



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

Date: September 26, 2016

BSE Limited Corporate Relationship Department P.J. Towers, Dalal Street, Mumbai - 400 001 Scrip Code - 531921	National Stock Exchange of India Limited 'Exchange Plaza' C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Symbol: AGARIND; Series: EQ
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Dear Sir,

Sub: Submission of Twenty Second Annual Report – F.Y 2015-16 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

We are pleased to attach herewith, Twenty Second Annual Report – F.Y 2015-16 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your kind information and records.

Thanking You,

For Agarwal Industrial Corporation Limited

Name: Rakesh Bhalla

Designation: Vice President- Legal & Company Secretary.



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

Hyderabad Office : Survey No. 196 / P, Elikatta, Farooq Mandal, Mahbub Nagar, Pargi Road, Hyderabad - 509410 • Mob.: 08008307700 / 33

Baroda Office : Plot No.1314, GIDC, Ranoli Industrial Area, Dist : BARODA-391350. Tel.: 0265-2240664/2308706 • Fax : 0265-2240264 • E-mail : kkg@agarwalgroup.com

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



AGARWAL INDUSTRIAL CORPORATION LIMITED.



**TWENTY SECOND ANNUAL REPORT
2015 - 2016**



AGARWAL INDUSTRIAL CORPORATION LIMITED

(CIN : L99999MH1995PLC084618)

TWENTY SECOND ANNUAL REPORT 2015-2016

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TWENTY SECOND ANNUAL REPORT 2015-2016

BOARD OF DIRECTORS

Mr. Jaiprakash Agarwal
Managing Director

Mr. Ramchandra Agarwal
Whole Time Director

Mr. Mahendra Agarwal
Non Independent, Non Executive Director

Mr. Lalit Agarwal
Whole Time Director

Mr. Jaswant D. Sharma
Independent Director

Mr. Harikrishna Patni
Independent Director

Mr. Rajkumar Mehta
Independent Director

Mr. Alok Bharara
Independent Director

Ms. Priti Lodha
Independent Woman Director

CHIEF FINANCIAL OFFICER

Mr. Vipin Agarwal
(Appointed w.e.f. 23 /12 /2015)

VICE PRESIDENT– LEGAL & COMPANY SECRETARY

Mr. Rakesh Bhalla
(Re-designated w.e.f. 23/12/2015)

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.aicld.in;
E-mail : r.bhalla@aicld.in

STATUTORY 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/P, Elikatta Village,
Shad Nagar-Pargi Road,
Farooq Nagar Mandal,
Telangana - 509216.

Bulk Bitumen Storage Facilities

Karwar, Karnataka

BANKERS

Kotak Mahindra Bank
Yes Bank
Union Bank of India
HDFC Bank
Indusind Bank
Axis Bank
Dombivili Sahakari Bank

REGISTRARS & SHARE TRANSFER AGENTS

Ankit Consultancy P. Ltd.
60, Electronic Complex, Paradeshi Pura,
Indore (M.P.) – 452010
Telephone Nos: +91-731-4281333,
+ 91-731-4065799/97, Fax No.: +91-731-4065798;
Contact Person: Mr. Saurabh Maheshwari

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., Kochi



AGARWAL GROUP

AGARWAL INDUSTRIAL CORPORATION LIMITED

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

Tel. Nos: +91-22-25291149/50; **Fax No.:** +91-22-25291147; **Website :** www.aicld.in; **E-mail:** r.bhalla@aicld.in

CIN: L9999MH1995PLC084618

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of Agarwal Industrial Corporation Limited will be held on Thursday, September 22, 2016 at 11.00 A.M at Hotel Stars Parade, Lower Hall, Swami Jairamdas Building, Near Basant Park, Chembur, Mumbai - 400 071, to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt:
 - the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016 along with the Reports of the Board of Directors and Independent Auditors thereon: and
 - the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 along with the Report of the Independent Auditors thereon.
- To declare Dividend on Equity Shares for the Financial Year 2015-16.
- To appoint a Director in place of Mr. Lalit Agarwal (DIN- 01335107), who retires by rotation, and being eligible, offers himself for re- appointment.
- To appoint a Director in place of Mr. Ramchandra Agarwal (DIN- 02064854), who retires by rotation, and being eligible, offers himself for re- appointment.
- To appoint Auditors and fix their remuneration and in this regard, 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 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the members of the Company hereby ratify the appointment of 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, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, within the overall term of their appointment as per the resolution passed by the members in Annual General Meeting of the Company held on September 30, 2014, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

6. INCREASE IN AUTHORISED CAPITAL OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Section 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing ₹ 7,00,00,000/- (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lacs) equity shares of ₹ 10/- each to ₹ 8,00,00,000/- (Rupees Eight Crores only) divided into 80,00,000 (Eighty Lacs) equity shares of ₹ 10/- each by creation of additional 10,00,000 (Ten Lacs) equity shares of ₹ 10/- each ranking pari passu in all respect with the existing equity shares of the Company.”

7. AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules framed there under, the consent of the members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause;

“V”- The authorized share capital of the Company is ₹ 8,00,00,000/- (Rupees Eight Crores only) divided into 80,00,000 (Eighty Lacs only) equity shares of ₹ 10/- (Rupees Ten only) each with power to increase or reduce and repay the share capital or any portion thereof at any time and from time to time in accordance with the Regulation of the Company and the legislative provisions for the time being in that behalf. The shares in the share capital of the Company for the time being, whether original or increase, may be divided, consolidated and sub divided into two classes by any issues of any class, of any value, with such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and the right to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.”

8. TO APPROVE ALLOTMENT OF WARRANTS, CONVERTIBLE INTO EQUITY SHARES ON PREFERENTIAL BASIS IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (“ICDR REGULATIONS”).

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

“RESOLVED THAT subject to the provisions of Section 42 and 62 of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and other applicable provisions, if any, including any amendment thereto or modification(s) or re-enactment(s) thereof (“Act”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) and Uniform Listing Agreements entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited (collectively the “Stock Exchanges”) and in accordance with any other applicable law or regulations, in India or outside India, including without limitation, the provisions of the Foreign Exchange Management Act, 1999, (“FEMA”) and rules and regulations framed thereunder as amended from time to time, and subject to the Regulations / Guidelines, if any, prescribed by the Reserve Bank of India, Securities and Exchange Board of India including the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”) and SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as amended from time to time, to the extent applicable and subject to the permissions, consents, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”) which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder) to issue and allot upto an aggregate of 15,00,000 fully convertible warrants (“Warrants”), convertible into equity shares of face value of ₹ 10/- each of the Company, at any time within 18 months from the date of allotment of the Warrants, in one or more tranches, for cash, at an exercise price of ₹ 140/- per Warrant (including premium of ₹ 130/- per Warrant) aggregating upto ₹ 21,00,00,000/- (Rupees Twenty One Crores Only) being not less than the price determined in accordance with Chapter VII of the SEBI ICDR Regulations, at such time or times and on such terms and conditions and in such manner as may be decided by the Board in this regards (“Preferential Issue”):

Sr. No.	Name of Proposed Allottees	Number of Warrants	Category
1	Garnet International Limited	11,00,000	Public
2	Aavyana Advisors LLP	4,00,000	Public
	Total	15,00,000	

RESOLVED FURTHER THAT the exercise price of the Warrants has been calculated in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations. The “Relevant Date” for the determination of issue price of the Warrants issued on preferential basis, is August 23, 2016. The Relevant Date is 30 days prior to the date of the Annual General Meeting which is proposed to be held on September 22, 2016.

RESOLVED FURTHER THAT in accordance with regulation 74 of the SEBI ICDR Regulations, the Warrants shall be issued and allotted by the Company to Allottees within a period of 15 days from the date of passing of this resolution, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT the issue of Warrants shall be subject to the following terms and conditions:

- i. The equity shares to be allotted pursuant to conversion of Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company. The equity shares arising on conversion of Warrants shall rank pari passu with the existing equity shares of the Company in all respects.
- ii. Each Warrant shall be convertible into 1 (one) equity share of nominal value of ₹ 10/- each at the Exercise Price of ₹ 140/- per Warrant which is not less than the price calculated in accordance with the SEBI ICDR Regulations. The total number of equity shares to be allotted on conversion of the Warrants shall not exceed 15,00,000 equity shares. The Warrants are convertible into the equity shares at any time after allotment at the option of the Allottees, in one or more tranches, subject to a maximum period of 18 months from the date of their allotment.
- iii. The equity shares allotted pursuant to conversion of Warrants allotted to Allottees will be subject to lock-in for a period of 1 year from the date of trading approval or as required under SEBI ICDR Regulations.
- iv. The Warrants may be exercised at any time before the expiry of 18 months from the date of allotment of the Warrants.
- v. If the entitlement against the Warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on such Warrants shall stand forfeited.
- vi. The Warrant subscription price equivalent to 25% of the issue price of the equity shares will be payable at the time of subscription to the Warrants, as prescribed by regulation 77 of the SEBI ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the equity shares. The Warrants exercise price equivalent to the 75% of the issue price of the equity shares shall be payable by the Allottees at the time of exercising the Warrant.
- vii. The issue of the Warrants as well as equity shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- viii. In the event of the Company making a bonus issue by way of capitalization of its reserves, or a rights offer by way of issue of new equity shares, prior to allotment of equity shares resulting from the exercise of the Warrants, the issue price of the equity shares to be allotted against such Warrants shall be subject to appropriate adjustment, subject to the SEBI ICDR Regulations and other applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the Allottees of the Warrants.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the members of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and equity shares and utilisation of proceeds of the equity shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the Stock Exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

9. **RE- APPOINTMENT OF MR. JAIPRAKASH AGARWAL AS MANAGING DIRECTOR OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and in terms of Article 98 of the Articles of Association of the Company, and as recommended by the Nomination & Remuneration Committee of the Board, consent of the members of the Company is accorded for the re-appointment of Mr. Jaiprakash Agarwal (DIN - 01379868) as the Managing Director of the Company for 3 Years Term w.e.f. April 01, 2016 till March 31, 2019 on terms and conditions as set out under item No. 9 in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.”

“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.”

10. **RE- APPOINTMENT OF MR. LALIT AGARWAL AS WHOLE TIME DIRECTOR OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and in terms of Article 98 of the Articles of Association of the Company, and as recommended by the Nomination & Remuneration Committee of the Board, consent of the members of the Company is accorded for the re-appointment of Mr. Lalit Agarwal (DIN - 01335107) as the Whole Time Director of the Company for 3 Years Term w.e.f. April 01, 2016 till March 31, 2019 on terms and conditions as set out under item No. 10 of the Explanatory Statement annexed to the Notice convening this Annual General Meeting.”

“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. **RE- APPOINTMENT OF MR. RAMCHANDRA AGARWAL AS WHOLE TIME DIRECTOR OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and in terms of Article 98 of the Articles of Association of the Company, and as recommended by the Nomination & Remuneration Committee of the Board, consent of the members of the Company is accorded for the re-appointment of Mr. Ramchandra Agarwal (DIN - 02064854) as the Whole Time Director of the Company for 3 Years Term w.e.f. April 01, 2016 till March 31, 2019 on terms and conditions as set out under item No. 11 of the Explanatory Statement annexed to the Notice convening this Annual General Meeting.”

“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 as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further pursuant to the approval of Board of Directors and the Audit Committee with regard to omnibus approval for related

party transactions on annual basis for the financial year 2016-17, in their respective meetings held on May 30, 2016, the consent of the Company be and is hereby accorded for omnibus approval for entering into contract or arrangement with the related parties on annual basis for the financial year 2016-17, as defined under the said Act and the Rules made thereunder, as amended, 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 severally 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.”

