Complex, R.K.Singh Marg, Off. Parsi Panchayat Road, Near Sona Udyog, Andheri (East), Mumbai - 400069, (*who were appointed to fill the gap caused by the resignation of the Auditors of the Company under Section 139 (8) (i) of the Companies Act, 2013 by the Board of Directors on April 18, 2014 and later approved by the members of the Company in the Extra Ordinary General Meeting held on July 17, 2014*) be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Fifth Annual General Meeting to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

5. **Appointment of Mr. Jaswant D. Sharma as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an

Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Jaswanr D. Sharma, (DIN - 01670988), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 30, 2014 up to September 29, 2019."

6. **Appointment of Mr. Raj Kumar Mehta as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an

Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Raj Kumar Mehta (DIN - 01729041), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and

AGARWAL INDUSTRIAL CORPORATION LIMITED

is hereby appointed as an Independent Director of the Company with effect from September 30, 2014 up to September 29, 2019."

7. Appointment of Mr. Harikrishna Patni as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an

Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Harikrishna Patni (DIN - 01316552), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 30, 2014 up to September 29, 2019."

8. Appointment of Mr. Alok Bharara as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an

Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Alok Bharara (DIN - 02720802), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 30, 2014 up to September 29, 2019."

9. Appointment of Ms. Priti Lodha as an Independent Woman Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an

Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Ms. Priti Lodha (DIN - 02182233), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying her intention to propose Ms. Priti Lodha as a candidate for the office of Director, be and is hereby appointed as Woman Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act, and who is eligible for appointment, and is hereby appointed as an Independent Director of the Company with effect from September 30, 2014 up to September 29, 2019."

10. Appointment of Mr. Lalit Agarwal, Whole Time Director, subject to retirement by rotation.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a

Special Resolution:

"**RESOLVED** that in modification of the earlier Special Resolution passed by members of the Company in the previous Annual General Meeting of the Company held on September 30, 2013 with regard to appointment of Mr. Lalit Agarwal (DIN - 01335107) as the Whole Time Director of the Company under the provisions of earlier Companies Act, 1956 read with Section II of Part II of Schedule XIII of the earlier said Act and on other terms and conditions as set out in the Explanatory Statement Annexed to the Notice convening the said Annual General Meeting, for a period of 3 years with effect from 01/04/2013, the consent of the members is accorded to the modification of the appointment of Mr. Lalit Agarwal, as Whole Time Director of the Company, *to the extent that his office is liable to determination by retirement of directors by rotation in terms of Section 152 of the Companies Act, 2013 and other applicable provisions or rules made thereunder, if any, other terms and conditions of the existing appointment remaining the same.*"

"**RESOLVED FURTHER** that the Board or a Committee thereof be and is hereby authorized to take all steps as may be necessary, proper and expedient to give effect to this resolution."

11. Appointment of Mr. Ramchandra Agarwal, Whole Time Director, subject to retirement by rotation.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED** that in modification of the earlier Special Resolution passed by members of the Company in the previous Annual General Meeting of the Company held on September 30, 2013 with regard to appointment of Mr. Ramchandra Agarwal, (DIN - 02064854) as the Whole Time Director of the Company under the provisions of earlier Companies Act, 1956 read with Section II of Part II of Schedule XIII of the earlier said Act and on other terms and conditions as set out in the Explanatory Statement Annexed to the Notice convening the said Annual General Meeting, for a period of 3 years with effect from 01/04/2013, the consent of the members is accorded to the modification of the appointment and office of Mr. Ramchandra Agarwal, as Whole Time Director of the Company *to the extent that his office is liable to determination retirement of directors by rotation in terms of Section 152 of the Companies Act, 2013 and other applicable provisions or rules made thereunder, if any, other terms and conditions of the existing appointment remaining the same.*"

"**RESOLVED FURTHER** that the Board or a Committee thereof be and is hereby authorized to take all steps as may be necessary, proper and expedient to give effect to this resolution."

12. Related Party Transactions

To consider and, if thought fit to pass, with or without modification(s) the following Resolution for related party transaction as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and as per the Listing Agreements with Stock Exchanges, and further pursuant to the approval of the Audit Committee and the Board of Directors vide resolution passed in their respective meetings held on August 14, 2014, the consent of the Company be and is hereby accorded for entering into contract or arrangement with the related parties as defined under the Act and the Rules made thereunder, as per details and on terms & conditions as set out under item No 12 of the Explanatory Statement annexed to this Notice."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

By order of the Board of Directors

Place : Mumbai
Dated : September 3, 2014

Rakesh Bhalla
Chief Financial Officer & Company Secretary

Registered Office:

Eastern Court, Unit No. 201-202,
Plot No. 12, V.N. Purav Marg,
S.T. Road, Chembur,
Mumbai - 400071.

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF CORPORATE MEMBERS , SOCIETIES ETC MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS /AUTHORISATION, AS APPLICABLE.**
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregating not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member. A proxy form for the Annual General Meeting is enclosed.
3. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to Special Business to be transacted at the Meeting is annexed hereto.
4. Member who wants to seek any information or clarification on the Accounts are requested to send in written queries to the Company at least one week before the date of the Annual General Meeting.
5. The Profiles of the Directors being appointed under Item Nos. 5,6,7,8 & 9 of the Notice as required under Clause No.49 of the Listing Agreement with the Stock Exchange are annexed to this Notice.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 - (a) The Company has notified closure of Register of Members & Share Transfer Books from **Tuesday, September 23, 2014 to Tuesday, September 30, 2014 (both days inclusive)** for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
 - (b) The dividend on Equity Shares, if declared at the Meeting will be paid on or after October 04, 2014 to those members whose names shall appear on the Company's Register of Members on Monday , September 22, 2014, in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depositories Limited and Central Depository Services (India) Ltd as beneficial owners as on that date.
7. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars & Transfer Agents, M/s Ankit Consultancy Pvt. Ltd (Ankit), at their address at 60,Electronic Complex, Pardeshipura, Indore - 452 010. M.P. (India): Telephone No. + 91-731-2551745/46; Fax: 91-731-4065798; E-mail: ankit_4321@yahoo.com: Website: www.ankitonline.com or e-mail at r.bhalla @aicltd.in. Duly completed cannot act on any request received directly from the members Holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are advised only to the Depository Participant of the member. Further, such members are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.aicltd.in under the section Investor Relations'. Members are also requested to such nominations and intimation regarding any change in their address or bank mandates immediately to the Company/Ankit.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Ankit.

10. Non-Resident Indian Member(s) are requested to inform Ankit, immediately change in their residential status on return to India for permanent settlement. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
11. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with ANKIT/Depositories. As and when there are changes in your email address, you are requested to update the same with your depository participant for shares held in physical form, shareholders can register their email address with the Company at www.aicld.in mentioning their name(s) and folio no(s).
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Ankit Consultancy, for consolidation into a single folio.
14. Prevention of Frauds: You are advised to exercise due diligence and notify your DP of any in address, Stay abroad or demise of any shareholder as soon as possible. Do not leave your Demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
15. Confidentiality of Security Details: Do not disclose your folio Nos. /DP ID/Client ID to unknown persons. Do not hand over signed blank transfer deeds and delivery instruction slips to any unknown persons.
16. Annual Report and Attendance Slip will not be distributed at the Annual General Meeting, Shareholders are requested to bring the same along with them.
17. Pursuant to provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, for the business to be transacted at the Annual General Meeting of the Company, the Company is providing facility for voting by electronic means. The Company has engaged the services of Central Depository Services (India) Limited ('CDSL') to provide e-voting facilities. The Board of Directors in its Meeting held on August 14, 2014 has appointed Mr. P.M.Vala, Practicing Company Secretary as Scrutinizer for conducting the e-voting process in a fair and transparent manner. The Notice is being dispatched / emailed to all the Members whose names appear on the register of members/ statement of beneficial ownership furnished by National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as at the close of business hours on Friday, August 29, 2014. The Scrutinizer will submit his report to the Managing Director of the Company after completion of the scrutiny through e-voting process. The results of the e-voting shall be announced by Managing Director on October 1, 2014 at 04.00 p.m. at the Registered Office of the Company. In addition to the results being communicated to National Stock Exchange of India Limited and BSE Limited, the same along with the Scrutinizer Report shall also be displayed at the Company's Corporate Office and on its website i.e. www.aicld.in.
18. The e-voting facility is available at the link <https://www.evotingindia.com>. The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 10.00 A.M. of September 25, 2014
End of e-voting	Upto 6.00 P.M. of September 26.2014

E-voting shall not be-allowed beyond 6.00 P.M of September 26, 2014. During the e-voting period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date may cast their votes electronically. The Cut-off date for the purpose of e-voting is September 22, 2014.

AGARWAL INDUSTRIAL CORPORATION LIMITED

The instructions for Shareholders for voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field. ● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Agarwal Industrial Corporation Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 12 of the accompanying Notice:

Item Nos 5 - 8

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, appointed Mr. Jaswant D. Sharma, Mr. Rajkmar Mehra, Mr. Harikrishna Patni and Sh. Alok Bharara, as Independent Directors at various times, in compliance with the requirement of the said Clause. Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act"), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. The Board of Directors of the Company presently comprises eight directors out of which, four are Non-Executive Independent Directors of the Company.

The Nominations Committee has recommended the appointment of these directors as Independent Directors from September 30, 2014 up to September 29, 2019.

Mr. Jaswant D. Sharma, Mr. Rajkmar Mehra, Mr. Harikrishna Patni and Sh. Alok Bharara, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Keeping in view of the experience and expertise of the above referred directors and the contribution made by them to the Company, the Board of Directors considers it desirable that their continued association would be of immense benefit to the company and hence the company should continue to avail their services and accordingly recommends the Resolutions as

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set out in Item No. 5 to 8 for approval of the members.

Mr. Jaswant D. Sharma, Mr. Rajkumar Mehra, Mr. Harikrishna Patni and Mr. Alok Bharara, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolutions as set out at Item Nos. 5 to 8 of the Notice for approval by the members.

A brief profile of the Independent Directors to be appointed is given below:

Mr. Jaswant D Sharma, has been in the Transportation and Logistics Business for about 25 years and is has to his credit vast knowledge and expertise in the related fields. Mr. Sharma pursued his Diploma in Mechanical Engineering from Rohtak University for two years and thereafter entered the Transport Industry in the year 1989.

Mr. Rajkumar Mehra is a an Arts Graduate from Delhi University and has a career spanning over 27 years in Logistics and Transportation related business.

Mr. Harikrishna Patni pursued his electrical engineering from M.S.University, Baroda and completed two years and there after entered Transport Industry in the year 1987.

Mr. Alok Bharara is a Commerce Graduate from Delhi University and has to his credit of having over three decades in Logistics and Transport Industry.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day (Monday-Saturday).

Item No 9

As per the provisions of section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement, which provides that the Company shall have at least one Women director in the Board.

The Company has received notice in writing under the provisions of Section 160 of the Act, from the member along with the fee of Rupees one Lacs proposing the candidature of Ms. Priti Lodha for the office of Independent director to be appointed, as such under the provisions of Section 149 of the Act to hold office for a term of five years with effect from September 30, 2014 up to September 29, 2019.

The brief profile of Ms. Priti Lodha is as follows:-

Ms. Priti Lodha, is a Post Graduate in Commerce and is experienced banker for the last 26 years. She has handled various corporate clients and is well versed with financial needs of an enterprise.

Keeping in view of the experience and expertise of Ms. Priti Lodha, the Board of Directors considers it desirable that the Company should avail her services and accordingly recommends the resolution as set out in item no. 9 for approval of the members.

Ms. Priti Lodha being appointee is considered as interested in the resolution to her appointment. Except that none of the directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution.

Item No 10 & 11

In this regard, the attention of the members is drawn to the Special Resolutions passed by the Members in the previous Annual General Meeting held on September 30, 2013, wherein the appointments of Mr. Lalit Agarwal, and Mr. Ramchandra Agarwal , as the Whole Time Directors of the Company with effect from April 1, 2013 for a period of 3 (three) years on the terms and conditions as set out in the respective Special Resolutions and the related Explanatory Statements which were according to the earlier Companies Act, 1956 and schedules attached there to, were approved by the members.

As per the provisions of section 152(6) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, which inter alia, provide that unless the articles of the company provide for the retirement of all directors at every annual general meeting, not less than two third of the total number of directors of a public limited company shall be the persons whose office is liable to determination by retirement of directors by rotation and further the total number of directors under this sub section shall not include independent directors on the board of the company.

In this regard, the attention of the members is drawn to the Special Resolutions passed by the Members in the previous Annual General Meeting held on September 30, 2013, wherein the appointments of Mr. Lalit Agarwal, and Mr. Ramchandra Agarwal, as the Whole Time Directors of the Company with effect from April 1, 2013 for a period of 3 (three) years, not subject to retirement by rotation and on the terms and conditions as set out in the respective Special Resolutions and the related Explanatory Statements, which were according to the earlier Companies Act, 1956 and schedules attached there to, were approved by the members.

However, in compliance of the provisions of Section 152 (6) of the Companies Act, 2013, and the Rules made therein, the said appointments of Mr. Lalit Agarwal, and Mr. Ramchandra Agarwal, as the Whole Time Directors of the Company are required to be modified to the extent that under both these appointments, the offices of Mr. Lalit Agarwal, and Mr. Ramchandra Agarwal shall be liable to be determined by rotation. All other terms and conditions of their existing appointments shall be same and remain unchanged."

Accordingly, the Board recommends the resolution as set out in item no. 10 & 11 of the Notice for approval of the members as Special Resolution.

Pursuant to applicable provisions of the Companies Act, 2013, except Mr. Lalit Agarwal and Mr. Ramchandra Agarwal along with Mr. Jaiprakash Agarwal and Mr. Mahendra Agarwal being brothers of Mr. Lalit Agarwal and Mr. Ramchandra Agarwal are interested to the extent of the modification proposed, none of the directors & Key managerial Personal and their relatives is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution except in capacity of shareholder.

A copy of abstracts of the terms and conditions of the appointments of Mr. Lalit Agarwal, and Mr. Ramchandra Agarwal, as the Whole Time Directors of the Company together with the proposed modification is available for inspection at the Registered Office on any working day (Monday - Saturday) during business hours.

Item No. 12

As per Section 188 of the Companies Act, 2013 read with the rules made thereunder and in accordance with the Listing Agreements with Stock Exchanges and on the basis of the recommendations of the Audit Committee and the approval of the Board of Directors vide resolution passed in their respective meetings held on August 14, 2014, the following related party transactions already in existence and which are proposed to be entered into by the Company with related parties for which the consent of the members is required for entering into such contract or arrangement with the related parties as defined under the Act and the Rules made thereunder,

(1) **Names of the Related Parties and Description of relationship**

Subsidiary (100 %)	Bituminex Cochin Pvt Ltd.
Key Management Personnel	Mr. Jaiprakash Agarwal Mr. Lalit Agarwal Mr. Ramchandra Agarwal Mr. Mahendra Agarwal
Concerns in which Directors are interested	ANZ Transporters <i>(Partners : Mr. Ramchandra Agarwal, Mr. Mahendra Agarwal & Mr. Lalit Agarwal)</i> Agarwal Gas Carriers <i>(Partners : Mr. Jaiprakash Agarwal, Mr. Kishan Agarwal & Mr. Jugal Kishore Agarwal)</i> Agarwal Translink P Ltd <i>(Directors : Mr. Jaiprakash Agarwal, Mr. Mahendra Agarwal, Mr. Kishan Agarwal)</i> Agarwal Petrochem P Ltd <i>(Directors : Mr. Lalit Agarwal, Mr. Ramchandra Agarwal, Mr. Kishan Agarwal)</i>

(2) The Board of Directors in their meeting held on August 14, 2014 has proposed for entering into following related party transactions

AGARWAL INDUSTRIAL CORPORATION LIMITED

(₹ in Lacs.)

NATURE OF TRANSACTION	SUBSIDIARY (Amount not exceeding)	KMP (Amount not exceeding) (Consolidated)	CONCERNS IN WHICH KMP & THEIR RELATIVES ARE INTERESTED (Amount not exceeding) (Consolidated)	TOTAL
Remuneration (Mr. Jaiprakash Agarwal, Mr. Lalit Agarwal, Mr. Ramchandra Agarwal)	—	100.00	—	100.00
Sub-Contract Payment (ANZ Transporters, Agarwal Gas Carriers, Agarwal Translink P L:td, Agarwal Petrochem P Ltd)	—	—	500.00	500.00
Sub-Contract Receipt (ANZ Transporters, Agarwal Gas Carriers, Agarwal Translink P Ltd, Agarwal Petrochem P Ltd).	—	—	300.00	300.00
Labour Charges from (ANZ Transporters, Agarwal Gas Carriers, Agarwal Translink P Ltd,	—	—	50.00	50.00
Sales of Spare Parts & OIL (ANZ Transporters, Agarwal Gas Carriers, Agarwal Translink P Ltd	—	—	75.00	75.00
HSD & Oil Purchase (ANZ Transporters, Agarwal Gas Carriers, Agarwal Translink P Ltd,	—	—	300.00	300.00
Bitumen Purchase Agarwal Petrochem P Ltd).	—	—	400.00	400.00
Bitumen Sales Agarwal Petrochem P Ltd)	—	—	700.00	700.00
Rent Payable Mr. Jaiprakash Agarwal Mr. Lalit Agarwal	—	5.00	—	5.00
Loan to 100 % Subsidiary (Bituminex Cochin Pvt Ltd.)	100.00	—	—	100.00
Payable towards Expenses (ANZ Transporters, Agarwal Gas Carriers, Agarwal Translink P Ltd,	—	—	150.00	150.00

Accordingly, the Board recommends the resolution as set out in item no. 12 of the Notice for approval of the members.

Pursuant to applicable provisions of the Companies Act, 2013, except Mr. Jaiprakash Agarwal, Mr. Lalit Agarwal, Mr. Ramchandra Agarwal and Mr. Mahendra Agarwal along with Mr. Kishan Agarwal being brother of them are interested and none of the other Directors, & Key managerial personnel and their relatives is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution except in capacity of shareholder.

PROFILES OF DIRECTORS BEING REAPPOINTED AS REQUIRED BY CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES :

Name of the Director	Mr. Mahendra, Agarwal	Ms. Priti Lodha	Mr. Jaswant D. Sharma	Mr. Harikrishna Patni	Mr. Rajkumar Mehta	Mr. Alok Bharara
Date of Birth	15/07/1963	21/05/1965	15/08/1943	23/07/1971	04/08/1951	04/06/1961
Expertise in Specific Functional Areas	Marketing	Accounts	Liasioning	Sales	Technical	Finance
Qualifications	Bachelor of Commerce	B.Sc. M.Com	Dip. In Mechanical Engineering (Second Year)	Civil Engineering 2nd Year)	Bachelor of Arts	Bachelor of Commerce
List of other Companies in which directorship Held as on 31st March 2014	Agarwal Translink Private Limited	Nil	Nil	Nil	R.K. Bulk Movers Private Ltd	(1)Sita Premises Ltd. (2) Eknoor Tyres Private Limited
Chirman/ Member of the Committee of the Board of other Companies in which he is a Director as on 31st March, 2014	Nil	Nil	Nil	Nil	Nil	Nil
No. of Shares Held	3,62,600	Nil	Nil	Nil	Nil	Nil

AGARWAL INDUSTRIAL CORPORATION LIMITED

DIRECTORS' REPORT

The Directors are pleased to present the Twentieth Annual Report and Audited Statement of Accounts for the Year ended March 31, 2014.

FINANCIALS RESULTS

(₹ In Lacs)

Particulars	F.Y 2013-2014	F.Y 2012-2013
Total Income	17,704.37	11,654.51
Total Expenditure	17,072.06	11,145.56
Profit before Interest & Depreciation	1,372.41	1,100.10
Interest	325.41	201.44
Depreciation	414.69	389.70
Profit Before Tax	632.31	508.96
Provision for taxation		
a) Current tax	127.00	101.83
b) Mat Tax Credit	28.92	73.40
c) Deferred tax	(20.19)	(2.09)
Profit after Tax	496.58	335.82
Balance brought forward from earlier year	2874.38	806.29
Profit available for appropriation	3,370.96	2,935.25
APPROPRIATIONS :		
Proposed Dividend on Equity Shares	77.18	52.37
Dividend Distribution Tax	12.52	8.50
Balance Carried to Balance Sheet	3,281.26	2,874.38

DIVIDEND:

Your Directors have recommended a dividend of ₹ 1.40 per equity share of ₹ 10 each for the Financial Year ended March 31, 2014.

OPERATIONS AND BUSINESS PERFORMANCE:

Please refer to the Chapter on Management Discussion and Analysis for detailed analysis of the performance of the Company during the Financial Year ended March 31, 2014.

CORPORATE GOVERNANCE:

In terms of Clause 49, of the Listing Agreement, the Corporate Governance Report is annexed as "**Annexure A**" forming part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management discussion and Analysis Report as required under Clause 49 of the Listing Agreement is annexed as "**Annexure B**" forming part of this Report.

FIXED DEPOSITS:

The Company did not take any Fixed Deposits from the public and no fixed deposits were outstanding or unclaimed as on March 31, 2014.

LISTING OF SHARES:

The equity shares of your Company have been listed on the National Stock Exchange with effect from May 26, 2014, in addition to the Stock Exchange, Mumbai, where the shares had already been listed. The listing fees for the year 2014-15 have been duly paid.

ING VYSYA BANK

During the year under review, ING Vysya Bank started extending working capital facilities to the Company along with Yes Bank under the Multi Banking arrangement.

INDUSTRIAL RELATIONS:

The industrial relations during the year under review remained harmonious and cordial. Your Directors wish to place on record their appreciation for the excellent co-operation received from all cadres of employees at various units of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

1. In the preparation of annual accounts for the year ended, March 31, 2014 the applicable Accounting Standards have been followed. There are no material departures from the applicable accounting standards;
2. 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 under review and of the profit of the Company for that year;
3. 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared Annual accounts for the year ended March 31, 2014 on a going concern basis.

DIRECTORS:

Mr. Jawahar D. Patil , resigned from the Office of Whole Time Director of the Company with effect from November 15, 2013, due to his personal compulsions, which was accepted by the Board of Directors of the Company.

Mr. Ramdas T. Rajguroo, a non executive, independent Director resigned from the office of Directorship with effect from April 16, 2014.

The Board of Directors place on record its appreciation to above Directors for their valuable contribution to the progress of the Company.

SUBSIDIARIES:

Bituminex Cochin Pvt Ltd (BCPL) is a wholly owned subsidiary of Agarwal Industrial Corporation Ltd.

Ministry of Corporate Affairs (MCA) vide Circular No.51/12/2007-CL-III dated 8 February 2011 has given a general exemption to all companies in terms of Section 212[8] of the Companies Act, 1956 with regard to attaching of the Annual Reports of its Subsidiaries. Accordingly, the Directors' Report and Audited Accounts viz Balance Sheet, Profit and Loss Account and other documents of Bituminex Cochin Pvt Ltd (BCPL), for the Financial Year ended March 31, 2014 are not being enclosed with this Annual Report. Any member desiring to inspect the detailed Annual Report of BCPL for the Financial Year ended March 31, 2014 may inspect the same at registered office of the Company and of the Subsidiary Company. In event a Member desires to have a copy of the Annual Report of BCPL, he may write to the registered office of the Company and of the BCPL. The Company shall supply a copy of the Annual Report of the BCPL to such member. A statement as required under Section 212 of the Companies ACT, 1956 of the Company's interest in Subsidiary is attached herewith.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with Accounting Standard 21, issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements for the Financial Year ended March 31, 2014 have been provided in the Annual Report. These Statements provide financial information about your Company and its Subsidiary Company as a single economic entity. The Consolidated Financial Statements form part of this Annual Report.

CEO/CFO REPORT ON ACCOUNTS

As required under Clause 49 of the Listing Agreement , the CEO/CFO Report on the Accounts is attached herewith.

EMPLOYEES PARTICULARS

There were no employees who were in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Rules and Notifications made there under.

AGARWAL INDUSTRIAL CORPORATION LIMITED

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

(A) Conservation of Energy and Technology Absorption:

The information required to be given U/s 217(i)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are as under :

1) Conservation of Energy:

a) Measures :

(i) Electrical Energy :

- (a) Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipments.
- (b) Improving power factor by optimum choice of power factor improvement capacitors.
- (c) Monitoring the overall energy consumption.

b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.

The Company is reviewing various proposals for reduction in consumption of energy.

c) Impact of measures (a) and (b) above for reduction of energy consumption and Consequent impact on cost of production of goods are as under-

Total energy consumption -

Power and Consumption

Electricity

Purchase	
Unit	98778
Total Amount (₹ In Lacs)	7.82
Rate/Unit (₹)	7.92

2) Technology Absorption:

No Technology has been imported by the Company so far. . The Company has yet to established separate Research & Development facilities.

3) Foreign Exchange Earnings and Outgo:

	(₹ in Lacs)
Particulars	2013-14
Earnings	NIL
Outgo	7725.19

AUDITORS' REPORT:

The observation made in the Auditor's Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under Section 217 of the Companies Act, 1956.

AUDITORS:

Ms. Rashmi Agarwal, who was appointed as Auditors of the Company by the members in the previous Annual General Meeting, to hold office till the conclusion of this Annual General Meeting resigned from the post with effect from April 17, 2014 on personal grounds. The Board of Directors, on the recommendations of the Audit Committee, appointed M/s. Ladha Singhal & Associates, Chartered Accountants, to hold office as Auditors of the company with effect from April 18, 2014 till the conclusion of this Annual General Meeting, which was also confirmed by the members in the Extra Ordinary General Meeting of the Company held on July 17, 2014, pursuant to Section 139 (8) (i) of the Companies Act, 2013. Accordingly, in accordance with provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors), Rules 2014, the Board of Directors on the recommendations of the Audit Committee, and subject to the approval of Members in the forthcoming Annual General Meeting have appointed M/s Ladha Singhal & Associates, Chartered Accountants, to hold the office as Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Fifth Annual General Meeting to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors. Your Company has received a written certificate from the Auditors to the effect that their appointment, if made, would be in accordance with the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and Rules 3 & 4 of the Companies (Audit and Auditors), Rules 2014.

INTERNAL CONTROL SYSTEMS & ITS ADEQUACY :

Your Company has adequate internal control systems and procedures in place for effective and smooth conduct of business and to meet exigencies of operation and growth. The key business processes have been documented. The transactions are recorded and reported in conformity with generally accepted accounting practices. The Internal Control systems and procedure ensure reliability of financial reporting, Compliance with the company's policies and practices, governmental regulations and statutes.

ACKNOWLEDGMENT:

Your Directors place on record their sincere appreciation for the contribution and commitment of the employees of the Company and for the excellent support provided by the shareholders, customers, distributors, suppliers, bankers and other service providers during the financial year under review..

For and on behalf of the Board of Directors

Place : Mumbai
Dated: September 03, 2014

JAIPRAKASH AGARWAL
CHAIRMAN

AGARWAL INDUSTRIAL CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT-ANNEXURE 'A'

1. Company's Philosophy on Corporate Governance.

Our Company firmly believes in and practices the best Corporate Governance policies which are aimed at efficient conduct of its business and in meeting its obligations towards the shareholders. Further, the Company's fundamental are based on the philosophies of morality, integrity, fairness, accountability, ethics, respect for laws of the land, transparency and thorough professionalism in conducting affairs of the Company. We have committed ourselves to be a strict law compliant Company ensuring timely disclosures for the awareness and familiarization of the stakeholders about the state of affairs of their Company at regular intervals.

The corporate governance standards for listed companies in India are regulated by the Securities Exchange Board of India (SEBI) through Listing Agreements of Stock Exchanges where the shares are listed. our Company is presently listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE, w.e.f. May 26, 2014), and is in compliance with Clause 49 of the Listing Agreement, various relevant provisions of the Companies Act, 1956, SEBI Act, Rules, Regulations and Guidelines issued by SEBI from time to time, Securities Laws and all other relevant laws with regard to Corporate Governance.

SEBI vide its circular No. CIR/CFD/POLICY CELL/2/2014 dated 17 April 2014 has notified the revised clause 49 of the listing agreement to be applicable with effect from 1 October 2014. This Report therefore states compliance against the previous clause 49 of the listing agreement, applicable for the year 2013-14.

This Chapter along with the Chapters on Management Discussion and Analysis and Additional Shareholders Information, reports on the Company's compliance with Clause 49 of the Listing Agreement on Corporate Governance.

2. Board of Directors

(i) Composition of the Board

As on March 31, 2014, the Company's Board of Directors comprised of 9 (Nine) Directors - 3 (Three) Executive Directors (Comprising of Managing Director and Whole Time Directors), 1 (One) Non-Executive Non- Independent Director and 5 (Five) Independent, Non- Executive Directors.

The Board is headed by the Executive Managing Director.

(ii) The composition of the Board of Directors of your Company along with the other Directorships (if any) held by each of the Directors is brought out in the following tables.

Category	Name of Director & Designation	Relation	No. of Other Directorship & Committee membership / Chairmanship.			
			Public Co.	Pvt. Co.	Committee	Chairmanship
Promoter & Executive Director	Jaiprakash Agarwal Managing Director	Brother of Mr. Lalit Agarwal, Mr. Ramchandra Agarwal & Mr. Mahendra Agarwal	—	1	—	—
Promoter & Executive Director	Mr. Lalit Agarwal Whole Time Director	Brother of Mr. Jaiprakash Agarwal, Mr. Ramchandra Agarwal & Mr. Mahendra Agarwal	1	1	—	—
Promoter & Executive Director	Mr. Ramchandra Agarwal Whole Time Director	Brother of Mr. Jaiprakash Agarwal, Mr. Lalit Agarwal, Mr. Mahendra Agarwal	—	1	—	—
Promoter Non Executive & Non Independent	Mr. Mahendra Agarwal	Brother of Mr. Jaiprakash Agarwal, Mr. Lalit Agarwal & Mr. Ramchandra Agarwal	—	1	—	—
Executive Non - Independent	*Mr. Jawahar D. Patil		—	—	—	—
Independent Non Executive	Mr. Jaswant D. Sharma		—	—	—	—
Independent Non Executive	Mr. Harikrishna Patni		—	—	—	—
Independent Non Executive	Mr. Rajkumar Mehta		—	1	—	—
Independent Non Executive	Mr. Alok Bharara		—	2	—	—
Independent Non Executive	Mr. Ramdas Trimbak Rajguroo **		3	2	—	—

Notes :-

* Mr. Jawahar D. Patil, resigned from the Office of Whole Time Director of the Company with effect from November 15, 2013, due to his personal compulsions, which was accepted by the Board of Directors of the Company.