13. APPOINTMENT OF COST 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 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time (including any statutory modification(s) or re-enactments thereof, for the time being in force), Mr. Vinayak Kulkarni, Cost Accountant (Membership No - 28559), the Cost Auditors appointed by the Board of Directors of the Company and the Audit Committee of the Board to conduct the cost records of the Company for relevant segments for the financial year ending March 31, 2017, be paid the remuneration as set out under item No. 13 of the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally 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: August 25, 2016

Rakesh Bhalla
Vice President – Legal & Company Secretary

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (The “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 carry 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. Members / proxies should bring the attendance slips duly filled in and Photo Id Proof for attending the meeting.
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. In terms of Section 152 of the Companies Act, 2013, Mr. Lalit Agarwal, Director and Mr. Ramchandra Agarwal, Director retire by rotation at the Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommend their re-appointment. Further, Mr. Jaiprakash Agarwal, Mr. Lalit Agarwal and Mr. Ramchandra Agarwal, are proposed to be re-appointed as the Managing Director and Whole Time Directors respectively of the Company as per Resolution No. 9, 10 & 11 of this Notice and a brief resume of them is provided herewith, as stipulated under Clause 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. **The Share Transfer Books and the Register of Members shall remain closed from September 16, 2016 to September 22, 2016, both days inclusive.**
7. The Board of Directors have recommended a dividend of ₹ 1.50 per Equity Share of the Face Value of ₹ 10/- fully paid-up for the Financial Year ended March 31, 2016. If declared at the Annual General Meeting, the same will be paid to the shareholders, whose names are on the Register of Members as on September 15, 2016 and the same shall be paid on or after September 26, 2016.
8. Members are requested to intimate immediately change of address, if any, to the Company's Registrar and Transfer Agents viz the Company or its Registrars & Transfer Agents, M/s Ankit Consultancy Pvt. Ltd (Ankit), at their address at 60, Electronic Complex, Paradeshipura, Indore - 452010 M.P. (India): Telephone No. + 91-731-4281333, + 91-731-4065799/97, Fax: 91-731-4065798; E-mail: ankit_4321@yahoo.com: Website: ankitonline.com or e-mail to Depository Participant, as the case may be.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents.
10. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
11. In view of the circular issued by SEBI, the National Electronic Clearing Services (NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of NECS, Members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. Any changes in such bank mandate must be advised only to the Depository Participant of the Members.
12. The Notice of the Annual General Meeting along with the Annual Report 2015-16 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. To support "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with the Company/Depositories. Members who have not registered their e-mail addresses, physical copy is being sent by permitted mode. .
13. Members holding shares in physical form are requested to advise any change of address and are also requested to submit their specimen signatures duly attested by their Bank immediately to the Company. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participants.
14. As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he / she may submit the same in Form No. SH-14. Members holding shares in physical form are requested to submit the forms to the Company. Members holding shares in electronic form must submit the forms to their respective Depository Participants. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management.
15. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to submit details to the Company and Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
16. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote.
17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 6.00 p.m) on all working days except Sundays and holidays, up to and including the date of the Annual General Meeting of the Company.

18. Voting through electronic means:

In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members facility of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM), through remote e-voting services provided by Central Depository Services Limited (CDSL) on all resolutions set forth in this Notice.

The instructions for remote e-voting are as under:

(A) In case of Members receiving e-mail:

- (i) The voting period begins on Monday, September 19, 2016 (9.00 a.m IST) and ends on Wednesday, September 21, 2016 (5.00 p.m IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz September 15, 2016 (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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 sequence number in the PAN field. • In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

NOTE: Please keep the sequence number in safe custody for future e-voting.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.

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- (x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the **Agarwal Industrial Corporation Limited** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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 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 linked in the login 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.
- (xx) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and remote e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (B) In case of Members receiving the physical copy of the Notice of the Meeting (for Members whose email addresses are not registered with the Company/ Depositories):**
- Please follow all steps from Sr. No. (i) to Sr. No. (xvii) of (A) above to cast vote.
- (C) Other Instructions:**
- (i) The e-voting period begins on Monday, September 19, 2016 (9.00 a.m. IST) and ends on Wednesday, September 21, 2016 (5.00 p.m. IST).
- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at www.evotingindia.com under Help section or write an email to helpdesk.evoting@cdslindia.com.
- (iii) The voting rights of the Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut off date i.e. September 15, 2016. A person whose name is recorded in the Register of Members or in the register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Once the vote on a Resolution is cast by the Member, he/ she shall not be allowed to change it subsequently or cast the vote again.

- (iv) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may cast their vote by remote e-voting or through Poll at the Meeting. However, if you are already registered with CDSL for remote e-voting then you can use existing user ID and password for casting your vote. If you forget your password you can reset your password by using Forgot Password option available on www.evotingindia.com.
 - (v) Mr. P. M. Vala, Practicing Company Secretary (FCS- 5193, CP- 4237) has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the remote e-voting and the voting process in a fair and transparent manner.
 - (vi) The Scrutinizer shall immediately after the conclusion of the voting period, first count the votes at the meeting, thereafter unblock the votes through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall prepare, not later than two days of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or any person authorised by the Chairman in writing, who shall countersign the same.
 - (vii) The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again at the Meeting.
 - (viii) A Member can opt for only one mode of voting i.e. either through remote e-voting or by Poll. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Poll shall be treated as invalid. Facility of voting through either electronic voting system or Poll, shall also be available at the Meeting. Members holding shares as on cut off date i.e. September 15, 2016 and attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting.
 - (ix) The Chairman or the person authorized by him in writing, shall forthwith on receipt of the consolidated Scrutinizer's Report declare the Results of the voting within 48 hours of the conclusion of the Annual General Meeting. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.aicld.in and on the website of CDSL immediately after the results are declared by the Chairman of the meeting. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India where the shares of the Company are listed.
19. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. September 22, 2016.

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013 and Rules made thereunder, as amended)

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. 6 to 13 of the accompanying Notice:

ITEM 6 AND 7: INCREASE IN AUTHORISED CAPITAL OF THE COMPANY AND AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

The Authorised Share Capital of the Company as reflected in the Memorandum and Articles of Association as on date is 7,00,00,000 (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lacs) equity shares of ₹ 10/- (Rupees Ten only) each. The Board of Directors of the Company in their meeting held on August 25, 2016, subject to requisite approvals and consents, resolved to offer fully convertible Warrants to the person other than promoter and promoter group of the Company on preferential basis. In view of the proposed preferential issue of warrants converted into equity shares within 18 months from the date of issue, the Authorised Share Capital of the Company needs to be increased from existing ₹ 7,00,00,000/- (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lacs) equity shares of ₹ 10/- each to ₹ 8,00,00,000/- (Rupees Eight Crores only) divided into 80,00,000 (Eighty Lacs) equity shares of ₹ 10/- each by creation of additional 10,00,000 (Ten Lacs) equity shares of ₹ 10/- each ranking pari passu in all respect with the existing equity shares of the Company.

Consequent to the increase of Authorised Share Capital, the Authorised Share Capital Clause contained in Clause V of the Memorandum of Association of the Company need to be altered as indicated in Resolution No. 6.

The Board of Directors of the Company hereby recommend the Resolutions set out at Special Resolution No. 6 & 7 for the consent of the members of the Company. None of the Directors, Key Managerial Personnel and Relatives of the Directors / Key Managerial Personnel of the Company is interested in the proposed Resolutions except as holders of the equity shares in general.

A copy of the Memorandum and Articles of Association together with the proposed alterations is available for inspection by the members at the Registered Office of the Company during normal business hours (10.00 a.m to 6.00 p.m) on all working days except Sundays and holidays, up to and including the date of the Annual General Meeting of the Company.

ITEM 8 : TO APPROVE ALLOTMENT OF WARRANTS, CONVERTIBLE IN TO EQUITY SHARES ON PREFERENTIAL BASIS IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (“ICDR REGULATIONS”).

- (i) Consent of the members is sought for issuing and allotting, on a preferential basis, up to 15,00,000 (Fifteen Lakh) Warrants, convertible into equity shares of face value of ₹ 10/- (Rupees Ten Only) each, at an exercise price of ₹ 140/- per Warrant (including premium of ₹ 130/- per Warrant) aggregating upto ₹ 21,00,00,000/- (Rupees Twenty One Crores Only), to Garnet International Limited and Aavyana Advisors LLP (“Allottees”) (non-promoter).
- (ii) The Allottees intend to support the Company in achieving the growth of the business of the Company, including long term capital requirements for pursuing our growth plans and to enhance our capital adequacy ratio, to increase our capacity to lend and for general corporate purposes.
- (iii) In terms of Section 62(1)(c) read with Section 42 of the Companies Act, 2013 and rules made there under (“Act”), a company can undertake preferential allotment/private placement only after obtaining prior approval of the members by way of special resolution in terms of Section 42 and 62(1)(c) of the Act read with provisions of Chapter VII – “Preferential Issue” of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”), as amended, and on the terms and conditions and formalities as stipulated in the Act and the SEBI ICDR Regulations.
- (iv) Accordingly, the Company proposes to issue and allot 15,00,000 (Fifteen Lakh) Warrants, convertible into equity share, at an exercise price of ₹ 140/- per Warrant to the Allottees.
- (v) The equity shares allotted would be listed on the BSE Limited and the National Stock Exchange of India Limited. The issue and allotment would be subject to the availability of requisite regulatory approvals.

(a) Objects of the issue through Preferential Issue:

To meet the needs of our growing business, including long term capital requirements for pursuing our growth plans and to enhance our capital adequacy ratio, to increase our capacity to lend and for general corporate purposes.

(b) Type of security offered, number of security offered and Issue Price:

The Company proposes to offer, issue and allot upto 15,00,000 fully convertible warrants to the Allottees at an exercise price of ₹ 140/- per Warrant (including premium of ₹ 130/- per Warrant) aggregating upto ₹ 21,00,00,000/- (Rupees Twenty One Crores Only). Each Warrant shall be convertible into 1 (one) equity share of nominal value of ₹ 10/- each at the Exercise Price of ₹ 140/- per Warrant which is not less than the price calculated in accordance with the SEBI ICDR Regulations. The total number of equity shares to be allotted on conversion of the Warrants shall not exceed 15,00,000 equity shares. The Warrants are convertible into the equity shares at any time after allotment at the option of the Allottees, in one or more tranches, subject to a maximum period of 18 months from the date of their allotment.

None of the Allottees have sold equity shares in the Company during the six months preceding the Relevant Date.

(c) Important terms and conditions – Warrants:

- i. The equity shares to be allotted pursuant to conversion of Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company. The equity shares arising on conversion of Warrants shall rank pari passu with the existing equity shares of the Company in all respects.
- ii. The equity shares allotted pursuant to conversion of Warrants allotted to Allottees will be subject to lock-in for a period of 1 year from the date of trading approval or as required under SEBI ICDR Regulations.
- iii. The Warrants may be exercised at any time before the expiry of 18 months from the date of allotment of the Warrants.
- iv. If the entitlement against the Warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on such Warrants shall stand forfeited.

- v. The Warrant subscription price equivalent to 25% of the issue price of the equity shares will be payable at the time of subscription to the Warrants, as prescribed by regulation 77 of the SEBI ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the equity shares. The Warrants exercise price equivalent to the 75% of the issue price of the equity shares shall be payable by the Allottees at the time of exercising the Warrant.
- vi. The issue of the Warrants as well as equity shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- vii. In the event of the Company making a bonus issue by way of capitalization of its reserves, or a rights offer by way of issue of new equity shares, prior to allotment of equity shares resulting from the exercise of the Warrants, the issue price of the equity shares to be allotted against such Warrants shall be subject to appropriate adjustment, subject to the SEBI ICDR Regulations and other applicable law.

(d) Relevant Date with reference to which the price has been arrived at:

The "Relevant Date" in terms of Regulation 71(a) of the SEBI ICDR Regulations for the purpose of determining the price of the Warrants, is August 23, 2016, i.e. the date 30 (thirty) days prior to the date of the Annual General Meeting.