** : Mr. Ramdas T. Rajguroo, a non executive, independent Director resigned from the office of Directorship with effect from April 16, 2014 which was accepted by the Board of Directors of the Company.

Twentieth Annual Report 2013-2014

(iii) Board Meetings and General Meetings:

During the financial year 2013-14, Nine Board Meetings were held on May 6, 2013, May 31, 2013, August 5, 2013, September 5, 2013, September 30, 2013, November 13, 2013, November 28, 2013, February 04, 2014 and February 12, 2014.

An Extra ordinary General Meeting of the Company was held on May 30, 2013 for interalia, approving certain amendments additions and deletions in the Articles of Association of the Company as per the provisions of the Companies Act, 1956.

The last Annual General Meeting of the Company was held on Monday, September 30, 2013. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows:-

Director	No. of meetings Held Attended		Attended last AGM
Shri Jaiprakash Agarwal	9	9	Yes
Shri Lalit Agarwal	9	9	Yes
Shri Mahendra Agarwal	9	9	Yes
Shri Ramchandra Agarwal	9	8	Yes
Mr. Jaswant D.Sharma	9	9	Yes
Mr. Harikrishna Patni	9	9	Yes
Mr. Rajkumar Mehta	9	9	Yes
Mr. Jawahar D. Patil *	9	6	Yes
Mr. Alok Bharara	9	5	Yes
Mr. Ramdas T. Rajguroo **	9	5	No

*Mr. Jawahar D. Patil , resigned from the Office of Whole Time Director of the Company with effect from November 15, 2013, due to his personal compulsions, which was accepted by the Board of Directors of the Company.

** Mr. Ramdas T. Rajguroo, a non executive, independent Director resigned from the office of Directorship with effect from April 16, 2014 which was accepted by the Board of Directors of the Company.

All the information as required pursuant to requirements of Code of Corporate Governance is place on regular basis at Board Meetings.

3. Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. The Company has obtained the confirmation of the Compliance with the Code from all its Board Members and Senior Management personnel. As required by Clause 49 of the Listing Agreement, the declaration on compliance of the Company's Code of Conduct signed by the Managing Director forms a part of this Annual Report.

4. Audit Committee

The Audit Committee is duly constituted in accordance with Clause 49 (II) of the Listing Agreement. Members of the Committee are: Mr.Jaswant D. Sharma (Chairman), Mr. Rajkumar Mehta , Mr. Alok Bharara & Mr. Mahindra Agarwal. Mr.Jaswant D. Sharma (Chairman), Mr. Rajkumar Mehta and Mr. Alok Bharara are all Independent, Non- Executive Directors.

Members of the Audit Committee possess expert knowledge of Accounts, Audit and Finance. The Audit Committee Meetings were held on May 30, 2013, August 05, 2013, November 13, 2013, February 12, 2014.

The following table presents the details of attendance at the Audit Committee Meetings held during the Financial Year 2013-14.

Director	No. of Meetings Held	No of Meetings Attended
Mr. Jaswant D. Sharma(Chairman)	4	4
Mr. Rajkumar Mehta	4	4
Mr. Mahindra Agarwal	4	4
Mr. Alok Bharara	4	4

The powers and role of the Audit Committee is in accordance with the provisions of Clause 49 of the Listing Agreement and section 292 A of the Companies Act, 1956, and includes oversight of the Company's financial process, reviewing the financial statements, review of significant related party transactions, adequacy of internal audit and look into such matters as mandated under the Listing Agreement as amended from time to time. The role of Audit Committee includes the discussion with Internal and Statutory Auditors periodically about their scope of audit and adequacy of internal control systems.

AGARWAL INDUSTRIAL CORPORATION LIMITED

In addition, the Committee also reviews the Management Discussion and Analysis of the financial condition and results of operations, the Financial Statements, Investments made and Minutes of Board Meetings and other Committee Meetings and its recommendations on all important and vital policy matters which may have important bearing on the financial position of the Company.

(II) **Remuneration Committee**

The Remuneration Committee consists of 4 (four) Independent, Non Executive Directors and they met one time during the year 2013-14 on May 06, 2013 .

The following table presents the details of attendance at the Remuneration Committee Meetings held during the year 2013-14.

Director	No of Committee Meetings Held	No of Meetings Attended
Mr. Jaswant D. Sharma (Chairman)	1	1
Mr. Harikrishna Patni	1	1
Mr. Alok Bharara	1	1
Mr. Rajkumar Mehta	1	1

(III) **Remuneration Policy**

The Remuneration Committee of the Board constituted in compliance with the SEBI Guidelines has framed the compensation structure for the Working Directors and the Committee reviews the same from time to time based on certain performance parameters, like growth in business as well as profitability and in line with the best practices prevailing in the industry.

Details of Remuneration and Commission paid to Directors in Financial Year 2013-2014.

Managing & Whole-Time Directors

The details of payment to the Managing and Whole-Time Directors for the Financial Year 2013-14 are as follows:

Name	Salary (₹)	Commission
Mr. Jaiprakash Agarwal	24,00,000 p.a.	NIL
Mr. Lalit Agarwal	13,95,000 p.a.	NIL
Mr. Ramchandra Agarwal	18,00,000 p.a.	NIL

5 **SHAREHOLDER/INVESTOR GREIVANCE TRANSFER COMMITTEE:**

The Shareholders'/ Investors' Grievance Committee of the Company, inter-alia, reviews and considers the report of Ankit Assignments regarding number of various types of complaints/ requests received, handled and balances, if any. Members of the Committee are : Mr. Harikrishna Patni, (Chairman), Mr. Jaswant D. Sharma, Mr. Rajkumar Mehta & Mr. Alok Bharara. The Committee meetings were held on May 30, 2013 , August 5, 2013, November 13, 2013 and February 12, 2014

The attendance at these meetings was as under:

Director	No. of Meetings Held	No of Meetings Attended
Mr. Harikrishna Patni (Chairman)	4	4
Mr. Jaswant D. Sharma	4	4
Mr. Rajkumar Mehta	4	4
Mr. Alok Bharara	4	4

There were no pending shareholder/investor complaints as on March 31, 2014. The Complaints, if any received during the year under reference were resolved promptly to the satisfaction of the investors.

6. ANNUAL GENERAL MEETINGS

Details of Annual General Meetings

a) The particulars of last three Annual General Meeting of the Company are as under.

Date & Year	Time	Location
30/09/2013	11.00 A.M	Unit - 12, A-Wing, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074
29/09/2012	11.00 A.M	Unit - 4, B-Wing, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074
30/09/2011	11.00 A.M	Unit - 4, B-Wing, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074

b) Whether special resolutions were put through postal ballot last year? - No

c) Are votes proposed to be conducted through postal ballot this year? - No

7. DISCLOSURE

(i) Basis of Related-Party Transactions:

All the related party transactions are generally done on arm's length basis. The Company places all the relevant details of related party transactions, entered in the normal course of business before the Audit Committee, from time to time. There was no material party transaction, which was not in the normal course of the business, entered into by the Company during the year. Attention of the Members is drawn to the disclosures of transactions with related parties set out in Notes forming part of the Financial Statements.

(ii) Non-Compliance/ Strictures/ Penalties Imposed :

No non compliance/ strictures/ penalties have been imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matters related to capital markets during the last three years.

(iii) Disclosure of Accounting Treatment :

Your Company has followed all relevant Accounting Standards while preparing the Financial Statements.

(iv) Risk Management :

Risk evaluation and management is an ongoing process within the Organization.

Your Company has a comprehensive risk management policy and it is periodically reviewed by the Board of Directors. During the period under review, a presentation in the critical risks and their mitigation plans devised by respective units were made to the Board. Audit Committee of the Company also gives its recommendations from time to time in this regard.

(v) Management :

Management Discussion and Analysis Report is prepared in accordance with the requirements laid down in Clause 49 of the Listing Agreement and forms part of this Annual Report.

No Material transaction has been entered into by the Company with the Promoters, Directors or the Management, their relatives or its subsidiaries etc... that may have a potential conflict with interests with the Company.

(vi) Report on Corporate Governance :

A Separate section on Corporate Governance forms part of the Annual Report. The Certificate from the Statutory Auditors confirming compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement forms part of this Report.

8. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

Auditor's Certificate with respect to compliance with Clause 49 of the Listing Agreement relating to corporate Governance has been annexed to the end of this Report.

AGARWAL INDUSTRIAL CORPORATION LIMITED

9. CEO/CFO CERTIFICATION

As required under Clause 49 of the Listing Agreement, the CEO/CFO Certificate was placed before the Board.

10. GENERAL SHAREHOLDER'S INFORMATION

- | | | |
|----|--|---|
| 1 | Annual General Meeting
Date & Time
Venue | September 30, 2014 at 11 A.M.
Unit No.12, A Wing, 1st Floor, Sita
Estate, Aziz Baug, Mahul Road,
Chembur, Mumbai - 400 074. |
| 2 | Financial Year
Financial Year : April 01, 2014 To March 31, 2015

Quarterly results will be declared as per the
Following tentative schedule:

Un-audited Financial results for the
quarter ending June 30,
2014

Un-audited Financial results for the
Six months period and quarter ending September 30,
2014

Un-audited Financial results for the
Nine months period and quarter ending December 31,
2014.

Audited results for the
year ending March 31, 2015. | Published on August 14, 2014

Will be published on or before November 14, 2014

Will be published on or before February 14, 2015

Will be published on or before May 30, 2015 |
| 3. | Means of Communication
Newspapers in which the results are published -
Website on which the Results are uploaded - | Economic Times & Navshakti
www.aicltd.in |
| 4. | Dates of Book Closure | September 23, 2014 to September 30, 2014
(Both days inclusive) |
| 5. | Dividend | The Directors of your Company have recommended
payment of dividend of ₹ 1.40 per Equity Share of ₹ 10/
each for the Financial Year ended March 31, 2014,
subject declaration/ confirmation of the Members of
the Company at the ensuing Annual General Meeting.
Such Dividend shall be paid to those

Shareholders whose names appear on the Register
of Members as on September 22, 2014.

The dividend pay out would be effected on or after
October 04, 2014. |
| 6. | Listing on Stock Exchanges * | The Shares of your Company are listed on
Bombay Stock Exchange Limited
P. J. Towers, Dalal Street, Mumbai - 400001. |

* The Equity Shares of your Company have also been listed on the National Stock Exchange with effect from May 26, 2014

6a. *Your Company has paid the Annual Listing Fee for the Financial year 2014-15 to the Stock Exchanges.*

- | | | |
|----|-------------------|--|
| 7. | Stock Code | 1) Bombay Stock Exchange: Scrip Code-531921
ID-AGARIND
2) The National Stock Exchange:
Scrip Symbol-AGARIND
Series-EQ
(ISIN : INE204E01012) |
|----|-------------------|--|

8. Market price Data and Performance:

(₹)

Month		High	Low
April 2013	185.00	135.65	
May 2013	166.00	130.25	
June 2013	148.00	90.00	
July 2013	115.00	82.15	
August 2013	93.80	71.00	
September 2013	90.90	61.65	
October 2013	105.90	72.00	
November 2013	118.60	85.00	
December 2013	157.00	88.00	
January 2014	178.00	151.25	
February 2014	180.00	144.40	
March 2014	172.90	135.10	

Period ..Financial Year 2013 -2014

All Prices in ₹

Year	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	*Spread-H-L	*Spread-C-O
2013	135.85	185.00	135.65	160.65	269,467	3097	40,587,235	49.35	24.80
2014	151.75	172.90	135.10	136.15	497,615	8779	71,763,962	37.80	-15.60

9 Registrar and Share Transfer Agent :

ANKIT CONSULTANCY PVT LTD
60, Electronic Complex , Padeshi Pura
Indore, -452010 (M.P)

10. Share Transfer System

The Board has delegated the power of Share Transfer to your Company's Registrar and Share Transfer Agent, ANKIT CONSULTANCY PVT LTD (address mentioned above) for processing of Share transfer.

11 Compliance Officer

Mr. Rakesh Bhalla ,
Chief Financial Officer & Company Secretary

12. Dematerialisation of Shares

As on March 31, 2014, 97.32% shares of your Company are held in the electronic mode

13. Investor Complaints

Investor Complaints to be addressed to Registrar and Share Transfer Agent or to Mr. Rakesh Bhalla, Compliance officer at the addresses mentioned earlier.

AGARWAL INDUSTRIAL CORPORATION LIMITED

14. Shareholding Pattern as on March 31, 2014

Category	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
NON PROMOTERS				
Individuals	1493	92.91	2139818	38.82
Bodies Corporate	83	5.16	428495	7.77
Non Resident Bodies Corporate	NIL	NIL	NIL	NIL
FIs	NIL	NIL	NIL	NIL
NRI/OCBs	1	0.06	7	0.00
Mutual Funds Bank, Financial Institution & Insurance Companies	NIL	NIL	NIL	NIL
Any Other (Clearing Member)	9	0.56	4035	0.07
Total	1586	98.69	2572355	46.66
PROMOTERS				
	No of shareholders	% of shareholders	No of shares held	% of Shareholding
Promoters	21	1.31	2940545	53.34
Total	1607	100.00	5512900	100.00

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2014

No. of Equity Shares Held	No. of Shareholders	%	Share Amount in ₹	%
Up to 1000	748	46.55	379860	0.68
1001 - 2000	166	10.33	291760	0.53
2001 - 3000	77	4.79	207050	0.38
3001 - 4000	64	3.98	236540	0.43
4001 - 5000	81	5.04	391770	0.71
5001 - 10000	138	8.59	1084370	1.97
10001 - 20000	105	6.53	1515960	2.75
20001 - 30000	57	3.55	1401120	2.54
30001 - 40000	33	2.05	1171730	2.13
40001 - 50000	21	1.31	932810	1.69
50001 - 100000	42	2.61	3179210	5.77
100000 ABOVE	75	4.67	44336820	80.42
Total	1607	100.00	55129000	100.00

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

Agarwal Industrial Corporation Ltd

We have examined the compliance of the conditions of Corporate Governance by Agarwal Industrial Corporation Ltd. for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing agreement of the said Company with the Bombay Stock exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination is limited to the procedures and implementation thereof, adopted by the Company for ensuring such compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in all material respect with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances pending against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further State that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Place: Mumbai
Date : 03/09/2014

For LADHA SINGHAL & ASSOCIATES
Chartered Accountants
(Firm Registration No. 120241W)

Ajay Singhal
M. No. 104451

CODE OF CONDUCT DECLARATION

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Bombay Stock Exchange and the National Stock Exchange, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the code of conduct, as applicable to them, for the financial year ended March 31, 2014.

Jaiprakash Agarwal
Managing Director

Place: Mumbai
Date : 03/09/2014

AGARWAL INDUSTRIAL CORPORATION LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS – ANNEXURE B

The Management of Agarwal Industrial Corporation Ltd is pleased to present Management Discussion and Analysis Report for the year ended 31st March, 2014.

The Indian Economy

The economy of India is the tenth-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP). The country is one of the G-20 major economies, a member of BRICS and a developing economy that is among the top 20 global traders according to the WTO. India was the 19th-largest merchandise and the 6th largest services exporter in the world in 2013; it imported a total of \$616.7 billion worth of merchandise and services in 2013, as the 12th-largest merchandise and 7th largest services importer. India's economic growth slowed to 4.7% for the 2013-14 fiscal year, in contrast to higher economic growth rates in 2000s. IMF projects India's GDP to grow at 5.4% over 2014-15. Agriculture sector is the largest employer in India's economy but contributes a declining share of its GDP (13.7% in 2012-13). Its manufacturing industry has held a constant share of its economic contribution, while the fastest-growing part of the economy has been its services sector - which includes construction, telecom, software and information technologies, infrastructure, tourism, education, health care, travel, trade, banking and others components of its economy.

Despite the slackness and sluggishness in the Indian economy which is trailing behind for some time now, it is estimated that India which is the third largest economy will become the world's third largest by the year 2050. For achieving this, a need for more robust and vast infrastructure is inevitable. Spanning from roadways to airways, ports to airports to power production facilities, Indian infrastructure segment is the thrust for the development of the nation and hence enjoys intense attention from top grade policy makers of the country. Liberal and supportive Government policies coupled with deliberate strategies to promote infrastructure spells great opportunity for manufacturing, engineering and construction companies in India.

Bitumen Market Analysis And Segment Forecasts

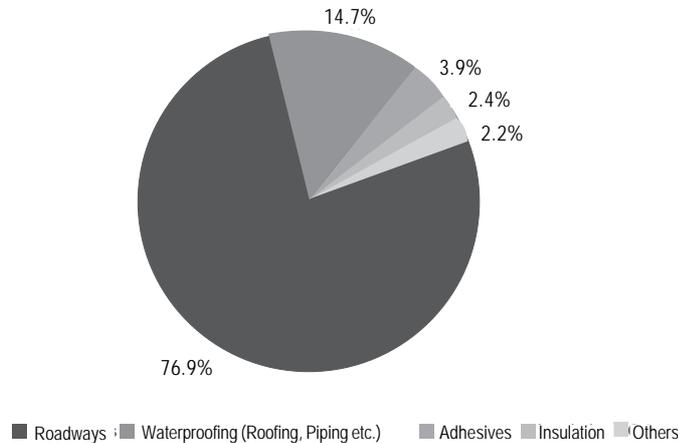
Global Industry Insights

Bitumen is petroleum product derived from heavy crude oil and is extensively used in road construction and as a waterproofing agent. With the growing infrastructural activities in high growth markets such as China, Brazil and India, the demand for bitumen is expected to grow at a steady pace over the next six years. Bitumen is available in a variety of products; with paving grade bitumen being the most commonly used. Paving grade bitumen is used in the formation of road bases and was the highest consumed type of bitumen in 2012 accounting for over 70% of global bitumen consumption. The other commonly available forms of bitumen include oxidized bitumen, cutback bitumen, bitumen emulsion and Polymer Modified Bitumen (PMB). PMB involves the addition of various polymers to bitumen in order to enhance its physical and chemical properties. This segment is expected to witness the fastest growth over the forecast period as a result to increasing application scope in developed countries such as U.S., Germany and Canada among others. The global demand for bitumen was 112.53 million tons in 2013 and is expected to reach 135.07 million tons in 2020, growing at a CAGR of 2.7% from 2014 to 2020. The market revenue is expected to reach USD 95.77 billion by 2020, growing at an estimated CAGR of 3.8% from 2014 to 2020.

Application Insights

Application markets covered in this report include roadways/road construction, waterproofing (roofing), adhesive and insulation. Road construction was the largest application of bitumen and accounted for over 75% of global consumption in 2013. Infrastructural activities on improving road networks in developed and developing nations is expected to drive bitumen demand. In addition, increasing applications of polymer modified bitumen (PMB) as chemical additives, adhesives, in household construction and road construction is expected to have a positive impact on the market. Waterproofing was the second largest application of bitumen and consumed over 16 million tons of bitumen in 2013. Waterproofing forms an important part of roofing and building construction. The growing infrastructural activities in developing countries such as China and India are expected to drive the growth of bitumen for its use in waterproofing.

Bitumen Market Volume Share, by application, 2013



Future Perspective (Infrastructure Sector)

India's Planning Commission has projected an investment of US\$ 1 trillion for the infrastructure sector during the 12th Five-Year Plan (2012-17), with 40 per cent of the funds coming from the country's private sector. India's focus on infrastructure since the turn of the millennium has helped make it the second fastest growing economy in the world. The country's constant growth gives investors, domestic and foreign, a tremendous opportunity for investment in its infrastructure sector. While the role of foreign investment in the sector cannot be overstated, domestic companies too are making a mark abroad. A strong infrastructure sector is vital to the development of a country's economy. Here, the Indian government has played an important role. Just recently, it allowed 100 per cent foreign direct investment (FDI) under the automatic route for port development projects.

The government has also, this year, decided to convert roads into national highways, and has sought collaboration with Sudan in the field of renewable energy.

Market Size

The value of total roads and bridges infrastructure in the country is projected to grow at a compound annual growth rate (CAGR) of 17.4 per cent over FY 12-17. India's roads and bridges infrastructure, which was valued at US\$ 6.9 billion in 2009, is expected to reach US\$ 19.2 billion by 2017.

Investments

The FDI inflows in construction (infrastructure) activities during the period April 2000 - March 2014 stood at US\$ 2,575.79 million, as per the data released by Department of Industrial Policy and Promotion (DIPP).

The market of Bitumen is basically a function of growth of road infrastructure growth in the country. The ambitious road expansion and up-gradation plans by the government in next 5-year plan augur well for the growth of Bitumen Industry. Market Sales of Bitumen is approximately 5000 TMT/ year with a growth of 10-12% per annum.

Manufacturing Facilities

Yours is a well diversified Company and is engaged in the business of manufacturing and trading of Petrochemicals (Bitumen and Bitumenous products), Transportation and Wind Mills and all these activities are invariably associated with the infrastructure sector. Our growth is linked to the development and growth of this sector and any major policy change by the Government of India as necessitated by Global economy or otherwise may severely affect our operations too and thus requires your Company's continuous monitoring and vigil of this sector. Conservation of environment has always been a focused area for your Company and in this pursuit is generating power through Wind Mills.

AGARWAL INDUSTRIAL CORPORATION LIMITED

Our manufacturing plants at Belgaum and Hyderabad and bulk Bitumen import facility at Karwar Port in Karnataka where Bulk cargos of the Bitumen are imported are functioning smoothly and are primarily catering to markets in and around Karnataka. Your Company's Wholly Owned Subsidiary Company - Bituminex Cochin Pvt Ltd, at Kerala undertakes similar business and its overall performance has been satisfactory and is growing.

Financial Performance And Operations:

The key indicators of your Company's financial performance for the year ended March 31, 2014 are presented in the accompanying financial statements, which have been prepared in accordance with the requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) and Accounting Standards prevailing in India.

Your Directors feel pleasure to report that during the financial year 2013-2014, your Company achieved a Turnover of ₹17,704.36 Lacs and made a Net Profit before Interest and depreciation of ₹ 1372.41 Lacs as compare to Turnover of ₹ 11654.51 Lacs and made Profit before Interest and Depreciation of Rs. 1100.10 Lacs in the previous Financial year. Your Company's Net Profit after Tax for the Financial Year 2013-14 was ₹ 496.58 Lacs as compared to ₹ 335.82 Lacs in the Financial Year 2012 - 2013. The Net Worth of the Company for the Financial Year 2013-14 was ₹ 3832.54 Lacs as compared to ₹ 3425.67 lacs during the Financial Year 2012-13, thus indicating an impressive growth on all these fronts. Your Company is hopeful to sustain its growth track record and expects to perform better in the current financial year 2014-15.

Dividend

Your Directors have recommended a dividend of ₹ 1.40 on per equity share of ₹ 10 each for the Financial Year ended March 31, 2014 subject to declaration/ confirmation of the members at the ensuing Annual General Meeting of your Company.

Segment Wise /Product Wise Performance

Presently, your Company's operations are related to Trading and Manufacturing of Petrochemicals (Bitumen and Bituminous products), Transportation for Bitumen and LPG and power geration through Wind mill operations.

For Segment wise/ Product wise performance of the Company, please refer to Notes to Financial Statements of the Company.

Risks And Concerns

Industry Risks

Your Company does not face major industry riskas it operates under various business segments like manufacturing and trading of Bitumen and Bituminous products, logistics and transportation and energy generation through wind mills operations for energy generation and all these segments cater to infrastructural sector, the growth and development of which is pre condition for economy and industrial growth of the country. No responsible government can ignore this sector and hence, growth and development of infrastructure sector is imminent. Thus, keeping in view of above factors, our Company fore sees least industry risks.

Nevertheless, your Company regularly monitors the economic and industrial trends and reviews its short and long term business policies and strategies accordingly.

Geographic Concentration Risk

Your Company does not run any geographic concentration risk as it has manufacturing facilities in different states and regions and it shall continue to pursue this policy of non- concentration of facilities in one particular state or region.

Cost Risk

The Company does not envisage any major cost risk as the increased costs are generally passed on to the end users. However, as on going process, various cost reduction measures are initiated by the Company from time to time.

Competition Risk

There are no major competition risks to our Company as in our business segments, there is large potential for growth and expansion in all spheres of manufacturing, trading and service activities.

Our Strengths, Opportunities And Threats

Our Strengths

- *A profitable, dividend paying Company*
- *Well established, integrated and diversified Company*
- *Promoters with over 4 decades of Industry experience*
- *Fine combination of backward and forward integration*
- *Healthy Financials with with low debt- equity ratio*
- *Lower PE Ratio on future profitability leading scope for enhanced capital valuation*
- *Capex requirements primarily from own resources*
- *Strong relationships with oil companies , transport contractors and other clients, Banks, Institutions*
- *Eminent Board of Directors*
- *Benefits of a Listed Company*

Opportunities ahead

- *Endless opportunities for expansion of Bitumen & Bitumenous Products as Road Construction within the ambit of*
- *Infrastructure projects under Govt's priority agenda.*
- *Huge deficit in power demand and power supply leaving tremendous scope for expansion of Wind Power Mills*
- *Import of Bitumen under favorable EXIM Policy of Govt of India provides ready road construction projects*
- *Backward integration in Bitumen production and energy generation would minimize dependency on oil companies*

Threats

There are no major threats before us as ours is a well diversified and fundamentally strong Company with clear vision for future growth and prosperity.

Internal Control Systems

The Company has appropriate and adequate system of internal control to ensure that all its assets are safeguarded. The Company has established an internal audit department, which ensures adequate review of the whole Company's internal control systems. The corporate audit's main focus is to provide to the Audit Committee and the Board of Directors an independent, objective and reasonable assurance of the adequacy and effectiveness of the organization's risk management control and governance process.

Human Resources

Human resources are the best assets of our organisation. We are committed to attract, develop and retain high quality talent. We promote a culture of higher commitment and entrepreneurial approach across all over management positions to foster organization's growth. During the year under report, your company maintained harmonious and cordial industrial relations with its staff and employees.

Safety , Health And Development

In order to sustain human capital and social development, the Company actively pursues Safety, Health and Environmental issues in a continuous manner.

Information Management

Our Information Management systems continue to play a vital role in sustaining the competitive position in the market and supporting the growth of our Company.

Cautionary Statement

Certain statements in this report on "Management's Discussion and Analysis" are forward looking statements and have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of **Agarwal Industrial Corporation Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Agarwal Industrial Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

AGARWAL INDUSTRIAL CORPORATION LIMITED

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Ladha Singhal & Associates

Chartered Accountants

(Firm Registration No. 120241W)

Ajay Singhal

(Partner)

Place: Mumbai

Dated: 30th May 2014.

M. No. 104451

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of **Agarwal Industrial Corporation Limited** ("the Company") for the year ended 31st March, 2014. We report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The assets have been physically verified by the management during the year under a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off a major part of the plant and machinery and as such the going concern status of the company is not affected.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has granted interest free unsecured loan to wholly owned subsidiary covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.121 Lacs and the year-end balance of loan granted to such party was Rs. 121 Lacs.
- (b) The other terms and conditions of such loan are not prime facie prejudicial to the interest of the company.
- (c) The loan granted is repayable on demand and have been repaid as and when demanded back.
- (d) There is no overdue amount of loan granted to the subsidiary company listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and Services. Further on the basis of our examination of books and records of the company, and according to information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanation given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information explanations given to us, the company has not accepted any deposits from public within the meaning of section sections 58A and 58AA of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub section (1) of section 209 of the Act in respect

AGARWAL INDUSTRIAL CORPORATION LIMITED

of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix) (a) The company is regular in depositing the undisputed statutory dues including Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it with the appropriate authority.
- (b) According to the information and explanation giving to us no undisputed amount payable in respect of above were in arrears, as at 31st March, 2014 for a period of more than six months from the date they become payable.
- (c) According to the information and explanation given to us, details of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, cess which have not been deposited as on 31st March, 2014 on account of any dispute are given below:

Excise Duty, Cess, Which have not been deposited an account of disputes and the forum where the dispute is pending are as under :

Name of Statute	Nature of the dues	Unpaid disputed Amount (in Lacs)	Period for which the amount relates	Forum where dispute is pending
The Karnataka Tax on Entry of Goods Act, 1979	Tax on Entry of Goods	39.75	April 2011 to March 2012	JCCT Appeal
The Karnataka Value Added Tax, 2003	Sales Tax Demand	0.97	April 2011 to March 2012	JCCT Appeal
Central Sales Tax, 1956	Sales Tax Demand	0.93	April 2010 to March 2011	JCCT Appeal
The Karnataka Tax on Entry of Goods Act, 1979	Tax on Entry of Goods Demand	38.35	April 2010 to March 2011	JCCT Appeal
Income Tax Act	Income Tax Demand	20.25	A.Y. 2003-04	Rectification
Income Tax Act	Income Tax Demand	17.50	A.Y. 2004-05	Rectification

- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank. The Company has not obtained any borrowing by way of debentures.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund or nidhi/mutual benefit fund/societies are not applicable to the Company.

- (xiv) The company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) As informed to us the company has not given guarantees for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to information given to us, the company has applied the term loan for the purpose for which the loans were obtained.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanation given to us, the Company has not prima-facie used the funds raised on short-term basis for long-term investment.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Ladha Singhal & Associates
Chartered Accountants
(Firm Registration No. 120241W)

Ajay Singhal
(Partner)
M. No. 104451

Place: Mumbai
Dated: 30th May 2014.