(e) Intention of the promoters / directors / key management personnel of the Company to subscribe to the proposed preferential offer:

The Preferential Issue is not being made to the Promoters, Directors or Key Management Personnel of the Company and none of the current Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed Preferential Issue.

(f) Undertaking to recomputed price and Undertaking to put under lock-in till the recomputed price is paid:

As specified under the SEBI ICDR Regulations, wherever it is required, the Company shall re-compute the issue price of the Warrants to be allotted under the Preferential Issue in accordance with the SEBI ICDR Regulations. Further, if the amount payable on account of the re-computation of issue price is not paid by the Allottees within the time stipulated under the SEBI ICDR Regulations, the Warrants allotted to Allottees shall continue to be locked-in till the time such amounts are paid by them.

(g) The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the Allottees is as follows:

Identity of the proposed Allottees	Category	Pre Issue holding	The maximum number of Warrants proposed to be allotted	% Shareholding post conversion Warrants in to equity shares	Natural persons who are the ultimate beneficial owner of the shares proposed to be issued
Garnet International Limited	Non –Promoter - Company	Nil	11,00,000	15.69%	Mr. Ramakant Gaggar and Mr. Suresh Gaggar
Aavyana Advisors LLP	Non –Promoter - LLP	Nil	4,00,000	5.70%	Mrs. Sapna Berry and Mrs. Shivani P Bansal

(h) **Shareholding pattern of the Company before and after the Preferential Issue:**

Sr. No.	Category	Pre Issue		Post conversion of Warrants into equity shares	
		No. of Shares Held	% of Share holding	No. of Shares Held	% of Share holding
A	Promoters Holding:				
1	Indian :				
	Individual	2,940,545	53.34	2,940,545	41.93
	Bodies Corporate	-	-	-	-
2	Foreign Promoters	-	-	-	-
	Sub Total (A)	2,940,545	53.34	2,940,545	41.93
B	Non – Promoters’ Holding :				
1	Institutional Investors	-	-	-	-
2	Non-Institution				
	Individual	1,597,016	28.97	1,597,016	22.77
	Bodies Corporate	849,047	15.40	2,349,047	33.50
	Clearing Members	2,841	0.05	2,841	0.04
	Foreign Individuals or NRI	123,451	2.24	123,451	1.76
	Sub Total (B)	2,572,355	46.66	4,072,355	58.07
	Grand Total (A + B)	5,512,900	100.00	7,012,900	100.00

*As on October 31, 2015, the Company has allotted 6,60,000 warrants convertible into equal number of equity shares of face value of ₹ 10/- each.

(i) **Proposed time within which the Preferential Issue shall be completed:**

As required under Chapter VII of the SEBI ICDR Regulations, the Company shall complete the allotment of Warrants as aforesaid on or before the expiry of 15 (fifteen) days from the date of passing of the resolution at the Annual General Meeting or in the event the allotment of Warrants would require any approval(s) from any regulatory authorities including but not limited to SEBI, the RBI, the Government of India, etc. and such other approvals from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

(j) **The class or classes of persons to whom the allotment is proposed to be made:**

Name of the Allottees	Category	Address	PAN No.
Garnet International Limited	Non – Promoter - Company	901, Raheja Chambers, Nariman Point, Mumbai – 400 021	AABCG8503A
Aavyana Advisors LLP	Non – Promoter – LLP	Bhoomi Enclave, Saraswati Co. Op. HSG Society, C-701, Mahavir Nagar, Kandivali West, Mumbai – 400 067	ABBFA3565A

(k) **Basis on which the price has been arrived at along with report of the registered valuer:**

This is not applicable in the present case since the Company is a listed company and its shares are frequently traded both on the National Stock Exchange of India Ltd and BSE Ltd. However, it is agreed that the issue price shall be calculated in accordance with the SEBI ICDR Regulations.

(l) **Lock-in period:**

The equity shares allotted pursuant to conversion of Warrants to the Allottees will be subject to lock-in for a period of one (1) year from the date of trading approval or as required under SEBI ICDR Regulations.

None of the Allottees hold any equity shares of the Company. Hence, pre preferential lock-in requirement is not applicable on Allottees.

(m) The change in control, if any, in the Company that would occur consequent to the Preferential Issue:

The existing promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.

(n) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

This is not applicable in the present case since the Company being a listed company the pricing is in terms of SEBI ICDR Regulations. Further, the proposed allotment is for cash consideration.

(o) Certificate from Statutory Auditors:

A copy of the certificate from Statutory Auditors certifying that the issue is being made in accordance with the requirements of SEBI ICDR Regulations shall be made available for inspection at the registered office of the Company on all working days except Saturdays and holidays between 02.30 P.M. to 04.30 P.M. upto the date of Annual General Meeting.

(p) Number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price:

Post 31st March, 2016 and up to the date of this Notice, no allotment has been made on preferential basis.

(q) Others

The Company has not made any preferential issue of securities during the current financial year. The consent of the members is sought for the issue of 15,00,000 (Fifteen Lakh) Warrants in terms of Section 42 and 62(1)(c) and other applicable provisions, if any, of the Act and in terms of the provisions of the SEBI ICDR Regulations and the SEBI LODR Regulation and listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 62 of the Companies Act, 2013, other applicable provisions of Companies Act, 2013 and Chapter VII of the Regulations. The Board of Directors believe that the proposed preferential issue and allotment of Warrants is in the best interest of the Company and its members. Your Directors, therefore, recommend the resolution for your approval.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the relevant stock exchanges on which the equity shares are listed under the provisions of the SEBI LODR Regulation.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice.

Documents referred in the accompanying Notice are open for inspection at the registered office of the Company during normal business hours (10.00 a.m to 6.00 p.m) on all working days except Sundays and holidays, up to and including the date of the Annual General Meeting of the Company.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Item No. 8 of the accompanying Notice.

ITEM 9. TO APPROVE RE-APPOINTMENT OF MR. JAIPRAKASH AGARWAL AS MANAGING DIRECTOR OF THE COMPANY.

Mr. Jaiprakash Agarwal, is a Promoter Director and he was re-appointed as the Managing Director of the Company for a period of 3 years with effect from April 01, 2013 to March 31, 2016 by the members of the Company in the Annual General Meeting of the Company held on September 30, 2013. Mr Agarwal's existing term expired on March 31, 2016. Mr Agarwal has to his credit 35 plus years of profound business experience. Being a visionary and a forward looking entrepreneur, Mr. Agarwal with his commercial acumen and business skills has successfully turned the Company from a single logistic Company to a well diversified Company having ventured into the businesses of trading and manufacturing of Bitumen and Bituminous products and Wind Power projects in addition to the existing logistics business. A valuable contributor to the development and success

of the Company, Mr. Agarwal is a seasoned businessman of repute. Considering Mr. Agarwal's invaluable contribution to the growth and development of the Company since its inception, the Board of Directors of the Company on the recommendations of the Nomination & Remuneration Committee, re-appointed Mr. Agarwal as the Managing Director of the Company for period of 3 Years w.e.f April 01, 2016 till March 31, 2019 on the terms and conditions as detailed below.

The Terms & Conditions of the Re-appointment of Mr. Jaiprakash Agarwal as the Managing Director of the Company.

- | | |
|--------------------------|---|
| a] Designation | : Managing Director |
| b] Tenure of Appointment | : 3 Years Period w.e.f April 01, 2016 till March 31, 2019 |
| c] Salary | : Up to ₹ 5,00,000 per month during the entire tenure of appointment as may be mutually agreed to by the Board of Directors and Mr. Jaiprakash Agarwal. |
| d] Perquisites | : As per Section IV of Schedule V of the Companies Act, 2013 and rules made thereunder. |
| e] Retiring by Rotation | : In terms of Article 98 of the Articles of Association of the Company, Mr. Jaiprakash Agarwal will be liable to retire by rotation. |
| f] Legal Frame Work. | : (i) Sections 196, 197 & 203 of the Companies Act, 2013 and rules made there under as amended from time to time
.. (ii) Section II of Part II of Schedule V of the Companies Act, 2013 and rules made thereunder. |

None of the Directors / Key Managerial Personnel or their relatives of the Company except Mr. Jaiprakash Agarwal himself and Mr. Lalit Agarwal, Mr Ramchandra Agarwal & Mr. Mahendra Agarwal being brothers of Mr. Jaiprakash Agarwal, are deemed to be concerned or interested in the Special Resolution mentioned at item no 9 of the Notice.

The Board of Directors accordingly recommends the Special Resolution as set out at item no 9 of the Notice for approval of the members

ITEM NO 10. TO APPROVE RE – APPOINTMENT OF MR. LALIT AGARWAL AS WHOLE TIME DIRECTOR OF THE COMPANY.

Mr. Lalit Agarwal is a Promoter Director and he was appointed as the Whole Time Director of the Company for a period of 3 years with effect from April 01, 2013 to March 31, 2016 by the members of the Company in the Annual General Meeting of the Company held on September 30, 2013 and later on, in compliance with the relevant provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time, the terms of appointment of Mr. Agarwal were partially modified to the extent of making his appointment subject to retirement by rotation in the Annual General Meeting of the Company held on September 30, 2014. Mr. Agarwal's existing term expired on March 31, 2016. Mr. Lalit Agarwal is a result driven, self motivated and a resourceful Whole Time Director of the Company who has accredited with nearly 28 years of industrial and services sectors experience. Mr. Agarwal is known for his proven ability to develop and strengthen management teams and at the same time exercising his cost cutting edge over others in order to maximize Company profitability and efficiency. Mr. Lalit Agarwal is the President of Bulk Bitumen Transporters Association and is highly respected and well recognized personality in his industry circle. Under his valuable guidance and direction, the Company achieved many milestones and is now a well diversified Company. Mr. Agarwal possess excellent communication skills and successfully establishes sustainable and profitable relationships with customers, suppliers and stakeholders of the Company. Considering his profound credentials, the Board of Directors of the Company on the recommendations of the Nomination & Remuneration Committee, re-appointed Mr. Agarwal as the Whole Time Director of the Company for period of 3 Years w.e.f April 01, 2016 till March 31, 2019 on the terms and conditions as detailed below.

The Terms & Conditions of the Re-appointment of Mr. Lalit Agarwal as the Whole Time Director of the Company.

- | | |
|--------------------------|--|
| a] Designation | : Whole Time Director |
| b] Tenure of Appointment | : 3 Years Period w.e.f April 01, 2016 till March 31, 2019 |
| c] Salary | : Up to ₹ 3,00,000 per month during the entire tenure of appointment as may be mutually agreed to by the Board of Directors and Mr. Lalit Agarwal. |
| d] Perquisites | : As per Section IV of Schedule V of the Companies Act, 2013 and rules made thereunder. |

- e] Retiring by Rotation : In terms of Article 98 of the Articles of Association of the Company, Mr. Lalit Agarwal will be liable to retire by rotation.
- f] Legal Frame Work. : (i) Sections 196,197 & 203 of the Companies Act, 2013 and rules made there under,
(ii) Section II of Part II of Schedule V of the Companies Act, 2013 and rules made thereunder.

None of the Directors / Key Managerial Personnel or their relatives of the Company except Mr. Lalit Agarwal himself and Mr. Jaiprakash Agarwal, Mr. Ramchandra Agarwal & Mr. Mahendra Agarwal being brothers of Mr. Lalit Agarwal, are deemed to be concerned or interested in the Special Resolution mentioned at item no 10 of the Notice.

The Board of Directors accordingly recommends the Special Resolution as set out at item no 10 of the Notice for approval of the members

ITEM NO 11. TO APPROVE RE – APPOINTMENT OF MR. RAMCHANDRA AGARWAL AS WHOLE TIME DIRECTOR OF THE COMPANY.