AGARWAL INDUSTRIAL CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lacs)

	Note No.	As At 31.03.2014	As At 31.03.2013
EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	551.29	551.29
(b) Reserves and Surplus	3	3,281.26	2,874.38
		3832.55	3425.67
2. Non - Current Liabilities			
(a) Long Term Borrowing	4	408.54	239.54
(b) Deferred Tax Liability	5	107.85	128.03
		516.39	367.57
3. Current Liabilities			
(a) Short Term Borrowing	6	2,624.79	1,791.34
(b) Trade Payables	7	321.27	274.70
(c) Other Current Liabilities	8	763.44	511.77
(d) Short Term Provisions	9	90.14	64.51
		3,799.64	2,642.32
TOTAL		8,148.58	6,435.56
ASSETS			
1. Non - Current Assets			
(a) Fixed Assets (Net Block)			
(i) Tangible Assets	10	2,787.09	2,470.25
(b) Non Current Investment	11	232.55	232.55
(c) Long Term Loans & Advances	12	173.85	176.35
		3,193.50	2,879.15
2. Current Assets			
(a) Inventories	13	480.43	476.07
(b) Current Investments	14	10.00	-
(c) Trade Receivable	15	2,723.94	1,706.39
(d) Cash & Cash Equivalents	16	747.43	522.83
(e) Short Term Loans & Advances	17	984.45	846.91
(f) Other Current Assets	18	8.83	4.21
		4,955.08	3,556.41
TOTAL		8,148.58	6,435.56

Significant Accounting Policies
Notes forming part of the financial statements

1
28 to 35

As per our report of even date
For LADHA SINGHAL & ASSOCIATES
Chartered Accountants
(Firm Regd. No. 120241W)

FOR & ON BEHALF OF BOARD

(AJAY SINGHAL)
PARTNER
M.No. 104451
Place : Mumbai
Date :-30th May 2014

(JAIPRAKASH AGARWAL)
MANAGING DIRECTOR
(DIN : 01379868)

(MAHENDRA AGARWAL)
DIRECTOR
(DIN : 01366495)

(LALIT AGARWAL)
WHOLE TIME DIRECTOR
(DIN : 01335107)

(RAKESH BHALLA)
CFO & Company Secretary

**Twentieth Annual Report
2013-2014**

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	NOTE NO.	Year Ended 31.03.2014	Year Ended 31.03.2013
A CONTINUING OPERATIONS			
I Gross Revenue	19	17,641.09	11,674.98
II Other Income	20	63.28	(20.47)
III Total Revenue (I + II)		17,704.37	11,654.52
IV Expenses			
Operating Expenses	21	2,189.44	1,890.15
Cost of Material Consumed	22	3,904.87	2,856.71
Purchase of Stock in Trade		9,418.76	4,827.58
Change in Inventories	23	13.33	398.33
Employee Benefits Expenses	24	192.33	152.08
Manufacturing and Other Direct Expenses	25	396.58	289.55
Finance Cost	26	325.41	201.44
Depreciation and Amortization Expense	10	414.69	389.70
Other Expenses	27	216.63	140.01
TOTAL EXPENSES		17,072.06	11,145.56
V Profit / (Loss) before Exceptional and Extraordinary Items and Tax (III-IV)		632.31	508.96
VI Exceptional Items / Extraordinary Items		—	—
VII Profit / (Loss) Before Tax (V-VI)		632.31	508.96
VIII Tax Expense:			
(a) Current Tax		127.00	101.83
(b) Deferred Tax (Asset) / Liability		(20.19)	(2.09)
(c) Mat Credit Utilisation (Net)		28.92	73.40
		135.73	173.14
XI Profit / (Loss) from Continuing operations (VII-VIII)		496.58	335.82
B DISCONTINUING OPERATIONS			
X Profit/(Loss) for the Year from Discontinuing Operations		—	—
C TOTAL OPERATIONS			
XI. Profit / (Loss) for the Year (IX + X)		496.58	335.82
XII. Earnings Per Equity Share of ₹10/- each :			
Weighted average no. of shares (Basic & Diluted)		5,512,900	4,364,883
(1) Basic Earning Per Share (₹)		9.01	6.09
(2) Diluted Earning Per Share (₹)		9.01	7.69
Significant Accounting Policies	1		
Notes forming part of the financial statements	28 to 35		

As per our report of even date
For LADHA SINGHAL & ASSOCIATES
Chartered Accountants
(Firm Regd. No. 120241W)

FOR & ON BEHALF OF BOARD

(AJAY SINGHAL)
PARTNER
M.No. 104451
Place : Mumbai
Date :-30th May 2014

(JAIPRAKASH AGARWAL)
MANAGING DIRECTOR
(DIN : 01379868)

(MAHENDRA AGARWAL)
DIRECTOR
(DIN : 01366495)

(LALIT AGARWAL)
WHOLE TIME DIRECTOR
(DIN : 01335107)

(RAKESH BHALLA)
CFO & Company Secretary

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Significant Accounting Policies

a) Background:

Agarwal Industrial Corporation Ltd is a public company incorporated under the provisions of the Companies Act, 1956. The Company is principally engaged in the business activities of manufacturing and trading of Petrochemicals (Bitumen and Bituminous Products), Logistics of Bitumen and LPG and energy generation through Wind Mills.

b) Basis Of Preparation:

The financial statements have been prepared in accordance with the Generally Accepted accounting Principles in India under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

c) Significant Accounting Policies:

i. Use of Estimates

The preparation of the financial statements in conformity with the Indian GAAP requires management to make judgement, estimates and assumptions that affects the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

ii. Revenue Recognition

The Company follows Mercantile system of Accounting and Income and expenditure are recognised on accrual basis.

iii. Fixed Assets

All fixed Assets are stated at cost of acquisition less accumulated depreciation (net of cenvat, wherever availed). All cost relating to the acquisition and installation of the fixed assets are capitalised and includes financing costs relating to borrowed fund attributable to the acquisition of fixed assets up to the date the fixed assets is put to use.

iv. Depreciation

Depreciation has been provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

v. Impairment

An asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognised as an expense in the statement of Profit & Loss in the year in which as asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been an improvement in recoverable amount.

vi. Inventories Valuation

Raw material and Packing Material: At lower of Cost or Net realisable value. The cost is arrived at on first-in-first-out basis and net of cenvat credit availed.

Finished Goods and Semi Finished Goods: At lower of Cost or Net realisable value. Cost includes appropriate allocation of overheads and is arrived at on first-in-first-out basis.

vii. Investments

Long term investments are stated at cost less provision for diminution in value other than temporary, if any.

Current investments are stated at lower of cost and fair value.

viii. Borrowing Cost

Borrowing Costs that are attributable to the acquisition and construction of qualifying assets are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

ix. Foreign Currency Transaction

Foreign currency transactions are accounted on the basis of exchange rate prevailing at the time of transaction. The foreign currency transaction remains outstanding at year-end are restated at rate prevailing as on 31st March. The Exchange difference if any arises due to exchange fluctuation is charged to Statement of Profit and Loss.

x. Taxes on Income

Current Tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced upto the balance sheet date. Deferred Tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the Profit & Loss account of the respective year of change.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the asset is created by way of a credit to the Statement of Profit & Loss and shown as MAT Credit Entitlement. The company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during specified period.

xi. Retirement Benefits

Short Term and Long Term Employee Benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services.

AGARWAL INDUSTRIAL CORPORATION LIMITED

xii. Earning Per Share

Basic earning per share are calculated by dividing the net profit /(loss) for the year attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xiii. Segmental Reporting

The Company is engaged in the business segment namely transportation, service centre, power generation by windmill and manufacturing of Bitumen & Bituminous Products. Segment assets include all operating assets used by a segment and consist primarily of debtors, current assets and fixed assets net of provisions and allowance. Segment liabilities include all operating liabilities and consist principally of creditors and other payables.

xiv. Provisions, Contingent Liabilities And Contingent Assets

Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated

Contingent liabilities are disclosed in respect of possible obligation that arises from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent Assets are neither recognized nor disclosed in the financial statements.

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Note 2 : Share Capital

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised:		
60,00,000 (60,00,000) Equity Shares of ₹ 10/- each	600.00	600.00
TOTAL	600.00	600.00
Issued, Subscribed and Paid up:		
55,12,900 (55,12,900) Equity Shares of ₹10/- each with voting rights, fully paid up	551.29	551.29
TOTAL	551.29	551.29

(i) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Number of shares at the beginning of the year	55.13	40.93
Add: Issue of Shares during the year (Reissue of forfeited shares)	—	14.20
Number of shares at the end of the year	55.13	55.13

(ii) Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Detail of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :

Nil Nil

(iv) Details of shareholder holding more than 5% shares in the company :

Name of Share Holder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ramchandra Agarwal	370,700	6.72	370,700.00	6.72
Jaiprakash Agarwal	407,600	7.39	407,600.00	7.39
Mahendra Kumar Agarwal	362,600	6.58	362,600.00	6.58
Kishan Kumar Agarwal	348,200	6.32	348,200.00	6.32
Jugalkishore Agarwal	331,500	6.01	331,500.00	6.01
Lalit Kumar Agarwal	302,000	5.48	302,000.00	5.48

AGARWAL INDUSTRIAL CORPORATION LIMITED

Note 3 : Reserves & Surplus

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a) Security Premium	1,576.31	1,576.31
b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	1,215.95	806.30
Add/(Less): Profit/(Loss) for the year	496.58	335.82
Less: Utilisation of reserves		
- Proposed Dividend	77.18	52.38
- Tax on Proposed Dividend	12.52	8.50
	1,622.82	1,081.24
Add: - MAT Credit for Earlier Period	—	134.71
	1,622.82	1,215.95
c) Share Forfeiture	82.12	82.12
TOTAL	3,281.26	2,874.38

Note 4 : Long Term Borrowing

(₹ in Lacs)

Particulars	Non-Current Portion		Current Portion	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured Loans				
Term Loans				
(i) From Bank	408.54	239.54	384.92	271.12
	408.54	239.54	384.92	271.12
(Secured against Hypothecation of specific vehicle and is repayable in equated monthly installment over the tenure of the loan)				
Total	408.54	239.54	384.92	271.12

Note 5 : Deferred Tax Liability

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liability		
Related to Fixed Assets	107.85	128.03
TOTAL	107.85	128.03

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Note 6 : Short Term Borrowing

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured Loans		
(i) From Bank		
Working Capital Facility	2,624.79	1,791.34
(Secured against Hypothecation of Stock & Book Debts and secured by mortgage and charge on all movable assest of the Company and personal guarantee of the Directors)		
TOTAL	2,624.79	1,791.34

Note 7 : Trade Payables

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Payables:		
Payable for Goods & Services	321.27	274.70
TOTAL	321.27	274.70

Based on the information available with the company, obtained on verble confirmation, there are no dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March 2014

Note 8 : Other Current Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Other Payable		
Current maturity of Long Term Borrowings (Refer Note No 4)	384.92	271.12
Payable for Expenses	3.15	13.34
Payable for Capital Goods	26.52	11.55
Statutory Remittances	201.84	138.52
Advances From Customer	61.18	27.43
Unclaimed Dividend	4.63	2.19
Other Liability	81.19	47.62
TOTAL	763.44	511.77

Note 9 : Short Term Provisions

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Proposed Dividend	77.18	52.38
Provision for Tax on Proposed Dividend	12.52	8.50
Provision for Taxation (Net of Taxes Paid)	0.44	3.63
TOTAL	90.14	64.51

AGARWAL INDUSTRIAL CORPORATION LIMITED

Note 10 : Fixed Assets NOTES FORMING PART OF FINANCIAL STATEMENT AS AT 31ST MARCH 2014

Description	GROSS BLOCK (AT COST)				Accumulated Depreciation			NET BLOCK		
	Balance as at 01.04.2013	Add during the year	Deductions/ Adjustments	Balance as at 31.03.2014	Balance as at 01.04.2013	Depreciation for the year	Deduction & adjustment	Balance as at 31.03.2014	Balance as at 31.03.2013	
TANGIBLE ASSETS OWNED										
Commercial Vehicles	2604.54	540.13	—	3144.67	1626.63	309.85	—	1936.48	1208.19	977.91
Furniture & Fixtures	10.96	42.39	-	53.36	3.22	1.86	—	5.08	48.27	7.74
Computers & Printers	12.60	3.10	-	15.70	10.83	1.22	—	12.06	3.65	1.77
Office & Other Equipments	55.92	24.22	(0.04)	80.10	4.91	3.13	(0.03)	8.01	72.09	51.00
Other Vehicles	104.00	19.81	(16.09)	107.72	30.14	9.30	(3.38)	36.06	71.66	73.86
Borewell	3.13	1.05	—	4.18	0.07	0.10	—	0.18	4.00	3.06
Wind Mill	1,119.89	—	—	1,119.89	527.61	59.13	—	586.74	533.15	592.28
Plot	43.85	—	—	43.85	—	—	—	—	43.85	43.85
Workshop	29.82	—	—	29.82	2.33	0.49	—	2.82	27.00	27.49
Land	49.29	—	—	49.29	—	—	—	—	49.29	49.29
Plant & Machinery	545.00	32.39	—	577.40	19.45	26.69	—	46.14	531.26	525.55
Factory Land	39.79	—	—	39.79	—	—	—	—	39.79	39.79
Factory Building	63.60	27.71	—	91.31	4.84	2.91	—	7.76	83.55	58.76
TOTAL	4,682.39	690.81	(16.13)	5,357.07	2,230.04	414.69	(3.41)	2,641.32	2,715.74	2,452.35
WORK-IN-PROGRESS										
Factory Shed	10.41	—	(10.41)	—	—	—	—	—	—	10.41
AC at New Office	7.54	—	(7.54)	—	—	—	—	—	—	7.54
Building	—	71.35	—	71.35	—	—	—	—	71.35	—
TOTAL	4,700.34	762.16	(34.08)	5,428.42	2,230.04	414.69	(3.41)	2,641.32	2,767.09	2,470.30
PREVIOUS YEAR	3,869.09	846.34	(15.09)	4,700.34	1,847.17	389.65	(6.78)	2,230.04	2,470.30	2,021.92

(₹ in Lacs)

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Note 11 : Non-Current Investments

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade - Unquoted		
Investment in Equity Shares - At Cost		
6200 (6200) Equity shares of Bituminex Cochin (P) Ltd of ₹ 100/- each, fully paid up	232.50	232.50
Investment in Government Securities - At Cost		
National Saving Certificate (lying with government authority) (As at 31st March, 2014 ₹ 5000)	0.05	0.05
TOTAL	232.55	232.55

Note 12 : Long Term Loans & Advances

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered good		
Security Deposit	52.85	52.03
Loan to Wholly Owned Subsidiary	121.00	100.00
Other Loans & Advances	—	24.32
TOTAL	173.85	176.35

Note 13 : Inventories

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Valued at lower of Cost or Net Realizable Value)		
Finished Goods	29.71	32.34
Semi Finished Goods	379.73	390.43
Raw Material	11.04	10.90
Stores, Spares & Packing Material	59.94	42.39
TOTAL	480.43	476.07

Note 14 : Current Investments

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Non Trade - Unquoted		
Investment in Mutual Fund		
75257 units of Reliance Arbitrage Advantage Fund - Dividend Plan (Market Value as at 31st March, 2014 ₹ 8,52,624/-)	10.00	—
TOTAL	10.00	—