Mr. Ramchandra Agarwal is a Promoter Director and he was appointed as the Whole Time Director of the Company for a period of 3 years with effect from April 01, 2013 to March 31, 2016 by the members of the Company in the Annual General Meeting of the Company held on September 30, 2013 and later on, in compliance with the relevant provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time, the terms of appointment of Mr. Agarwal were partially modified to the extent of making his appointment subject to retirement by Rotation in the Annual General Meeting of the Company held on September 30, 2014. Mr. Agarwal's existing term expired on March 31, 2016. Mr. Agarwal has to his credit nearly 37 years of service sector and industrial sector experience and is known for his proven leadership skills. Under his able guidance, the Company expanded its logistics business many fold and the trend continues. Mr. Agarwal gives a lot of value to human resources of the Company and ensures maintaining high motivational levels at all ranks and files. Considering his vast experience and valuable contribution to the Company's progress, the Board of Directors of the Company on the recommendations of the Nomination & Remuneration Committee, re-appointed Mr. Agarwal as the Whole Time Director of the Company for period of 3 Years w.e.f April 01, 2016 till March 31, 2019 on the terms and conditions as detailed below.

The Terms & Conditions of the Re-appointment of Mr. Ramchandra Agarwal as the Whole Time Director of the Company.

- a] Designation : Whole Time Director
- b] Tenure of Appointment : 3 Years Period w.e.f April 01, 2016 till March 31, 2019
- c] Salary : Up to ₹ 3,00,000 per month during the entire tenure of appointment as may be mutually agreed to by the Board of Directors and Mr. Ramchandra Agarwal
- d] Perquisites : As per Section IV of Schedule V of the Companies Act, 2013 and rules made thereunder.
- e] Retiring by Rotation : In terms of Article 98 of the Articles of Association of the Company, Mr. Ramchandra Agarwal will be liable to retire by rotation.
- f] Legal Frame Work : (i) Sections 196,197 & 203 of the Companies Act, 2013 and rules made there under, as amended.
(ii) Section II of Part II of Schedule V of the Companies Act, 2013 and rules made thereunder.

None of the Directors / Key Managerial Personnel or their relatives of the Company except Mr. Ramchandra Agarwal, himself and Mr. Jaiprakash Agarwal, Mr. Lalit Agarwal & Mr. Mahendra Agarwal being brothers of Mr. Ramchandra Agarwal, are deemed to be concerned or interested in the Special Resolution mentioned at item no 11 of the Notice.

The Board of Directors accordingly recommends the Special Resolution as set out at item no 11 of the Notice for approval of the members

ITEM NO 12. OMNIBUS APPROVAL FOR RELATED PARTY TRANSACTIONS .

As per Section 188 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further pursuant to the approval of Board of Directors and the Audit Committee with regard to omnibus approval for related party transactions on annual basis for the financial year 2016-17, in their respective meetings held on May 30, 2016, the consent of the Company is required for omnibus approval for entering into contract or arrangement with the related parties already in existence and which are proposed to be entered into by the Company on annual basis for the financial year 2016-17, as set out here under :

1) Names of the Related Parties and Description of relationship

Subsidiary (100 %)	Bituminex Cochin Pvt Ltd.
Key Management Personnel	Mr. Jaiprakash Agarwal (Managing Director) Mr. Lalit Agarwal (Whole Time Director) Mr. Ramchandra Agarwal (Whole Time Director) Mr. Vipin Agarwal (Chief Financial Officer) Mr. Rakesh Bhalla (Company Secretary)
Relatives of KMP	Mrs. Pooja Vipin Agarwal Mr. Nilesh Agarwal
Concerns in which Directors are interested	ANZ Transporters Mr. Ramchandra Agarwal, Mr. Lalit Agarwal, Mr. Mahendra Agarwal. (Partners – Brothers)
	Agarwal Gas Carriers Mr. Jaiprakash Agarwal, Mr. Kishan Agarwal, Mr. Jugal Kishore Agarwal. (Partners – Brothers)
	Agarwal Translink P Ltd (Directors : Mr. Jaiprakash Agarwal, Mr. Mahendra Agarwal, Mr. Kishan Agarwal) - Brothers
	Agarwal Petrochem P Ltd (Directors : Mr. Lalit Agarwal, Mr. Ramchandra Agarwal & Mr. Kishan Agarwal) - Brothers

Omnibus Approval for Related Party Transactions as approved by the Board of Directors and Audit Committee in their respective meetings held on May 30, 2016 for the F.Y 2016-17 :

(₹ in Lacs)

Nature of Transaction	Subsidiary (Amount not exceeding)	KMPs & Relatives of KMPs (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 Mr. Vipin Agarwal Mr. Rakesh Bhalla Relatives of KMPs	-	250.00	-	250.00

Nature of Transaction	Subsidiary (Amount not exceeding)	KMPs & Relatives of KMPs (Amount not exceeding) (Consolidated)	Concerns in which KMP & their Relatives are interested (Amount not exceeding) (Consolidated)	Total
Sub-Contract Payment ANZ Transporters, Agarwal Gas Carriers, Agarwal Translink P Ltd, Agarwal Petrochem P Ltd	-	-	750.00	750.00
Sub-Contract Receipt ANZ Transporters, Agarwal Gas Carriers, Agarwal Translink P Ltd, Agarwal Petrochem P Ltd	-	-	350.00	350.00
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,	-	-	400.00	400.00
Bitumen Purchase Agarwal Petrochem P Ltd)	-	-	500.00	500.00
Bitumen Sale (Agarwal Petrochem P Ltd)	-	-	700.00	700.00
Rent Payable Mr. Jaiprakash Agarwal Mr. Lalit Agarwal	-	15.00	-	15.00
Loan to 100 % Subsidiary (Bituminex Cochin Pvt Ltd.)	200.00	-	-	200.00
Note : Individual limits of related parties and their relatives as approved by the Board have been submitted to the Audit Committee and the same have also been approved by the Audit Committee				

None of the Directors or Key Managerial Personnel and their relatives except the above named Directors / Key Managerial Personnel/ relatives are in any way directly or indirectly concerned or interested, in the Special Resolution set out at item no 12 of the Notice .

The Board recommends the Special Resolution as set out in item no.12 of the Notice for approval of the members.

ITEM NO 13 .TO APPROVE APPOINTMENT OF COST AUDITORS FOR F.Y 2016-17.

The Board, on the recommendations of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors, Mr. Vinayak Kulkarni, Cost Accountant (Membership No - 28559) at a remuneration (Cost Audit Fee) of ₹ 40,000 (consolidated) plus taxes, as applicable, to conduct the audit of the cost records of the Company for relevant business segments of the Company covered under The Companies (Cost Records and Audit) Amendment Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force) for the Financial Year 2016-17. Section 148 of the Companies Act, 2013 read with the relevant rules mentioned herein above, require ratification of the remuneration payable to the Cost Auditors by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at item No. 13 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2017. None of the Directors or Key Managerial Personnel or their relatives, are in any way directly or indirectly concerned or interested, in the resolution.

The Board recommends the Ordinary Resolution as set out in item no.13 of the Notice for approval of the members.

ANNEXURE TO THE NOTICE

Statement containing details as per sub para (iv) of (B) of paragraph 1 of Section II of Part II of Schedule V of the Companies Act, 2013 and the Rules made thereunder, as amended.

1. General Information

a] Nature of Industry

The Company is engaged into businesses of trading and manufacturing of Petrochemicals [Bituminous & Allied Products], Transportation and Windmills.

b] Date or expected date of commencement of commercial production

The Company has two plants located at Belgaum and Hyderabad for manufacturing of Bituminous & Allied Products, which started commercial production in September 2010 and January 2013 respectively.

c] In case of new companies expected date of commencement of activities as per project as approved by financial institutions appearing in the prospectus.

Not Applicable

d] Financial performance based on given indicators

During the Financial Year ended March 31, 2016, the Company's Turnover was ₹ 19177.38 Lacs as against ₹ 22007.71 Lacs during the corresponding previous year and the Net Profit after Taxes was ₹ 563.48 Lacs as against ₹ 579.23 Lacs during the corresponding previous year. The Net worth of the Company enhanced to ₹ 5144.97 Lacs during the Financial Year ended March 31, 2016 as against ₹ 4313.07 Lacs during the corresponding previous year.

Performance of the Company during the last 3 Financial Years were as follows:

(₹ in Lacs)

Particulars	F.Y 2015-16 (Audited)*	F.Y. 2014-15 (Audited)	F.Y. 2013-14 (Audited)
Gross Income	19177.38	22007.71	17704.37
Profit Before Tax	804.89	826.17	632.31
Profit After Tax	563.48	579.23	496.58
Net worth	5144.97	4313.07	3832.55
Dividend Per Share of FV of ₹ 10	₹ 1.50	₹ 1.50	₹ 1.40

* subject to the approval of members at the ensuing Annual General Meeting of the Company.

e] Export performance and net foreign exchange collaborations : Not Applicable

f] Foreign investments or collaborations, if any.

Except equity shares of the Company held by NRIs, there is no foreign investment/ collaboration in the Company.

II. Information about the Appointees

A. : Re-appointment of Mr. Jaiprakash Agarwal as the Managing Director of the Company.

a] Background details :

Mr. Jaiprakash Agarwal, aged 57 years, is the Promoter Director and is presently occupying the position of Managing Director of the Company. A Commerce Graduate from the Rajasthan University, Mr Agarwal has to his credit 35 plus years of profound business experience. Being a visionary and a forward looking entrepreneur, Mr. Agarwal with his commercial acumen and business skills has successfully turned the Company from a single logistic company to a well diversified company having ventured into the businesses of trading and manufacturing of Bitumen and Bituminous products and Wind Power projects in addition to the existing logistics business. A valuable contributor to the development and success of the Company, since its inception, Mr. Agarwal is a seasoned businessman of repute and looks after key managerial functions of the Company including Wind Mill operations and the logistic business of the Company.

b] Past remuneration

During the F.Y.s ended March 31, 2016 and March 31, 2015, Mr Jaiprakash Agarwal was paid a total remuneration of ₹ 30 Lacs and ₹ 24 Lacs respectively per year.

c] Recognition or awards

No formal recognition or awards have been awarded to Mr. Agarwal so far.

d] Job Profile and his suitability

Mr. Agarwal has to his credit several years of related industry experience coupled with excellent managerial skills and accordingly, Mr Agarwal is perfectly suitable to the job profile as the Managing Director of the Company.

e] Remuneration Proposed

The terms of remuneration proposed are detailed in the relative Resolution No 9 of the Notice and the corresponding item No 9 of the Explanatory Statement.

f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

Since there is no direct peer company with similar business segments, no comparative remuneration profile with respect to industry, size of the Company, profile of the position and person is given here. However, keeping in view of the responsibilities shouldered by Mr. Agarwal as the Managing Director of the Company, the remuneration paid or proposed to be paid to Mr. Agarwal is commensurate and compares at par with the compensation paid to the business heads of the like sized and similarly positioned businesses,

g] Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

- Nil except the related party transactions as detailed in relevant portion of the Financial Statements and as per Resolution No 12 and Item No 12 of the Explanatory Statement of the Notice of this Meeting..

B. Re-appointment of Mr. Lalit Agarwal as the Whole Time Director of the Company.

a] Background details :

Mr. Lalit Agarwal , aged 47 years is the Promoter Director and is presently the Whole Time Director of the Company. Mr. Lalit Agarwal is a Post Graduate in Commerce from the University of Jodhpur. After completing his post graduation in 1989, Mr. Agarwal joined his family transportation business and learnt the ropes of transportation industry. Mr. Lalit Agarwal is a result driven, self motivated and a resourceful Whole Time Director of the Company, who has accredited with nearly 28 years of industrial and services sectors experience. Mr. Agarwal is known for his proven ability to develop and strengthen management teams and at the same time exercising his cost cutting edge over others in order to maximize Company profitability and efficiency. Mr. Lalit Agarwal is the President of Bulk Bitumen Transporters Association and is highly respected and well recognized personality in his industry circle. Under his valuable guidance and direction, the Company achieved many milestones and is now a well diversified Company.

b] Past remuneration

During the F.Ys ended March 31, 2016 and March 31, 2015, Mr. Agarwal was paid a total remuneration of ₹ 21.60 Lacs & ₹ 18 Lacs respectively per year.