AGARWAL INDUSTRIAL CORPORATION LIMITED

Note 15 : Trade Receivable

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Receivable:		
Unsecured ,Considered good		
Due for a period exceeding six months	495.75	345.25
Others	2,228.19	1,361.14
TOTAL	2,723.94	1,706.39

Note 16 : Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash on Hand	15.73	16.83
Balance with Scheduled Banks		
- In Current Accounts	674.11	448.40
- In Fixed Deposit Account	57.59	57.59
TOTAL	747.43	522.83

Note 17 : Short Term Loans & Advances

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered good		
Other Loan and Advances		
- Advances recoverable in cash or in kind or for value to be received	15.32	3.09
- Advances to Staff	36.91	2.68
- Advance to Supplier	442.02	643.54
Balance with Government Authorities		
- MAT Credit Entitlement	32.39	61.31
- Deposit with Custom Authority	25.00	—
- Deposit with Sales Tax Authority	33.89	8.36
- Amount due as refund of Additional Duty of Custom	398.91	127.93
TOTAL	984.45	846.91

Note 18 : Other Current Assets

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Accrued Interest on Fixed Deposit	8.83	4.21
TOTAL	8.83	4.21

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Note 19 : Revenue from Operations

(₹ in Lacs)

Particulars	For the year 31st March, 2014	As at 31st 31st March, 2013
Sales	14,740.55	8,880.27
Vehicle Freight Income	2,750.08	2,627.64
Labour Charges received	16.68	21.91
Wind Mill Income	133.77	145.16
TOTAL	17,641.09	11,674.98

Note 20 : Other Income

(₹ in Lacs)

Particulars	For the year 31st March, 2014	As at 31st 31st March, 2013
Exchange Rate Gain / (Loss)	34.94	(39.70)
Interest received	15.78	3.07
Miscellaneous Income	12.56	16.17
TOTAL	63.28	(20.47)

Note 21 : Operating Expenses

(₹ in Lacs)

Particulars	For the year 31st March, 2014	As at 31st 31st March, 2013
Vehicle Running & Maintenance Expenses	1,906.37	1,584.04
Freight Paid	264.98	284.07
Wind Mill Expenses	18.09	22.03
TOTAL	2,189.44	1,890.15

Note 22 : Cost of Material Consumed

(₹ in Lacs)

Particulars	For the year 31st March, 2014	As at 31st 31st March, 2013
Opening Stock	10.90	18.48
Add:- Purchases during the year	3,905.01	2,849.14
	3,915.91	2,867.62
Less: - Closing Stock	11.04	10.90
TOTAL	3,904.87	2,856.71

AGARWAL INDUSTRIAL CORPORATION LIMITED

Note 23 : Change In Inventories

(₹ in Lacs)

Particulars	For the year 31st March, 2014	As at 31st 31st March, 2013
Opening Stock		
Inventory of Finished Goods as at the beginning of the year	32.34	821.11
Inventory of Semi Finished Goods as at the beginning of the year	390.43	—
Less : Closing Stock		
Inventory of Finished Goods as at the end of the year	29.71	32.34
Inventory of Semi Finished Goods as at the end of the year	379.73	390.43
TOTAL	13.33	398.33

Note 24 : Employes Benefits Expenses

(₹ in Lacs)

Particulars	For the year 31st March, 2014	As at 31st 31st March, 2013
Directors Remuneration	55.95	43.05
Salaries, Wages and Bonus	123.58	98.58
Staff Welfare	12.81	10.45
TOTAL	192.33	152.08

Note 25 : Manufacturing and Other Direct Expenses

(₹ in Lacs)

Particulars	For the year 31st March, 2014	As at 31st 31st March, 2013
Transportation Charges	144.61	109.68
Labour Charges	38.27	8.92
Repairs & Maintenance - Machinery	31.35	15.07
Storage Terminal Rent	154.07	137.61
Other Direct Expenses	28.29	18.26
	396.58	289.55

Note 26 : Finance Cost

(₹ in Lacs)

Particulars	For the year 31st March, 2014	As at 31st 31st March, 2013
Interest Paid to Banks	325.00	201.44
Interest Paid to Others	0.42	—
TOTAL	325.41	201.44

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2013-2014**

Note 27 : Other Expenses

(₹ in Lacs)

Particulars	For the year 31st March, 2014	As at 31st 31st March, 2013
(A) Administrative Expenses		
Rent, Rates & Taxes	11.46	7.28
Payment to Auditors		
- Statutory Audit fees	1.29	1.29
- Tax Audit Fees	0.56	0.56
- Other Services	0.15	0.15
Insurance	4.19	2.18
Share Transfer Fees	1.76	2.07
Legal & Professional Charges	7.90	9.13
Bank Charges & Commission	37.75	23.51
Electric Expenses	3.25	4.61
Postage, Telegram and Telephone	9.47	7.54
Security Charges	11.37	8.44
Printing & Stationery	2.34	2.24
Vehical Expenses	7.09	4.72
Travelling & Conveyance	27.83	29.12
Repair & Maintenance - Other	1.80	1.75
Miscellaneous Expenses	15.89	16.65
	144.09	121.24
(B) Selling and Distribution Expenses		
Advertisement & Business Promotion Expenses	4.95	3.49
Commission Paid	7.19	10.19
Discount Given	51.13	4.47
Transportation Charges	9.28	0.61
	72.55	18.77
TOTAL	216.63	140.01

28. CONTINGENT LIABILITIES & EVENT OCCURRING AFTER THE BALANCE SHEET DATE:

(₹ in Lacs)

Particulars	As on 31st March, 2014	As on 31st March, 2013
a. Disputed demand not provided for in respect of:-		
i) Sales Tax (Net of Part Payment)	1.90	Nil
ii) Entry Tax (Net of Part Payment)	78.10	Nil
b. To the best of knowledge of the management, there are no events occurring after the Balance sheet date that provide additional information materially affecting the determination of the amount relating to the conditions existing at the Balance Sheet date that requires adjustment to the Assets or Liabilities of the Company.		

AGARWAL INDUSTRIAL CORPORATION LIMITED

29. Earning per share has been calculated as under:

(₹ in Lacs)

Particulars	As on 31st March, 2014	As on 31st March, 2013
Net Profit (Loss) After Tax as per Profit & Loss Account	496.58	335.82
Weighted Average number of equity shares used as denominator for calculating EPS	55,12,900	43,64,883
Basic Earning (Loss) per share	9.01	6.09
Diluted Earning (Loss) per share	9.01	7.69
Nominal Value per equity share	10	10

30. In accordance with the Accounting Standard 17 on Segment Reporting issued by the ICAI, the segment information for the year ended 31st March, 2014 is as follows:

(₹ in Lacs)

Particulars	Petrochemicals (Bitumin & Bituminous Products)	Transportation	Windmill	Total
<u>Revenue</u>				
Segment Revenue	14,715.18	2,855.42	133.77	17,704.37
<u>Result</u>				
Segment Results	456.32	56.16	56.55	569.03
Operating Profit	456.32	56.16	56.55	569.03
Other Income	35.09	28.19	—	63.28
<u>Net Profit Before Tax</u>	491.41	84.35	56.55	632.31
Taxation	—	—	—	135.73
Net Profit	—	—	—	496.58
<u>Other Information</u>				
Segment Assets	4,833.14	2,418.78	533.15	7,785.08
Unallocable corporate assets	—	—	—	363.50
Total Assets	—	—	—	8,148.58
Segment / Total Liabilities	3,166.38	633.27	—	3,799.64
Segment Capital Employed	1,666.77	1,785.52	533.15	3,985.43
Total Capital Employed	—	—	—	4,348.93

31. Related Party Disclosures

(i) Name of the related Parties and Description of relationship

Subsidiary Key Management Personnel	Bituminex Cochin Pvt Ltd. Mr. Jaiprakash Agarwal Mr. Lalit Agarwal Mr. Ramchandra Agarwal Mr. Mahendra Agarwal
Relatives of Key Management Personnel	Sudha Agarwal
Concerns in which Directors are interested	ANZ Transporters Agarwal Gas Carriers Agarwal Translink P L:td Agarwal Petrochem P Ltd

(ii) Transaction with Related Parties

(₹ in Lacs)

NATURE OF TRANSACTION	SUBSIDIARY	KMP	RELATIVES OF KMP	CONCERNS IN WHICH KMP & THEIR RELATIVES ARE INTERESTED	TOTAL
Remuneration	—	55.95 (39.00)	—	—	55.95 (39.00)
Salary	—	—	—	—	—
Sub-Contract Payment	—	—	(8.40)	252.77	252.77 (263.21)
Sub-Contract Receipt	—	—	—	174.67	174.67 (237.63)
Labour Charges Received	—	—	—	8.85	8.85 (9.15)
Sales of Spare Parts & OIL	—	—	—	31.79	31.79 (8.29)
HSD & Oil Purchase	—	—	—	181.05	181.05 (163.33)
Bitumen Purchase	—	—	—	41.07	41.07 (80.83)
Bitumen Sales	—	—	—	405.93	405.93 (674.90)
Rent Paid	—	3.90 (1.50)	—	—	3.90 (1.50)
Loan Given	21.00 (40.00)	—	—	—	21.00 (40.00)
Payable towards Expenses	—	—	—	103.88	103.88 (146.49)
Loan Receivable	121.00 (100.00)	—	—	—	121.00 (100.00)
32. Managerial Remuneration under section 198 of the Companies Act:					

₹

	2013-14	2012-13
Remuneration to Managing Directors	24,00,000	21,00,000
Remuneration to Directors	31,95,000	22,05,000
Total	55,95,000	43,05,000

33. The balances of Unsecured Loans, Creditors, Debtors and Loans and Advances are subject to confirmation and reconciliation, if any.

AGARWAL INDUSTRIAL CORPORATION LIMITED

34. Additional information of part II of schedule VI of the Companies Act, 1956 are not applicable to the company or information in this regards is Nil

a. VALUE OF RAW MATERIAL CONSUMED:

	IMPORTED		INDIGENOUS	
	Value	%	Value	%
Raw Material	34,92,71,708	89.45%	4,12,15,756	10.55%

b. **EXPENDITURE IN FOREIGN CURRENCY**

CIF Value of Import ₹ 77,25,19,352/-

35. The previous year's figures have been regrouped / reclassified, wherever requires to align the financial statement. Figures in brackets represent corresponding figures for the previous year.

As per our report of even date
For LADHA SINGHAL & ASSOCIATES
Chartered Accountants
(Firm Regd. No. 120241W)

(AJAY SINGHAL)
PARTNER
M.No. 104451
Place : Mumbai
Date :-30th May 2014

FOR & ON BEHALF OF BOARD

(JAIPRAKASH AGARWAL)
MANAGING DIRECTOR
(DIN : 01379868)

(MAHENDRA AGARWAL)
DIRECTOR
(DIN : 01366495)

(LALIT AGARWAL)
WHOLE TIME DIRECTOR
(DIN : 01335107)

(RAKESH BHALLA)
CFO & Company Secretary

**Twentieth Annual Report
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary Items	632.31	508.96
Adjustments for		
Depreciation	414.69	389.70
Interest & Finance Charges	363.16	224.95
Dividend Received	(1.71)	(0.61)
Interest Received	(15.78)	(3.07)
Loss on sale of fixed assets	0.27	—
Operating Loss Before Working Capital Adjustments	1,392.93	1,119.94
Changes in Working Capital		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(4.35)	371.29
Trade receivables	(1,017.55)	(439.00)
Short-term loans and advances	(166.46)	(704.90)
Long-term loans and advances	16.18	—
Other current assets	(4.62)	(0.37)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	46.57	(386.58)
Other current liabilities	137.86	67.54
Short-term provisions	—	14.27
Cash generated from operations	400.56	42.19
Direct Tax Paid (Refund) [Net]	122.87	90.60
Net cash flow from / (used in) operating activities (A)	277.69	(48.41)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(744.21)	(845.84)
Proceeds from sale of fixed assets	12.40	9.11
Dividend Received	1.71	0.61
Purchase of Mutual Fund-Current Investment	(10.00)	—
Loan to Subsidiary Company	(21.00)	(40.00)
Net cash flow from / (used in) investing activities (B)	(761.10)	(876.13)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(363.16)	(224.95)
Interest Received	15.78	3.07
Net Increase / (Decrease) in Working Capital Borrowing	833.45	302.72
Proceeds from Long Term Borrowings	626.46	185.00
Repayment of Long Term Borrowing	(343.65)	(1,433.13)
Reissue of forfeiture of shares	—	1,718.32
Dividend Paid	(52.38)	—
Dividend Tax Paid	(8.50)	—
Net cash flow from / (used in) financing activities (C)	708.01	551.03
Net increase (decrease) in cash and cash equivalents (A+B+C)	224.60	(373.51)
Cash and cash equivalents at the beginning of the year	522.83	896.34
Add : Adjustment in Cash and cash equivalents at the beginning of the year on account of Scheme of Merger	—	—
Cash and cash equivalents at the end of the year	747.43	522.83
Cash and cash equivalents at the end of the year *		
* Comprises:		
(a) Cash on hand	15.73	16.83
(b) Balances with banks		
(i) In current accounts	674.11	448.40
(ii) In deposit accounts	57.59	57.59
	747.43	522.83

NOTES:

1 The Cash Flow Statement has been prepared as per Indirect Method

As per our report of even date

For LADHA SINGHAL & ASSOCIATES

Chartered Accountants
(Firm Regd. No. 120241W)

(AJAY SINGHAL)
PARTNER

M.No. 104451
Place : Mumbai
Date :-30th May 2014

FOR & ON BEHALF OF BOARD

(JAIPRAKASH AGARWAL)
MANAGING DIRECTOR
(DIN : 01379868)

(MAHENDRA AGARWAL)
DIRECTOR
(DIN : 01366495)

(LALIT AGARWAL)
WHOLE TIME DIRECTOR
(DIN : 01335107)

(RAKESH BHALLA)
CFO & Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors
Agarwal Industrial Corporation Limited

We have audited the accompanying consolidated financial statements of Agarwal Industrial Corporation Limited ("the Company") and its subsidiary, Bituminex Cochin Private Limited, (the company and its subsidiary constitute "the Group") which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the considerations of the report of the other auditor on the financial statement of the subsidiary referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statement of the subsidiary, whose financial statement reflect total assets of ₹ 183.29 Lacs as at 31st March 2014, total revenues of ₹ 548.16 Lacs and net cash flow amounting to ₹ 2.92 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statement have been audited by the other auditor whose report have been furnished to us by the Management and our opinion, in so far as it related to the amounts and disclosure included in respect of it's subsidiary, is based solely on the report of the other auditor.

For Ladha Singhal & Associates
Chartered Accountants
(Firm Registration No. 120241W)

Ajay Singhal
(Partner)
M. No. 104451

Place: Mumbai
Dated: 30th May 2014.