- c] Recognition or awards
Mr. Agarwal is the President of Bulk Bitumen Transporters Association and is a well known name in the Transportation and Bitumen Industry .
- d] Job Profile and his suitability
Several years of related industry experience coupled with excellent managerial skills, Mr. Agarwal is perfectly suitable to the job profile as the Whole Time Director of the Company.
- e] Remuneration Proposed
The terms of remuneration proposed are detailed in the relative Resolution No. 10 of the Notice] and the corresponding Item No. 10 of the Explanatory Statement.
- f] Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.
Since there is no direct peer company with similar business segments, no comparative remuneration profile with respect to industry, size of the Company, profile of the position and person is given here. However, keeping in view of the responsibilities shouldered by Mr Agarwal as the Whole Time Director of the Company, the remuneration paid or proposed to be paid to Mr. Agarwal is commensurate and compares at par with the compensation paid to the business heads of the like sized and similarly positioned businesses.
- g] Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.
Nil except the related party transactions as detailed in relevant portion of the Financial Statements and as per Resolution No. 12 and Item No. 12 of the Explanatory Statement of the Notice of this Meeting.

C. Re-appointment of Mr. Ramchandra Agarwal as the Whole Time Director of the Company.

- a] Background details :
Mr. Ramchandra Agarwal, aged 59 years is the Promoter Director and is presently the Whole Time Director of the Company. Mr. Agarwal holds a Graduate Degree in Commerce. After completing his post graduation in 1976, Mr. Agarwal joined his family transportation business. Mr. Agarwal has to his credit nearly 37 years of service sector and industrial sector experience and is known for his proven leadership skills. Under his able guidance, the Company expanded its logistics business many fold and the trend continues. Mr. Agarwal gives a lot of value to human resources of the Company and ensures maintaining high motivational levels at all ranks and files.
- b] Past remuneration
During the F.Y.s ended March 31, 2016 and March 31, 2015, Mr Agarwal was paid a total remuneration of ₹ 21.60 Lacs and ₹ 18 Lacs per year.
- c] Recognition or awards
No formal recognition or awards have been awarded to Mr. Agarwal so far.
- d] Job Profile and his suitability
Several years of related industry experience coupled with excellent managerial skills, Mr. Agarwal is perfectly suitable to the job profile as the Whole Time Director of the Company.
- e] Remuneration Proposed
The terms of remuneration proposed are detailed in the relative Resolution No. 11 of the Notice and the corresponding item No. 11 Explanatory Statement.
- f] Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.
Since there is no direct peer company with similar business segments, no comparative remuneration profile with respect to industry, size of the Company, profile of the position and person is given here. However, keeping in view of the responsibilities shouldered by Mr. Agarwal as the Whole Time Director of the Company, the remuneration paid or proposed to be paid to Mr. Agarwal is commensurate and compares at par with the compensation paid to the business heads of the like sized and similarly positioned businesses.
- g] Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.
Nil except the related party transactions as detailed in relevant portion of the Financial Statements and as per Resolution No. 12 and Item No. 12 of the Explanatory Statement of the Notice of this Meeting.

(ANNEXURE TO NOTICE DATED AUGUST 25, 2016)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Jaiprakash Agarwal	Mr. Lalit Agarwal	Mr. Ramchandra Agarwal
Date of Birth	07.02.1958	12.09.1968	17.09.1956
Date of Re- appointment on Board	29.03.2016	29.03.2016	29.03.2016
Qualifications	B. Com	M. Com	B. Com
Expertise	Management, Finance & Operations	Management, Finance, Marketing & Corporate Affairs	Management, Operations & Human Resources
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	Nil	Bituminex Cochin Pvt. Ltd	Nil
Memberships/ Chairmanships of committees across all companies	Chairperson: Corporate Social Responsibility Committee of Agarwal Industrial Corporation Ltd	Member: Corporate Social Responsibility Committee of Agarwal Industrial Corporation Ltd	Nil
Number of Meetings attended during the year	11	11	11
Shareholding of Non-executive Directors	Not Applicable	Not Applicable	Not Applicable
Relationships between Directors inter-se	Brothers	Brothers	Brothers

By Order of the Board of Directors

Place: Mumbai
Dated: August 25, 2016

Rakesh Bhalla
Vice President – Legal & Company Secretary

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

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Twenty Second Annual Report of the Company together with its Audited Statement of Profit and Loss for the year ended March 31, 2016 and the Balance Sheet as on that date:

FINANCIAL RESULTS

(₹ in Lacs)

Particulars	Standalone	
	2015-16	2014-15
Financial Year	Audited	Audited
Total Revenue	19177.39	22007.71
Profit before Depreciation, Finance Costs and Tax	1683.00	1635.00
Less: Depreciation	475.22	421.60
Less: Finance Costs	402.89	387.23
Profit before Tax	804.89	826.17
Less: Provision for Tax		
(a) Current Tax	210.00	185.00
(b) Deferred Tax (Assets)/ Liability	28.07	27.36
(c) Short Provision for Tax for earlier years	3.34	2.18
(d) Mat Credit Utilisation	0.00	32.39
Profit after Tax	563.48	579.23
Add: Balance brought forward from the previous year	2103.35	1622.82
Amount available for Appropriation	2666.83	2202.05
Appropriations		
Proposed Dividend	82.69	82.69
Tax on Dividend	16.83	16.01
Balance carried to Balance Sheet	2567.30	2103.35

RESULTS OF OPERATIONS AND THE STATE OF AFFAIRS OF THE COMPANY

The total revenue of the Company for the financial year ended March 31, 2016 was ₹19177.39 Lacs as compared to previous year's total income of ₹ 22007.71 Lacs thus registering a decrease of 12.86 % over the previous year. Further, Profit before tax and after tax were ₹ 804.89 Lacs and ₹ 563.48 Lacs respectively during the year under review as against ₹ 826.17 Lacs and ₹ 579.23 Lacs in the corresponding previous year thus indicating decreased by 2.57% & 2.71% respectively. The decrease in total revenue and profits was primarily due to reduction in products prices. However, your Directors are hopeful for improved results during the current financial year.

Please refer to the Chapter on Management Discussion and Analysis for industry and business scenario and new expansion project initiated during the financial year ended March 31, 2016.

DIVIDEND

Your Directors have recommended a dividend of ₹ 1.50 per equity share of the face value of ₹ 10/ each. for the financial year ended March 31, 2016. The dividend payout is subject to approval of the members at the ensuing Annual General Meeting.

AMOUNT TO BE CARRIED TO RESERVES

The Company has transferred ₹ 463.96 Lacs to the reserves for the F.Y. March 31, 2016 after appropriating ₹ 82.69 Lacs towards proposed dividend for the F.Y. ended March 31, 2016 and ₹ 16.83 Lacs towards dividend tax.

CAPITAL EXPENDITURE

As at March 31, 2016, the Capital Expenditure during the year under review amounted to ₹ 766.80 Lacs.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 ("The Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements, the audited consolidated financial statement is provided in this Annual Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Bituminex Cochin Pvt Ltd (BCPL), is the Wholly Owned Subsidiary (W.O.S) of your Company.

The Consolidated Financial Statements of the Company and its Wholly Owned Subsidiary prepared in accordance with the relevant Accounting Standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the Consolidated Accounts.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Pursuant to the provisions of Section 136 of the Act, the financial statement of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary are available on the website of the Company.

There are no joint ventures or associate companies as defined under the Companies Act, 2016 and Rules made thereunder, as amended.

ISSUANCE OF FULLY CONVERTIBLE WARRANTS

During the period under review, the Company allotted 6,60,000 warrants fully convertible into equity shares of ₹ 10/- each of the Company, at an exercise price of ₹ 111.50 per warrant (including premium) aggregating upto ₹ 7,35,90,000/- (Rupees Seven Crore Thirty Five Lacs Ninety Thousand Only) any time within 18 months from the date of allotment of the warrants to persons belonging to the promoter and promoter group of the Company on preferential basis after obtaining necessary approvals from the regulatory bodies.

The Company has already received ₹ 5,51,92,500 against the allotted warrants as on date of this Report (₹ 3,67,95,000 as on March 31, 2016).

PROPOSED ISSUANCE OF FULLY CONVERTIBLE WARRANTS

The Board of Directors of your Company has proposed issuance of 15,00,000 warrants convertible into equity shares to persons not belonging to the promoter and promoter group of the Company on preferential basis in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations, SEBI LODR Regulations, relevant provisions of the Companies Act, 2013 and Rules made thereunder. For details, please refer to Resolution No.8 and Item No. 8 of the Explanatory Statement of the Notice of the ensuing Annual General Meeting of the Company attached with this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT.

Scheme of Amalgamation

During the year under review, a Scheme of Amalgamation between Agarwal Petrochem Private Limited, ('Transferor Company') and Agarwal Industrial Corporation Limited, ('Transferee Company') and their respective shareholders pursuant to Sections 391 to 394 of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013 was envisaged and in this regard, a Court Convened Meeting of the Equity Shareholders of Agarwal Industrial Corporation Limited was held on Monday, June 13, 2016 under the provisions of Sections 391 to 394 of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013 and pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015. The said Scheme is under process.

The complete proposed Scheme is placed on the website of the Company at www.aicltd.in

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls commensurate with the size, scale and nature of its operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The provisions of this policy are in line with the provisions of Section 177 (9) of the Act and as per Regulation 22(1) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015. The Whistle Blower Policy can be accessed on the Company's website - www.aicld.in.

AUDIT COMMITTEE

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details relating to the same are given in Report on Corporate Governance forming part of this Board Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013, ("THE ACT")

Particulars of loans given, investments made and securities provided are mentioned in the financial statement under Note 12, 13, 15 and 18 of the said statement. Your Company has not provided any guarantee or given security in connection with loan to any other body corporate or person.

RISK MANAGEMENT

The Company has constituted a Risk Management Committee, details of which are set out in the Corporate Governance Report. The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, which has a Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In terms of Section 149 of the Act and pursuant to the Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Board of the Company has optimum combination of Executive, Non-Executive and Independent Directors. The Board also comprises of an Independent Woman Director.

Mr. Vipin Agarwal was appointed as the Chief Financial Officer (CFO) of the Company in the Board Meeting held on December 23, 2015 and Mr. Rakesh Bhalla was re-designated as Vice president – Legal & Company Secretary with immediate effect.

Further, in the Board Meeting held on March 29, 2016, in accordance with the provisions of Sections 196, 197 & 203 of the Companies Act, 2013 and rules made there under (as amended) and in compliance with Section II of Part II of Schedule V of the Companies Act, 2013, Mr. Jaiprakash Agarwal was re-appointed as Managing Director of the Company & Mr. Lalit Agarwal and Mr. Ramchandra Agarwal were re-appointed as Whole Time Directors of the Company for a tenure of 3 Years commencing from April 01, 2016 to March 31, 2019, subject however, to approval of Members at the ensuing Annual General Meeting. For detailed terms and conditions of their re-appointments, members are requested to refer to Resolution No. 9, 10 & 11 and Item Nos 9, 10 & 11 of the Explanatory Statement attached to the Notice of the ensuing Annual General Meeting enclosed with this Annual Report.

In terms of Section 203 of the Act the following were designated as KMP of your Company by the Board:

Mr. Jaiprakash Agarwal - Managing Director
Mr. Lalit Agarwal - Whole Time Director
Mr. Ramchandra Agarwal - Whole Time Director
Mr. Vipin Agarwal - Chief Financial Officer
Mr. Rakesh Bhalla - Vice President – Legal & Company Secretary

DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as stipulated under Section 149(7) of the Companies Act, 2013 and as per Regulation 17 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

BOARD MEETINGS

During the year under review, 12 (Twelve) Board Meetings were held and the intervening gap between the meetings did not exceed the period prescribed under the Act, the details of which are given in the Corporate Governance Report.

BOARD EFFECTIVENESS

The Company has adopted the Governance guidelines which, inter alia, cover aspects related to composition and role of the Board, Directors, Board diversity, definition of independence and mandates of Board Committees. It also covers aspects relating to nomination, appointment, induction and development of Directors, Directors remuneration, Code of Conduct and Board Effectiveness Review.

A. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirement as prescribed by Securities Exchange Board of India (SEBI) under Regulation 17(10) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from the Directors on the basis of the criteria such as the Board Composition and structures, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the board as a whole was evaluated, taking into account the views of the Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed.

B. Appointment of Directors and Criteria for determining qualifications, positive attributes, independence of a Director

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The NRC reviews and meets potential candidates, prior to recommending their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015.

Independence: A Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independence' as laid down in the Act and Regulation 16(1)(b) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Competency: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board has a mix of members with different educational qualifications, knowledge and with adequate experience in banking and finance, accounting and taxation, economics, legal and regulatory matters.

Additional Positive Attributes:

- The Directors should not have any other pecuniary relationship with the Company, its subsidiaries, associates or joint ventures and the Company's promoters, except as provided under law.
- The Directors should maintain an arm's length relationship between themselves and the employees of the Company, as also with the Directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The Directors should not be the subject of proved allegations of illegal or unethical behavior, in their Private or professional lives.
- The Directors should have the ability to devote sufficient time to the affairs of the Company.

C. Remuneration Policy

The Company had adopted a Remuneration Policy, subject to review from time to time for the Directors, KMP and other employees, pursuant to the provisions of the Act and Regulation 19(4) read with Part B of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The key principles governing the Company's Remuneration Policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors (ID) and Non-Independent Non-Executive Directors (NINED) may be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives.
- Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Remuneration for Managing Director (MD)/ Executive Directors (ED)/ Key Managerial Personnel (KMP)/ rest of the Employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

It is affirmed that the remuneration paid to Managing Director, Whole Time Directors and KMP is as per the Remuneration Policy of the Company. Presently no remuneration or sitting fee, of whatsoever kind and nature, is paid to any Independent Director.

PROTECTION OF WOMEN AT WORKPLACE

The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This has been widely disseminated. There were no cases of sexual harassment received by the Company in 2015-16.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

STATUTORY AUDITORS

At the ensuing Twenty Second Annual General Meeting of the Company, the Members will be requested to ratify the re-appointment of M/s Latha Singhal & Associates, Chartered Accountants, Mumbai as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and they are not disqualified for re-appointment.

The notes on financial statement referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **ANNEXURE - I**.

SECRETARIAL AUDIT

The Board of Directors of your Company has appointed Mr. P. M. Vala, Practicing Company Secretary (Membership No. FCS-5193, CP No.- 4237) to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report in Form No. MR-3 for the financial year ended March 31, 2016 is annexed herewith as **ANNEXURE - II**. The report does not contain any qualifications, reservation or adverse remarks.

COST AUDITOR

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the Board of Directors of the Company appointed Mr. Vinayak Kulkarni, Cost Accountant (Membership No. – 28559) as the Cost Auditors to conduct the cost records of the Company for relevant segments for the financial year ending March 31, 2016.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(M) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, during the financial year ended March 31, 2016 is given as below :

(A) Conservation of Energy :

- a) The conservation of energy is ongoing process and the company continuously strive for energy conservation through indigenous control system which inter alia includes minimizing of energy wastage through strict monitoring of the factory management. Although there were no specific measures adopted during the year under review, the following measures were taken for conservation of electrical energy
 - (i) Use of Power Management system for monitoring & control.
 - (ii) Close monitoring of lighting system by providing dedicated team to avoid unwanted lighting power.
 - (iii) Use of natural cooling during winter.
 - (iv) Spread awareness campaign for water conservation in line with energy conservation.
- b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.

The management is actively considering additional investment proposals for reduction of consumption of energy although no significant investments were made during the year under review.
- c) Impact of measures (a) and (b) results in reduction in number of units consumed and consequently lowering of overall cost of production. However, despite reduction of units consumed, there may be increase in the total cost due to increase in tariff rates and also varied tariff rates in different locations.

(B) Technology Absorption:

Company continues using indigenous technology for our operations and the management keeps on reviewing and analyzing the means and methods by which the existing technology can be modified, upgraded or improved upon for better operations. There is no specific technology absorption during the year under review, the Management has several years of experience in the manufacturing process, still all emphasis are made for involving still better technology and its absorption thereof. The company is also yet to establish a separate research and development division for this purpose.

(C) Foreign Exchange Earnings and Outgo:

Particulars	(₹ in Lacs)
Earnings	NIL
Outgo	2797.80

DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

Disclosure pursuant to the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is attached herewith as per **ANNEXURE- III**.

However, since there were no employees drawing remuneration in excess of the limit set out in the aforesaid amended rules, the particulars of employees required to be furnished pursuant to Section 197 (12) read with Rule 5 (2) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personal) Amendment Rules, 2016 does not form part of this annual report.

FIXED DEPOSITS

The Company did not accept any Fixed Deposits from the public and no fixed deposits were outstanding or unclaimed as on March 31, 2016.

LISTING OF SHARES

The equity shares of your Company have been listed on the BSE Limited and the National Stock Exchange of India Limited. The listing fees for the year 2016-17 have been duly paid.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state and confirm that:

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and that there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profits of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the accounts for the financial year ended March 31, 2016 on a 'going concern' basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively;
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

CORPORATE GOVERNANCE

Your Company ensures maintaining highest standards of corporate governance as per corporate governance requirements formulated by SEBI. The report on Corporate Governance as per SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 forms an integral part of the Annual Report. (**ANNEXURE – IV**). The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to report on corporate governance.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) of SEBI LODR Regulations, 2015. (**ANNEXURE – V**).

RELATED PARTY TRANSACTIONS

All related party transactions entered during the F. Y. 2015-16 were approved by the Board of Directors and the Audit Committee and were also consented by the members in the Annual General Meeting of the Company held on September 30, 2015 in accordance with Section 188 of the Companies Act, 2013 and Rules made thereunder (as amended) and as per earlier Listing Agreements and subsequently on the basis of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of related party transactions entered during the F. Y. 2015-16 are placed under **ANNEXURE –VI** as per Form AOC-2 attached with this Board Report. The Policy on materiality of related party transactions may be accessed on the Company's website- www.aicld.in.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee comprises of Mr. Jaiprakash Agarwal, Managing Director, Mr. Lalit Agarwal, Whole Time Director and Mr. Jaswant D. Sharma, an Independent Director. Mr. Jaiprakash Agarwal, Managing Director, is the Chairman of the Committee.

The details of the various projects and programs which can be undertaken by the Company as a part of its CSR policy framework is available on its website www.aicltd.in.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **ANNEXURE- VII** forming part of this Board Report.

ACKNOWLEDGEMENT

The Directors express their deep sense of appreciation for the contribution made by the employees to the significant improvement in the operations of the Company.

The Directors also thank all their Bankers, Members, Customers, Lenders, Vendors, Business Partners, Regulatory Authorities and all concerned for their continued co-operation and support.

On behalf of the Board of Directors

**Sd/-
Jaiprakash Agarwal
Managing Director**

Date : August 25, 2016

Place : Mumbai,

Registered Office:

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

ANNEXURE I
Form No. MGT- 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L99999MH1995PLC084618
- ii) Registration Date : January 13, 1995
- iii) Name of the Company : Agarwal Industrial Corporation Limited
- iv) Category : Company Limited by Shares
- v) Sub-Category of the Company : Indian Non- Government Company
- vi) Address of the Registered Office : Eastern Court, Unit No. 201-202,
Plot No. 12, V.N. Purav Marg,
S. T. Road, Chembur, Mumbai 400 071
- vii) Whether listed company : Yes
- viii) Name, Address and Contact details of Registrar and Transfer Agent, if any Registrar & Share Transfer Agent : Ankit Consultancy Pvt. Ltd.
(SEBI REG. No. INR 000000767)
CIN NO – U74140MP1985PTC003074
60, Electronic Complex, Pardeshipura,
Indore (M.P.) 452010
Telephone Nos:- +91-731-4281333,
+ 91-731-4065799/97, Fax: 91-731-4065798;

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Petroleum Bitumen	19209	79.16
2	Transportation	60231	20.25

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held	Applicable Section
1	Bituminex Cochin Pvt.Ltd. (Building No: II, 1, 2, 3, Ambalamugal, P.O. Ernakulam, Kerala- 682302)	U10300KL1980PTC003141	Subsidiary	100 %	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on 01.04.2015)				No. of Shares held at the end of the year (i.e. as on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2940545	-	2940545	53.34	2940545	-	2940545	53.34	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	2940545	-	2940545	53.34	2940545	-	2940545	53.34	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter / Promoter Group (A)=(A)(1)+(A)(2)	2940545	-	2940545	53.34	2940545	-	2940545	53.34	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify Foreign Financial Institutions / Banks)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	530538	-	530538	9.62	945653	-	945653	17.15	7.53
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1015763	70005	1085768	19.70	908025	66505	974530	17.68	-2.02
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	912700	25000	937700	17.01	493839	25000	518839	9.41	-7.60
c) Others (specify)									
i) NRI & OCB	1706	-	1706	0.03	125908	-	125908	2.28	2.25
ii) Clearing Members	16643	-	16643	0.30	7425	-	7425	0.13	-0.17
Sub-total (B)(2):-	2477350	95005	2572355	46.66	2480850	91505	2572355	46.66	0.00
Total Public Shareholding (B)=(B) (1)+(B)(2)	2477350	95005	2572355	46.66	2480850	91505	2572355	46.66	0.00
Total (A) + (B)	5417895	95005	5512900	100.00	5421395	91505	5512900	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5417895	95005	5512900	100.00	5421395	91505	5512900	100.00	0.00

II) Shareholding of Promoters

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on 01.04.2015)			No. of Shares held at the end of the year (i.e. as on 31.03.2016)			% Change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Jaiprakash Agarwal	407600	7.39	0.00	407600	7.39	0.00	0.00
2.	Ramchandra Agarwal	370700	6.72	0.00	370700	6.72	0.00	0.00
3.	Mahendra Agarwal	362600	6.58	0.00	362600	6.58	0.00	0.00
4.	Kishan Agarwal	348200	6.32	0.00	348200	6.32	0.00	0.00
5.	Jugal Kishore Agarwal	331500	6.01	0.00	331500	6.01	0.00	0.00
6.	Lalit Agarwal	302000	5.48	0.00	302000	5.48	0.00	0.00
7.	Usha Agarwal	138583	2.51	0.00	138583	2.51	0.00	0.00
8.	Nilesh Agarwal	111900	2.03	0.00	111900	2.03	0.00	0.00
9.	Rekha Agarwal	101827	1.85	0.00	101827	1.85	0.00	0.00
10.	Sushila Agarwal	86600	1.57	0.00	86600	1.57	0.00	0.00
11.	Shailesh Agarwal	76800	1.39	0.00	76800	1.39	0.00	0.00
12.	Uma Agarwal	68100	1.24	0.00	68100	1.24	0.00	0.00