AGARWAL INDUSTRIAL CORPORATION LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lac)

	Note No.	As At 31.03.2014	As At 31.03.2013
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	551.29	551.29
(b) Reserves and Surplus	3	3,280.23	2,860.26
		3,831.52	3,411.55
2. Non - Current Liabilities			
(a) Long Term Borrowing	4	408.55	239.54
(b) Deferred Tax Liability	5	109.72	129.98
		518.26	369.52
3. Current Liabilities			
(a) Short Term Borrowing	6	2,675.86	1,829.86
(b) Trade Payables	7	324.08	277.74
(c) Other Current Liabilities	8	764.80	522.75
(d) Short Term Provisions	9	89.25	64.27
		3,854.00	2,694.63
TOTAL		8,203.78	6,475.70
II. ASSETS			
1. Non - Current Assets			
(a) Fixed Assets (Net Block)			
(i) Tangible Assets	10	2,832.15	2,518.39
(ii) Goodwill on Consolidation		226.30	226.30
(b) Non Current Investment	11	0.05	0.05
(c) Long Term Loans & Advances	12	54.06	77.44
		3,112.56	2,822.18
2. Current Assets			
(a) Inventories	13	501.83	502.74
(b) Current Investments	14	10.00	-
(c) Trade Receivable	15	2,784.41	1,735.77
(d) Cash & Cash Equivalents	16	751.95	524.43
(e) Short Term Loans & Advances	17	1,034.20	886.37
(f) Other Current Assets	18	8.83	4.21
		5,091.22	3,653.52
TOTAL		8,203.78	6,475.70
Significant Accounting Policies	1		
Notes forming part of the financial statements	28 to 35		

As per our report of even date

For LADHA SINGHAL & ASSOCIATES

Chartered Accountants
(Firm Regd. No. 120241W)

FOR & ON BEHALF OF BOARD

(AJAY SINGHAL)
PARTNER

M.No. 104451
Place : Mumbai
Date :-30th May 2014

(JAIPRAKASH AGARWAL)
MANAGING DIRECTOR
(DIN : 01379868)

(MAHENDRA AGARWAL)
DIRECTOR
(DIN : 01366495)

(LALIT AGARWAL)
WHOLE TIME DIRECTOR
(DIN : 01335107)

(RAKESH BHALLA)
CFO & Company Secretary

**Twentieth Annual Report
2013-2014**

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ in Lac)

	NOTE NO.	For the year ended 31.03.2014	For the year ended 31.03.2013
A CONTINUING OPERATIONS			
I	Gross Revenue	18,189.14	12,076.64
II	Other Income	62.04	(19.78)
III	Total Revenue (I + II)	18,251.18	12,056.87
IV Expenses			
	Operating Expenses	2,189.44	1,890.15
	Cost of Material Consumed	4,363.46	3,214.15
	Purchase of Stock in Trade	9,419.30	4,828.13
	Change in Inventories	13.52	394.10
	Employee Benefits Expenses	209.98	167.98
	Manufacturing and Other Direct Expenses	425.61	290.03
	Finance Cost	334.51	211.20
	Depreciation and Amortization Expense	421.25	397.35
	Other Expenses	228.77	148.47
	Total Expenses	17,605.85	11,541.56
	Profit / (Loss) before Exceptional and Extraordinary Items and Tax (III-IV)	645.33	515.31
	Exceptional Items / Extraordinary Items	—	—
	Profit / (Loss) Before Tax (V-VI)	645.33	515.31
	Tax Expense:		
	(a) Current Tax	128.50	102.10
	(b) Deferred Tax (Asset) / Liability	(20.27)	(1.14)
	(c) Mat Credit Utilisation (Net)	27.42	73.40
		135.65	174.36
	Profit / (Loss) from Continuing operations (VII-VIII)	509.68	340.95
	DISCONTINUING OPERATIONS		
	Profit/(Loss) for the Year from Discontinuing Operations	—	—
	TOTAL OPERATIONS		
	Profit / (Loss) for the Year (IX + X)	509.68	340.95
	Earnings Per Equity Share of ₹10/- each :		
	Weighted average no. of shares (Basic & Diluted)	5,512,900	4,364,883
	(1) Basic Earning Per Share (₹)	9.25	7.81
	(2) Diluted Earning Per Share (₹)	9.25	7.81
	Significant Accounting Policies	1	
	Notes forming part of the financial statements	28 to 35	

As per our report of even date

For LADHA SINGHAL & ASSOCIATES

Chartered Accountants
(Firm Regd. No. 120241W)

(AJAY SINGHAL)
PARTNER

M.No. 104451
Place : Mumbai
Date :-30th May 2014

FOR & ON BEHALF OF BOARD

(JAIPRAKASH AGARWAL)
MANAGING DIRECTOR
(DIN : 01379868)

(MAHENDRA AGARWAL)
DIRECTOR
(DIN : 01366495)

(LALIT AGARWAL)
WHOLE TIME DIRECTOR
(DIN : 01335107)

(RAKESH BHALLA)
CFO & Company Secretary

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Significant Accounting Policies

a) Background:

The Consolidated Financial Statement comprises the financial statement of Agarwal Industrial Corporation Ltd, ("The Company") and its subsidiary, M/s Bituminex Cochin Pvt Ltd ("the company and its subsidiary constitute "the Group)". The Group is principally engaged in the business activities of manufacturing and trading of Petrochemicals (Bitumen and Bituminous Products), Logistics of Bitumen and LPG and energy generation through Wind Mills..

b) Basis Of Preparation:

The financial statements have been prepared in accordance with the Generally Accepted accounting Principles in India under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

c) Significant Accounting Policies:

i. Use of Estimates

The preparation of the financial statements in conformity with the Indian GAAP requires management to make judgement, estimates and assumptions that affects the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

ii. Principles of Consolidation:

The Consolidated financial statements relate to the company and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- I. The financial statement of the company and its subsidiaries are combined on a line by - line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profit or losses in accordance with Accounting Standard (AS) - 21 - "Consolidated Financial Statement".
- II. The difference between the cost of investment in the subsidiary over the net assets at the time of acquisition of the shares in the subsidiary is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- III. As far as possible, the consolidated financial statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statement.
- IV. Notes on these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated positions of the group. Recognising this purpose, the company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.
- V. The list of subsidiary considered in these consolidated financial statements with percentage holding is summarized below:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest
Bituminex Cochin Private Limited	India	100.00%

iii. Revenue Recognition

The Group follows Mercantile system of Accounting and Income and expenditure are recognised on accrual basis.

iv. Fixed Assets

All fixed Assets are stated at cost of acquisition less accumulated depreciation (net of cenvat, wherever availed). All cost relating to the acquisition and installation of the fixed assets are capitalised and includes financing costs relating to borrowed fund attributable to the acquisition of fixed assets up to the date the fixed assets is put to use. Intangible assets are recognised in terms of Accounting Standard 26 (AS-26) "Intangible Assets" based on materiality. Goodwill purchased is not amortised and tested for impairment purposes every year.

v. Depreciation

Depreciation has been provided on straight-line method by the Company and at Written Down Value method by the subsidiary, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

vi. Impairment

An asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognised as an expense in the statement of Profit & Loss in the year in which as asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been an improvement in recoverable amount.

vii. Inventories Valuation

Raw material and Packing Material: At lower of Cost or Net realisable value. The cost is arrived at on first-in-first-out basis and net of cenvat credit availed.

Finished Goods and Semi Finished Goods: At lower of Cost or Net realisable value. Cost includes appropriate allocation of overheads and is arrived at on first-in-first-out basis.

viii. Investments

Long term investments are stated at cost less provision for diminution in value other than temporary, if any.

Current investments are stated at lower of cost and fair value.

ix. Borrowing Cost

Borrowing Costs that are attributable to the acquisition and construction of qualifying assets are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

x. Foreign Currency Transaction

Foreign currency transactions are accounted on the basis of exchange rate prevailing at the time of transaction. The foreign currency transaction remains outstanding at year-end are restated at rate prevailing as on 31st March. The Exchange difference if any arises due to exchange fluctuation is charged to Statement of Profit and Loss.

xi. Taxes on Income

Current Tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced upto the balance sheet date. Deferred Tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the Profit & Loss account of the respective year of change.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit

AGARWAL INDUSTRIAL CORPORATION LIMITED

becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the asset is created by way of a credit to the Profit & Loss Account and shown as MAT Credit Entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during specified period.

xii. **Retirement Benefits**

Short Term and Long Term Employee Benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services.

xiii. **Earning Per Share**

Basic earning per share are calculated by dividing the net profit /(loss) for the year attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xiv. **Segmental Reporting**

The Group is engaged in the business segment namely transportation, service centre, power generation by windmill and manufacturing of Bitumen & Bituminous Products. Segment assets include all operating assets used by a segment and consist primarily of debtors, current assets and fixed assets net of provisions and allowance. Segment liabilities include all operating liabilities and consist principally of creditors and other payables.

xv. **Provisions, Contingent Liabilities And Contingent Assets**

Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated

Contingent liabilities are disclosed in respect of possible obligation that arises from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent Assets are neither recognized nor disclosed in the financial statements.

**Twentieth Annual Report
2013-2014**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Note 2 : Share Capital

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised:		
60,00,000 (60,00,000) Equity Shares of ₹ 10/- each	600.00	600.00
TOTAL	600.00	600.00
Issued, Subscribed and Paid up:		
55,12,900 (55,12,900) Equity Shares of ₹ 10/- each with voting rights, fully paid up	551.29	551.29
TOTAL	551.29	551.29

(i) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Number of shares at the beginning of the year	55.13	40.93
Add: Issue of Shares during the year (Reissue of forfeited shares)	—	14.20
Number of shares at the end of the year	55.13	55.13

(ii) Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Detail of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :

Nil Nil

(iv) Details of shareholder holding more than 5% shares in the company :

Name of Share Holder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ramchandra Agarwal	370,700	6.72	370,700.00	6.72
Jaiprakash Agarwal	407,600	7.39	407,600.00	7.39
Mahendra Kumar Agarwal	362,600	6.58	362,600.00	6.58
Kishan Kumar Agarwal	348,200	6.32	348,200.00	6.32
Jugalkishore Agarwal	331,500	6.01	331,500.00	6.01
Lalit Kumar Agarwal	302,000	5.48	302,000.00	5.48

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Note 3 : Reserves & Surplus

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a) Security Premium	1,576.31	1,576.31
b) Other Reserves		
Capital Investment Subsidy	0.76	0.76
Investment Allowance Reserve	0.62	0.62
c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	1,200.44	785.66
Add/(Less): Profit/(Loss) for the year	509.68	340.95
Less: Utilisation of reserves		
- Proposed Dividend	77.18	52.38
- Tax on Proposed Dividend	12.52	8.50
	1,620.42	1,065.74
Add: - MAT Credit for Earlier Period	—	134.71
	1,620.42	1,200.44
d) Share Forfeiture	82.12	82.12
TOTAL	3,280.23	2,860.26

Note 4 : Long Term Borrowing

(₹ in Lacs)

Name of Share Holder	Non-Current Portion		Current Portion	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured Loans				
Term Loans				
(i) From Bank	408.55	239.54	384.92	271.12
	408.55	239.54	384.92	271.12
(Secured against Hypothecation of specific vehicle and is repayable in equated monthly installment over the tenure of the loan)				
Total	408.55	239.54	384.92	271.12

Note 5 : Deferred Tax Liability

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liability		
Related to Fixed Assets	109.72	129.98
TOTAL	109.72	129.98

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NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Note 6 : Short Term Borrowing

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured Loans From Bank		
Working Capital Facility (Secured against Hypothecation of Stock & Book Debts & Secured by Mortgage and Charge on all the moveable assets of the Company and personal guarantee of the Directors)	2,675.86	1,829.86
TOTAL	2,675.86	1,829.86

Note 7 : Trade Payables

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Payables:		
Payable for Goods & Services	324.08	277.74
TOTAL	324.08	277.74

Based on the information available with the company, obtained on verbal confirmation, there are no dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March 2014.

Note 8 : Other Current Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Other Payable		
Current maturity of Long Term Borrowings (Refer Note No 4)	384.92	271.12
Payable for Expenses	3.80	13.63
Payable for Capital Goods	26.52	11.55
Statutory Remittances	202.02	138.59
Advances From Customer	61.73	38.05
Unclaimed Dividend	4.63	2.19
Other Liability	81.19	47.62
TOTAL	764.80	522.75

Note 9 : Short Term Provisions

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Proposed Dividend	77.18	52.38
Provision for Tax on Proposed Dividend	12.52	8.50
Provision for Taxation (Net of Taxes Paid)	(0.45)	3.40
TOTAL	89.25	64.27

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH 2014

Note 10 : Fixed Assets

Description	GROSS BLOCK			Accumulated Depreciation			NET BLOCK	
	Balance as at 01.04.2013	Add, during the year	Deduction/ Adjustments	Balance as at 31.03.2014	Depreciation For the Year	Deduction/ Adjustment	Balance as at 31.03.2014	Balance as at 31.03.2013
TANGIBLE ASSETS OWNED								
Commercial Vehicles	2,639.66	540.14	—	3,179.79	313.45	—	1,949.30	1,003.81
Furniture & Fixtures	12.93	42.39	—	55.33	1.92	—	6.71	8.15
Computers & Printers	13.96	3.10	—	17.06	1.30	—	13.30	1.97
Office & Other Equipments	76.52	24.22	(0.04)	100.71	5.30	(0.03)	15.21	66.58
Other Vehicles	108.02	19.81	(16.09)	111.73	9.34	(3.38)	39.99	73.99
Borewell	3.13	1.05	—	4.18	0.10	—	0.18	3.06
Wind Mill	1,119.89	—	—	1,119.89	59.13	—	586.74	592.28
Plot	43.85	—	—	43.85	—	—	—	43.85
Workshop	29.82	—	—	29.82	0.49	—	2.82	27.49
Land	49.96	—	—	49.96	—	—	—	49.96
Plant & Machinery	556.28	35.86	—	592.15	27.00	—	55.40	527.89
Factory Land	39.79	—	—	39.79	—	—	—	39.79
Factory Building	70.37	27.71	—	98.08	3.21	—	11.89	61.69
INTANGIBLE ASSETS OWNED								
Goodwill	226.30	—	—	226.30	—	—	—	226.30
TOTAL	4,990.48	694.28	(16.13)	5,668.63	421.25	(3.41)	2,681.53	2,987.10
WORK-IN-PROGRESS								
Factory Shed	10.41	—	(10.41)	—	—	—	—	10.41
AC at New Office Building	7.54	—	(7.54)	—	—	—	—	7.54
TOTAL	5,008.43	765.63	(34.08)	5,739.98	421.25	(3.41)	2,681.53	2,744.75
PREVIOUS YEAR	4,177.00	846.53	(15.09)	5,008.43	397.29	(6.78)	2,263.69	2,744.75
								2,303.82

(₹ in Lacs)

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NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Note 11 : Non-Current Investments

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Investment in Government Securities - At Cost		
National Saving Certificate (lying with government authority) (As at 31st March, 2014 ₹ 5000)	0.05	0.05
TOTAL	0.05	0.05

Note 12 : Long Term Loans & Advances

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured		
Security Deposit	1.00	0.91
Unsecured, Considered good		
Security Deposit	53.06	52.20
Other Loans & Advances	—	24.32
TOTAL	54.06	77.44

Note 13 : Inventories

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Valued at lower of Cost or Net Realizable Value)		
Finished Goods	39.90	42.73
Semi Finished Goods	379.73	390.43
Raw Material	21.04	26.26
Stores, Spares & Packing Material	61.15	43.32
TOTAL	501.83	502.74

Note 14 : Current Investments

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Non Trade - Unquoted Investment in Mutual Fund		
75257 units of Reliance Arbitrage Advantage Fund - Dividend Plan (Market Value as at 31st March, 2014 ₹ 8,52,624/-)	10.00	—
TOTAL	10.00	—

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Note 15 : Trade Receivable

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Receivable:		
Unsecured, Considered good		
Due for a period exceeding six months	495.75	345.32
Others	2,288.66	1,390.44
TOTAL	2,784.41	1,735.77

Note 16 : Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash on Hand	16.68	17.43
Balance with Scheduled Banks		
- In Current Accounts	677.68	449.41
- In Fixed Deposit Account	57.59	57.59
TOTAL	751.95	524.43

Note 17 : Short Term Loans & Advances

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered good		
Other Loan and Advances		
- Security Deposit	2.67	3.18
- Advances recoverable in cash or in kind or for value to be received	15.32	3.09
- Prepaid Expenses	0.19	0.20
- Advances to Staff	37.01	2.71
- Advance to Supplier	473.43	677.57
Balance with Government Authorities		
- MAT Credit Entitlement	35.64	63.05
- Deposit with Custom Authority	25.00	—
- Deposit with Sales Tax Authority	35.72	8.63
- Amount due as refund of Additional Duty of Custom	409.22	127.93
TOTAL	1,034.20	886.37

Note 18 : Other Current Assets

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Accrued Interest on Fixed Deposit	8.83	4.21
TOTAL	8.83	4.21

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NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Note 19 : Revenue from Operations

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	As at ended 31st March, 2013
Sales	15,288.61	9,281.93
Vehicle Freight Income	2,750.08	2,627.64
Labour Charges received	16.68	21.91
Wind Mill Income	133.77	145.16
TOTAL	18,189.14	12,076.64

Note 20 : Other Income

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	As at ended 31st March, 2013
Exchange Gain	33.59	(39.83)
Interest received	15.89	3.15
Miscellaneous Income	12.56	16.90
TOTAL	62.04	(19.78)

Note 21 : Operating Expenses

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	As at ended 31st March, 2013
Vehicle Running & Maintainance Expenses	1,906.37	1,584.04
Freight Paid	264.98	284.07
Wind Mill Expenses	18.09	22.03
TOTAL	2,189.44	1,890.15

Note 22 : Cost of Material Consumed

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	As at ended 31st March, 2013
Opening Stock	27.19	23.94
Add:- Purchases during the year	4,358.53	3,217.40
	4,385.71	3,241.34
Less: - Closing Stock	22.25	27.19
TOTAL	4,363.46	3,214.15

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Note 23 : Change In Inventories

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	As at ended 31st March, 2013
Opening Stock		
Inventory of Finished Goods as at the beginning of the year	42.04	826.61
Inventory of Semi Finished Goods as at the beginning of the year	391.13	0.65
Less : Closing Stock		
Inventory of Finished Goods as at the end of the year	39.75	42.04
Inventory of Semi Finished Goods as at the end of the year	379.89	391.13
TOTAL	13.52	394.10

Note 24 : Employes Benefits Expenses

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	As at ended 31st March, 2013
Directors Remuneration	55.95	43.05
Salaries, Wages and Bonus	138.09	111.29
Staff Welfare	15.94	13.64
TOTAL	209.98	167.98

Note 25 : Manufacturing and Other Direct Expenses

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	As at ended 31st March, 2013
Transportation Charges	169.41	112.18
Labour Charges	39.10	9.11
Repairs & Maintenance - Machinery	31.58	15.51
Storage Terminal Rent	154.07	137.61
Other Direct Expenses	31.44	15.63
TOTAL	425.61	290.03

Note 26 : Finance Cost

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	As at ended 31st March, 2013
Interest Paid to Banks	334.10	211.20
Interest Paid to Others	0.42	—
TOTAL	334.51	211.20

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NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Note 27 : Other Expenses

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	As at ended 31st March, 2013
(A) Administrative Expenses		
Rent, Rates & Taxes	12.80	7.83
Payment to Auditors		
- Statutory Audit fees	1.47	1.45
- Tax Audit Fees	0.70	0.69
- Other Services	0.15	0.15
Insurance	4.56	2.54
Share Transfer Fees	1.76	2.07
Legal & Professional Charges	8.11	9.51
Bank Charges & Commission	38.43	23.92
Electric Expenses	4.36	5.54
Postage, Telegram and Telephone	10.06	7.97
Security Charges	12.31	9.31
Printing & Stationery	2.62	2.43
Vehical Expenses	8.06	5.38
Travelling & Conveyance	29.17	30.06
Repair & Maintenance - Other	2.93	1.97
Miscellaneous Expenses	16.96	17.92
	154.44	128.76
(B) Selling and Distribution Expenses		
Advertisement & Business Promotion Expenses	6.73	4.44
Commission Paid	7.19	10.19
Discount Given	51.13	4.47
Transportation Charges	9.28	0.61
	74.33	19.71
TOTAL	228.77	148.47

28. CONTINGENT LIABILITIES & EVENT OCCURING AFTER THE BALANCE SHEET DATE:

a. Disputed demand not provided for in respect of:-

(₹ in Lacs)

Particulars	As on 31st March, 2014	As on 31st March, 2013
i) Sales Tax (Net of Part Payment)	1.90	Nil
ii) Entry Tax (Net of Part Payment)	78.10	Nil

b. To the best of knowledge of the management, there are no events occurring after the Balance sheet date that provide additional information materially affecting the determination of the amount relating to the conditions existing at the Balance Sheet date that requires adjustment to the Assets or Liabilities of the Company.

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

29. Earning per share has been calculated as under:

(₹ in Lacs)

Particulars	As on 31st March, 2014	As on 31st March, 2013
Net Profit (Loss) After Tax as per Profit & Loss Account	509.68	340.95
Weighted Average number of equity shares used as denominator for calculating EPS	55,12,900	43,64,883
Basic Earning (Loss) per share	9.25	7.81
Diluted Earning (Loss) per share	9.25	7.81
Nominal Value per equity share	10	10

30. In accordance with the Accounting Standard 17 on Segment Reporting issued by the ICAI, the segment information for the year ended 31st March, 2014 is as follows:

(₹ in Lacs)

Particulars	Petrochemicals (Bituminous Products)	Transportation	Windmill	Total
Revenue				
Segment Revenue	15,261.99	2,855.42	133.77	18,251.18
Result				
Segment Results	470.58	56.16	56.55	583.29
Operating Profit	470.58	56.16	56.55	583.29
Other Income	33.85	28.19	—	62.04
Net Profit Before Tax	504.42	84.36	56.55	645.33
Taxation				135.65
Net Profit				509.68
Other Information				
Segment Assets	4,662.04	2,772.29	533.15	7,967.48
Unallocable corporate assets	—	—	—	236.30
Total Assets	—	—	—	8,203.78
Segment / Total Liabilities	3,220.73	633.27	—	3,854.00
Segment Capital Employed	1,441.31	2,139.02	533.15	4,113.48
Total Capital Employed				4,349.78

31. Related Party Disclosures

(i) Name of the related Parties and Description of relationship

Key Management Personnel (KMP)	Mr. Jaiprakash Agarwal Mr. Lalit Agarwal Mr. Ramchandra Agarwal Mr. Mahendra Agarwal
Relatives of Key Management Personnel Concerns in which Directors are interested	Sudha Agarwal ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd Agarwal Petrochem P Ltd

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(ii) Transaction with Related Parties

(₹ in Lacs)

NATURE OF TRANSACTION	KMP	RELATIVES OF KMP	CONCERNS IN WHICH KMP & THEIR RELATIVES ARE INTERESTED	TOTAL
Remuneration	55.95 (39.00)	—	—	55.95 (39.00)
Salary	—	— (8.40)	—	— (8.40)
Sub-Contract Payment	—	—	252.77 (263.21)	252.77 (263.21)
Sub-Contract Receipt	—	—	174.67 (237.63)	174.67 (237.63)
Labour Charges Received	—	—	8.85 (9.15)	8.85 (9.15)
Sales of Spare Parts & OIL	—	—	31.79 (8.29)	31.79 (8.29)
HSD & Oil Purchase	—	—	181.05 (163.33)	181.05 (163.33)
Bitumen Purchase	—	—	41.07 (80.83)	41.07 (80.83)
Bitumen Sales	—	—	405.93 (674.90)	405.93 (674.90)
Rent Paid	3.90 (1.50)	—	—	3.90 (1.50)
Payable towards Expenses	—	—	103.88 (146.49)	103.88 (146.49)

32. Managerial Remuneration under section 198 of the Companies Act:

₹

	2013-14	2012-13
Remuneration to Managing Directors	24,00,000	21,00,000
Remuneration to Directors	31,95,000	22,05,000
Total	55,95,000	43,05,000

33. The balances of Unsecured Loans, Creditors, Debtors and Loans and Advances are subject to confirmation and reconciliation, if any.

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

34. Additional information of part II of schedule VI of the Companies Act, 1956 are not applicable to the Group or information in this regards is Nil

a. **VALUE OF RAW MATERIAL CONSUMED:**

	IMPORTED		INDIGENOUS	
	Value	%	Value	%
Raw Material	39,40,35,210	90.30%	4,23,11,043	9.70%

b. EXPENDITURE IN FOREIGN CURRENCY -
CIF Value of Import ₹ 79,26,37,768/-

35. The previous year's figures have been regrouped / reclassified, wherever requires to align the financial statement. Figures in brackets represent corresponding figures for the previous year.

As per our report of even date

For LADHA SINGHAL & ASSOCIATES

Chartered Accountants
(Firm Regd. No. 120241W)

(AJAY SINGHAL)
PARTNER

M.No. 104451
Place : Mumbai
Date :-30th May 2014

FOR & ON BEHALF OF BOARD

(JAIPRAKASH AGARWAL)
MANAGING DIRECTOR
(DIN : 01379868)

(MAHENDRA AGARWAL)
DIRECTOR
(DIN : 01366495)

(LALIT AGARWAL)
WHOLE TIME DIRECTOR
(DIN : 01335107)

(RAKESH BHALLA)
CFO & Company Secretary

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	For the year ended 31st March, 2014 (₹ in Lacs)	For the yearended 31st March, 2013 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary Items	645.33	515.31
Adjustments for		
Depreciation	421.25	397.35
Interest & Finance Charges	372.94	235.12
Dividend Received	(1.71)	(0.61)
Interest Received	(15.89)	(3.15)
Loss on sale of Fixed Assets	0.27	—
Operating Loss Before Working Capital Adjustments	1,422.19	1,144.02
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	0.91	356.22
Trade receivables	(1,048.64)	(453.56)
Short-term loans and advances	(175.25)	(703.22)
Long-term loans and advances	15.41	(0.33)
Other current assets	(4.62)	(0.37)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	46.34	(386.58)
Other current liabilities	128.25	70.33
Short-term provisions	—	14.27
Cash generated from operations	384.59	40.79
Direct Tax Paid (Refund) [Net]	124.37	90.87
Net cash flow from / (used in) operating activities (A)	260.22	(50.08)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(747.68)	(846.02)
Proceeds from sale of fixed assets	12.40	9.11
Dividend Received	1.71	0.61
Purchase of Mutual Fund-Current Investment	(10.00)	—
Loan to Subsidiary Company	—	—
Net cash flow from / (used in) investing activities (B)	(743.57)	(836.31)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(372.94)	(235.12)
Interest Received	15.89	3.15
Net Increase/(Decrease) in Working Capital Borrowing	845.99	274.00
Proceeds from Long-term borrowings	626.46	185.00
Repayment of Long-term borrowings	(343.65)	(1,433.13)
Reissue of Forfeiture of shares	—	1,718.32
Dividend Paid	(52.38)	—
Dividend Tax Paid	(8.50)	—
Net cash flow from / (used in) financing activities (C)	710.87	512.21
Net increase (decrease) in cash and cash equivalents (A+B+C)	227.52	(374.17)
Cash and cash equivalents at the beginning of the year	524.43	898.60
Add : Adjustment in Cash and cash equivalents at the beginning of the year on account of Scheme of Merger	—	—
Cash and cash equivalents at the end of the year	751.95	524.43
Cash and cash equivalents at the end of the year *		
* Comprises:		
(a) Cash on hand	16.68	17.43
(b) Balances with banks		
(i) In current accounts	677.68	449.41
(ii) In deposit accounts	57.59	57.59
	751.95	524.43

NOTES:

1 The Cash Flow Statement has been prepared as per Indirect Method

As per our report of even date
For **LADHA SINGHAL & ASSOCIATES**
Chartered Accountants
(Firm Regd. No. 120241W)

FOR & ON BEHALF OF BOARD

(AJAY SINGHAL)
PARTNER
M.No. 104451
Place : Mumbai
Date :-30th May 2014

(JAIPRAKASH AGARWAL)
MANAGING DIRECTOR
(DIN : 01379868)

(MAHENDRA AGARWAL)
DIRECTOR
(DIN : 01366495)

(LALIT AGARWAL)
WHOLE TIME DIRECTOR
(DIN : 01335107)

(RAKESH BHALLA)
CFO & Company Secretary

FINANCIAL INFORMATION OF SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ IN LACS)
SR.NO.	PARTICULARS	BITUMINEX COCHIN (P) LTD
a).	Paid Up Share Capital	6.20
b).	Reseves & Surplus	(1.02)
c).	Total Assets	183.29
d).	Total Liabilities	183.29
e).	Investments	—
f).	Turnover	548.05
g).	Profit Before Tax	13.02
h).	Provision for Tax	1.50
i).	Profit For the Year	13.10
j).	Proposed Dividend	—

AGARWAL INDUSTRIAL CORPORATION LIMITED

(CIN : L99999MH1995PLC084618)

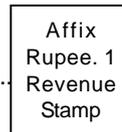
PROXY

Folio No.
* DP ID
* Client ID

I/We of being a member / members of the above named Company hereby appoint of or filling him of as my/our proxy to vote for me/us on my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held at at Unit No. 12, A-Wing, 1st Floor, Sita Estate, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074 on Tuesday 30th September, 2014 at 11 A.M. and at adjournment thereof.

Signed this day of 2014.

Signature



* Applicable in case of shares held in Demat.

Note : Proxy Form must reach the Company's Registered Office not less than 48 hours before the commencement of the Meeting.

----- (TEAR HERE) -----

AGARWAL INDUSTRIAL CORPORATION LIMITED

(CIN : L99999MH1995PLC084618)

ATTENDANCE SLIP

(To be handed over, duly filled in, at the Entrance of the Meeting Place)

Name of the attending member/s (in Block Letters)	Folio No.	*DP ID	*Client ID
Name of the Proxy (in Block Letters) (To be filled in by the Proxy who attends instead of the Member)			

No. of Shares held

I, hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company at Unit No. 12, A-Wing, 1st Floor, Sita Estate, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074 on Tuesday 30th September, 2014 at 11 A.M.

* Applicable in case of shares held in Demat.

.....
Member's Proxy/s/Signature

(To be signed at the time of handing over this slip)

Note : Shareholders / Proxy holders are requested to bring the attendance slip with them, dully filled in when they come to the meeting and hand over at the gate, affixing signature on it.