13	Virel Agarwal	51300	0.93	0.00	51300	0.93	0.00	0.00
14	Mukul Agarwal	49400	0.90	0.00	49400	0.90	0.00	0.00
15	Yash Agarwal	48400	0.88	0.00	48400	0.88	0.00	0.00
16	Lakshya Agarwal	47900	0.87	0.00	47900	0.87	0.00	0.00
17	Padma Agarwal	28245	0.51	0.00	28245	0.51	0.00	0.00
18	Sanchi Agarwal	2500	0.05	0.00	2500	0.05	0.00	0.00
19	Aayushi Agarwal	2500	0.05	0.00	2500	0.05	0.00	0.00
20	Sudha Agarwal	2290	0.04	0.00	2290	0.04	0.00	0.00
21	Vipin Agarwal	1600	0.03	0.00	1600	0.03	0.00	0.00

(iii) Change in Promoters Shareholding (Please specify if there is change)

Sl. No.	Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year
1.	Name of the Promoter	No Changes in number of and % of total shares of the Company	
	At the beginning of the year		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):		
	At the End of the year		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	No of Shares at on (01-04-15) / end of the year (31-03-16)		Date	Increase/ Decrease in Share	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company			No of Shares	% of total shares of the Company
1	MASTER CAPITAL SERVICES LTD	350	0.01	3-Apr-15	-135	215	0.00
				10-Apr-15	-165	50	0.00
				24-Apr-15	5400	5450	0.10
				15-May-15	15	5465	0.10
				22-May-15	99	5564	0.10
				29-May-15	537	6101	0.11
				5-Jun-15	-651	5450	0.10
				19-Jun-15	670	6120	0.11
				26-Jun-15	-670	5450	0.10
				30-Jun-15	5000	10450	0.19
				7-Aug-15	1000	11450	0.21
				14-Aug-15	175	11625	0.21
				21-Aug-15	29200	40825	0.74
				4-Sep-15	50	40875	0.74
				18-Sep-15	50	40925	0.74
				23-Sep-15	630	41555	0.75
				30-Sep-15	200	41755	0.76
				9-Oct-15	-3678	38077	0.69
				16-Oct-15	-3434	34643	0.63
				23-Oct-15	446	35089	0.64
				30-Oct-15	-4551	30538	0.55

				6-Nov-15	-3837	26701	0.48
				13-Nov-15	33909	60610	1.10
				20-Nov-15	25	60635	1.10
				27-Nov-15	50141	110776	2.01
				4-Dec-15	9413	120189	2.18
				11-Dec-15	8712	128901	2.34
				18-Dec-15	-4484	124417	2.26
				31-Dec-15	-80	124337	2.26
				22-Jan-16	-2037	122300	2.22
				29-Jan-16	1500	123800	2.25
				5-Feb-16	-1309	122491	2.22
				12-Feb-16	1598	124089	2.25
				19-Feb-16	-2159	121930	2.21
				26-Feb-16	-6110	115820	2.10
				4-Mar-16	-4773	111047	2.01
				11-Mar-16	-1205	109842	1.99
				18-Mar-16	-1345	108497	1.97
				25-Mar-16	-100	108397	1.97
				31-Mar-16	18853	127250	2.31
2	BONANZA PORTFOLIO LTD	112,633	2.04	10-Apr-15	10168	122,801	2.23
				17-Apr-15	-368	122,433	2.22
				24-Apr-15	108	122,541	2.22
				1-May-15	-3104	119,437	2.17
				15-May-15	-796	118,641	2.15
				22-May-15	-5831	112,810	2.05
				29-May-15	-6242	106,568	1.93
				5-Jun-15	850	107,418	1.95
				19-Jun-15	1393	108,811	1.97
				26-Jun-15	2323	111,134	2.02
				30-Jun-15	1051	112,185	2.03
				3-Jul-15	1959	114,144	2.07
				10-Jul-15	-9728	104,416	1.89
				17-Jul-15	-1360	103,056	1.87
				24-Jul-15	-635	102,421	1.86
				7-Aug-15	8228	110,649	2.01
				14-Aug-15	-5790	104,859	1.90
				21-Aug-15	-21553	83,306	1.51
				28-Aug-15	4114	87,420	1.59
				4-Sep-15	957	88,377	1.60
				11-Sep-15	-973	87,404	1.59
				18-Sep-15	-2000	85,404	1.55
				23-Sep-15	3500	88,904	1.61
				30-Sep-15	4000	92,904	1.69
				9-Oct-15	-2130	90,774	1.65
				16-Oct-15	-7404	83,370	1.51
				23-Oct-15	-5242	78,128	1.42
				30-Oct-15	9848	87,976	1.60
				6-Nov-15	-9301	78,675	1.43
				13-Nov-15	4000	82,675	1.50
				20-Nov-15	-24756	57,919	1.05
				27-Nov-15	-10643	47,276	0.86
				4-Dec-15	8871	56,147	1.02
				11-Dec-15	5938	62,085	1.13
				18-Dec-15	970	63,055	1.14

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				25-Dec-15	4320	67,375	1.22
				31-Dec-15	15475	82,850	1.50
				22-Jan-16	31649	114,499	2.08
				29-Jan-16	1600	116,099	2.11
				5-Feb-16	-12	116,087	2.11
				12-Feb-16	3530	119,617	2.17
				19-Feb-16	10303	129,920	2.36
				26-Feb-16	5192	135,112	2.45
				4-Mar-16	1591	136,703	2.48
				11-Mar-16	-60	136,643	2.48
				18-Mar-16	3741	140,384	2.55
				25-Mar-16	-5615	134,769	2.44
				31-Mar-16	-17578	117,191	2.13
3	ABANS FINANCE PRIVATE LIMITED	-	-	25-Mar-16	105,700	105,700	1.92
				31-Mar-16	-	105,700	1.92
4	ASHIT MEHTA	-	-	04-Dec-15	70,000	70,000	1.27
				11-Dec-15	19,975	89,975	1.63
				26-Feb-16	3,194	93,169	1.69
				31-Mar-16	-	93,169	1.69
5	RAJKAMAL SYNTHETICS LIMITED	64,000	1.16	14-Aug-15	-1609	62,391	1.13
				23-Oct-15	-5100	57,291	1.04
				11-Dec-15	-2680	54,611	0.99
				31-Dec-15	-6065	48,546	0.88
				26-Feb-16	-700	47,846	0.87
				4-Mar-16	-2770	45,076	0.82
				31-Mar-16	-	45,076	0.82
6	SANDEEP MALOO	41723	0.76	31-Mar-16	-	41,723	0.76
7	SHIVPARVATI TRADERS AND SUPPLIERS PVT. LTD.	-	-	30-Sep-15	2,500	2,500	0.05
				31-Dec-15	34,477	36,977	0.67
				31-Mar-16	-	36,977	0.67
8	MODEL COMMERCIAL PVT LTD	11,401	0.21	10-Apr-15	-400	11,001	0.20
				24-Apr-15	-100	10,901	0.20
				14-Aug-15	20000	30,901	0.56
				4-Sep-15	2099	33,000	0.60
				18-Sep-15	-125	32,875	0.60
				9-Oct-15	-20	32,855	0.60
				22-Jan-16	2500	35,355	0.64
				18-Mar-16	2000	37,355	0.68
				25-Mar-16	-1000	36,355	0.66
				31-Mar-16	-	36,355	0.66
9	WADA DEALCOM PRIVATE LIMITED	-	-	06-Nov-15	5,000	5,000	0.09
				20-Nov-15	13,500	18,500	0.34
				04-Dec-15	2,882	21,382	0.39
				31-Dec-15	13,088	34,470	0.63
				31-Mar-16	-	34,470	0.63

10	MAVERICK SHARE BROKERS LIMITED	30,789	0.01	10-Apr-15	-200	30,589	0.55
				17-Apr-15	-1283	29,306	0.53
				24-Apr-15	99	29,405	0.53
				1-May-15	300	29,705	0.54
				15-May-15	171	29,876	0.54
				22-May-15	-73	29,803	0.54
				29-May-15	269	30,072	0.55
				5-Jun-15	-600	29,472	0.53
				12-Jun-15	477	29,949	0.54
				19-Jun-15	-96	29,853	0.54
				26-Jun-15	-2095	27,758	0.50
				3-Jul-15	187	27,945	0.51
				24-Jul-15	997	28,942	0.52
				31-Jul-15	3000	31,942	0.58
				7-Aug-15	-2600	29,342	0.53
				14-Aug-15	-1537	27,805	0.50
				21-Aug-15	-170	27,635	0.50
				28-Aug-15	3400	31,035	0.56
				4-Sep-15	-3900	27,135	0.49
				11-Sep-15	151	27,286	0.49
				18-Sep-15	-907	26,379	0.48
				23-Sep-15	-607	25,772	0.47
				30-Sep-15	-17466	8,306	0.15
				9-Oct-15	-35	8,271	0.15
				16-Oct-15	1050	9,321	0.17
				23-Oct-15	280	9,601	0.17
				30-Oct-15	945	10,546	0.19
				6-Nov-15	900	11,446	0.21
				13-Nov-15	-1100	10,346	0.19
				20-Nov-15	750	11,096	0.20
				27-Nov-15	186	11,282	0.20
				4-Dec-15	-673	10,609	0.19
				11-Dec-15	75	10,684	0.19
				18-Dec-15	2000	12,684	0.23
				25-Dec-15	-2080	10,604	0.19
				31-Dec-15	-1625	8,979	0.16
				22-Jan-16	-1680	7,299	0.13
				29-Jan-16	416	7,715	0.14
				5-Feb-16	-256	7,459	0.14
				12-Feb-16	1816	9,275	0.17
				19-Feb-16	4173	13,448	0.24
				26-Feb-16	-474	12,974	0.24
				4-Mar-16	-125	12,849	0.23
				11-Mar-16	265	13,114	0.24
				18-Mar-16	-3025	10,089	0.18
				25-Mar-16	-2832	7,257	0.13
				31-Mar-16	26447	33,704	0.61

Note : The above mentioned details regarding Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) are based upon the top ten shareholders during financial year 2015-16 derived from the Benpos received from the Depositories & furnished to us by the Registrar & Share Transfer Agent of the Company.

(v) Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Jaiprakash Agarwal At the beginning of the year Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	407600 Nil	7.39 Nil	407600 Nil	7.39 Nil
At the End of the year	407600	7.39	407600	7.39
Ramchandra Agarwal At the beginning of the year Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	370700 Nil	6.72 Nil	370700 Nil	6.72 Nil
At the End of the year	370700	6.72	370700	6.72
Mahendra Agarwal At the beginning of the year Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	362600 Nil	6.58 Nil	362600 Nil	6.58 Nil
At the End of the year	362600	6.58	362600	6.58
Lalit Agarwal At the beginning of the year Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	302000 Nil	5.48 Nil	302000 Nil	5.48 Nil
At the End of the year	302000	5.48	302000	5.48
Vipin Agarwal At the beginning of the year Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	1600 Nil	0.03 Nil	1600 Nil	0.03 Nil
At the End of the year	1600	0.03	1600	0.03

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

₹ in Lacs)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4051.43	Nil	Nil	4051.44
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	-	Nil	Nil	-
Total (i+ii+iii)	4051.43	Nil	Nil	4051.44
Change in Indebtedness during the financial year				
Addition	751.40	Nil	Nil	751.40
Reduction	913.35	Nil	Nil	913.35
Net Change	161.95	Nil	Nil	161.95
Indebtedness at the end of the financial year				
i) Principal Amount	3889.48	Nil	Nil	3889.48
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	3889.48	Nil	Nil	3889.48

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Jaiprakash Agarwal	Ramchandra Agarwal	Lalit Agarwal
1)	Gross salary:-			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	30.00	21.60	21.60
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	Nil	Nil	Nil
2)	Stock Options	Nil	Nil	Nil
3)	Sweat Equity	Nil	Nil	Nil
4)	Commission paid - as % of Profit	Nil	Nil	Nil
5)	Others	Nil	Nil	Nil
	Total	30.00	21.60	21.60

Remuneration to other Directors:

Independent Directors : NIL

Sl. no.	Particulars of Remuneration	Total Amount
		NIL

Non- Executive Directors : NIL

Sl. no.	Particulars of Remuneration	Total Amount
		NIL

B. REMUNERATION PAID TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lacs)

Sr. no.	Particulars of Remuneration	Total Amount
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	12.59*
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-
2	Stock Option	
	Sweat Equity	NIL
	Commission	
	- as % of Profit	
	- Others, specify	
	Others	
	Total	12.59

* (proportionate- 3 months for C.F.O.)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY (Penalty / Punishment / Compounding)					
B. DIRECTORS (Penalty / Punishment / Compounding)			NIL		
C. OTHER OFFICERS IN DEFAULT (Penalty / Punishment / Compounding)					

ANNEXURE II
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH' 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Agarwal Industrial Corporation Limited
Eastern Court, Unit No. 201-202
Plot No.12, V. N. Purav Marg, S. T. Road,
Chembur, Mumbai - 400 071

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Agarwal Industrial Corporation Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March'2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March' 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder and the applicable provisions of the Companies Act 1956.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder,
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder,
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings,
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 4th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, **(Not applicable to the Company during the Audit Period)**;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, **(Not applicable to the Company during the Audit Period)**;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, **(Not applicable to the Company during the Audit Period)** and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from December 1, 2015.

- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company;
- (a) Petroleum Act, 1934 and Rules made thereunder;
 - (b) The Petroleum and Natural Gas Regulatory Board Act, 2006 and the Rules made thereunder.
 - (c) National Highway Act, 1956
 - (d) The Multimodal Transportation of Goods Act, 1993
 - (e) Control of National Highways (Land and Traffic) Act, 2002.
 - (f) Carriage by Road Act, 2007.
 - (g) Road Transport Corporation Act, 1950.
 - (h) Motor Vehicles Act, 1988.
 - (i) Electricity Act, 2003.
 - (j) National Tariff Policy.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015;
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited ('NSE') and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as may be, while the dissenting members views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were following specific events/actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc. ;

- The Company has issued and allotted up to an aggregate of 6,60,000 fully convertible warrants ("Warrants") convertible into Equity Shares of ₹10/- each of the Company, at exercise price of ₹111.50 per Warrant (including premium) aggregating up to ₹ 7,35,90,000/- (Rupees Seven Crore Thirty Five Lacs Ninety Thousand Only) to promoters and promoter group of the Company on preferential basis.
- The Board of Directors at their meeting held on 9th November, 2015 has considered and approved Scheme of Amalgamation which provides for the merger of Agarwal Petrochem Private Limited with Agarwal Industrial Corporation Limited pursuant to Section 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 (to the extend applicable provisions of the Companies Act, 2013).

**For P. M. Vala & Associates
Practising Company Secretaries**

**P .M. Vala
Proprietor**

FCS No.5193, COP No.4237

Place: Thane

Date : August 25, 2016

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A to Secretarial Audit Report

To,
The Members
Agarwal Industrial Corporation Limited
Eastern Court, Unit No. 201-202
Plot No. 12, V. N. Purav Marg, S. T. Road,
Chembur, Mumbai - 400 071

Secretarial Audit Report of even date is to be read along with this letter.

1. It is the responsibility of the Management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to me. I believe that the processes and practices I followed, provides a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P. M. Vala & Associates
Practising Company Secretaries**

**P .M. Vala
Proprietor
FCS No.5193, COP No.4237**

Place: Thane
Date: August 25, 2016

ANNEXURE - III

THIS REPORT FORMS PART OF DIRECTORS' REPORT

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16

Sr. No.	Name of the Director	Ratio
1.	Mr. Jaiprakash Agarwal	50.00
2.	Mr. Lalit Agarwal	36.00
3.	Mr. Ramchandra Agarwal	36.00

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year 2015-16

Sr. No.	Name	Designation	% increase
1.	Mr. Jaiprakash Agarwal	Managing Director	25.00
2.	Mr. Lalit Agarwal	Whole Time Director	20.00
3.	Mr. Ramchandra Agarwal	Whole Time Director	20.00
4.	Mr. Rakesh Bhalla	Company Secretary	8.63
5.	Mr. Vipin Agarwal	Chief Financial Officer	-

3. Percentage decrease in the median remuneration of all employees in the Financial Year 2015-16: 38.78%
4. Number of permanent employees on the rolls of the Company as on March 31, 2016: 87
5. Average percentile increase already made in salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial Remuneration:

Average decrease in remuneration for Employees other than Managerial Personnel is 18.91% and Average increase for Managerial Personnel is 23.65%.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company

It is confirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of the Company.

ANNEXURE - IV

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

SEBI vide its notification No. SEBI/LAD-NRO/GN/2015-16/013 dated 2 September 2015 notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI Listing Regulations, 2015'), which were made applicable with effect from 1 December 2015 and repealed the erstwhile listing agreement with the stock exchanges. This Report, therefore, states the compliance status as per requirements of Companies Act, 2013 and SEBI Listing Regulations, 2015. Given below are the Company's corporate governance policies and practices for 2015-16. As will be seen, Agarwal Industrial Corporation Limited corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws, including SEBI Listing Regulations, 2015.

Philosophy

The commitment of Agarwal Industrial Corporation Limited to the highest standards of good corporate governance practices predates SEBI and the provisions of the recent SEBI Listing Regulations, 2015. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust to the working of the Agarwal Industrial Corporation Limited. Agarwal Industrial Corporation Limited. ('AICL' or 'the Company') maintains the same tradition and commitment.

The Board of Directors:

1. The Board of Directors comprises Executive, Non-Executive as well as Independent Directors in accordance with provisions of the Companies Act 2013 and the rules made thereunder and is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges along with SEBI (LODR) Regulation, 2015. The Board of Directors comprises of total 9 (Nine) Directors out of which 3 (Three) are Executive, Non-Independent Directors and 1 (one) is Non-Executive, Non-Independent Director, and 5 (Five) are Independent Directors of which one is a Woman Director. The Directors possess experience in fields as varied as finance, marketing human resources and consumer industry. The skill and knowledge of the Directors have proved to be of immense value to the Company. The details of Directors seeking re-appointment have been attached along with the Notice of the Annual General Meeting.
2. "Independent Directors" do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiary which may affect the independence of the Director. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of SEBI (LODR) Regulation, 2015 and Section 149 of the Companies Act 2013.
3. During the year under review, the Board of Directors of the Company met twelve times and the period between any two meetings did not exceed 120 days. The Board Meeting dates were: April 01, 2015, May 30, 2015, August 14, 2015, August 29, 2015, September 24, 2015, October 12, 2015, October 31, 2015, November 09, 2015, December 23, 2015, February 13, 2016 and March 29, 2016 and an Independent Directors Meeting held on March 29, 2016. A detailed explanation, in the form of a table illustrating the above matters is given on page no. 48 for ready reference.
4. None of the Directors are related to each other, except Mr. Jaiprakash Agarwal, Mr. Ramchandra Agarwal, Mr. Mahendra Agarwal and Mr. Lalit Agarwal who are related to each other, being brothers.
5. During the year, a separate meeting of Independent Directors was held inter-alia to review the performance of Non-Independent Directors and the Board as a whole. The process for evaluation of Board performance, Non-Independent and Non-Executive Directors is detailed in the Board's Report.
6. The Company has put in place a programme to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of the familiarization programme are disclosed on the Company's website: www.aicld.in.
7. The Non-Executive Director and Independent Directors have voluntarily decided not to take any sitting fee or remuneration of whatsoever kind and nature.
8. The Company has adopted a Code of Conduct for all its Directors, Key Managerial Personnel and Senior Management Personnel. All Non-Executive Directors and Independent Directors have affirmed compliance with the said Code for the financial year ended March 31, 2016. All Senior Management of the Company have affirmed compliance with the Company Code of Conduct. The Code of Conduct is also displayed on the Company's web site. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

Committees of the Board

The mandatory Committees constituted by the Board of Directors of the Company are as under:

1. Audit Committee:

The Company's Audit Committee comprises of three Independent Directors, viz. Mr. Jaswant D, Sharma, (Chairman), Mr. Rajkumar Mehta, Mr. Alok Bharara and one Non- Independent Director, Mr. Mahendra Agarwal. Each Member of the Committee has the relevant experience in the field of finance, banking and accounting, The Committee has, inter alia, the following terms of reference:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. The recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- viii. Approval or any subsequent modification of transactions of the Company with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuation of undertakings or assets of the Company, wherever it is necessary.
- xi. Evaluation of internal financial controls and risk management systems.
- xii. Examination of the financial statement and the auditors' report thereon.
- xiii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- xv. Discussion with internal auditors of any significant findings and follow up there on.
- xvi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xvii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- xviii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- xix. To review the functioning of the Whistle Blower mechanism.
- xx. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

The Committee met six times during the period under review, the details of attendance thereat are given below. Audit Committee meetings are attended by invitation by the CFO, Internal Audit and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting.

2. Nomination and Remuneration Committee:

The Company has a Nomination and Remuneration Committee (NRC) which is now a mandatory requirement as per the revised Clause 49 of the Listing Agreement now replaced by SEBI (LODR) Regulation, 2015, and also under the Companies Act, 2013. The Committee consists of 3 (Three) Independent Directors. In addition to the Chairman, Mr. Jaswant D. Sharma, who is an Independent Director, the Committee comprises Mr. Harikrishna Patni, Mr. Rajkumar Mehta and Mr. Alok Bharara. The broad terms of reference of the Committee inter alia, include the following:

- Recommend to the Board the set up and composition of the Board and its Committees including the formulation of the criteria for determining qualifications, positive attributes and independence of a Director. The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or re-appointment of Directors.

Details of Directors, Remuneration, Directorship and Meetings of Board & Committees during the F.Y. 2015-16												
Names	Category	Remuneration paid			No. of outside Directorships as at March 31, 2016		No. of outside Committee Positions Held		No of Board Meetings Attended	No. of Audit Committee Meetings attended	No. of NRC Committee Meetings attended	Attendance at the last AGM
		Salary & Perks 2015-16	Sitting Fees 2015-16	Commission 2015-16	Indian	Foreign	As Member	As Chairman				
		₹ in Lacs										
		Salary & Perks 2015-16	Sitting Fees 2015-16	Commission 2015-16	Indian	Foreign	As Member	As Chairman				
Jaiprakash Agarwal	Managing Director	30.00	Nil	Nil	1	Nil	-	-	11	-	-	Yes
Ramchandra Agarwal	Director	21.60	Nil	Nil	1	Nil	-	-	11	-	-	Yes
Lalit Agarwal	Director	21.60	Nil	Nil	2	Nil	-	-	11	-	-	Yes
Mahendra Agarwal	Director	Nil	Nil	Nil	1	Nil	-	-	11	6	-	Yes
Jaswant D.Sharma	Director	Nil	Nil	Nil	Nil	Nil	-	-	12*	6	2	Yes
Harikrishna Patni	Director	Nil	Nil	Nil	Nil	Nil	-	-	12*	-	2	Yes
Rajkumar Mehta	Director	Nil	Nil	Nil	1	Nil	-	-	12*	6	2	Yes
Alok Bharara	Director	Nil	Nil	Nil	2	Nil	-	-	12*	6	2	Yes
Priti Lodha	Woman Director	Nil	Nil	Nil	Nil	Nil	-	-	9*	-	-	No

*Includes Exclusive meeting of the Independent Directors held on March 29, 2016.

- Devise a policy on Board diversity.
- Recommend to the Board appointment of Key Managerial Personnel (KMP as defined by the Act) and executive team members of the Company (as defined by this Committee).

- v. Carry out evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include formulation of criteria for evaluation of Independent Directors and the Board.
- vi. Recommend to the Board the remuneration policy for Directors, Executive team or Key Managerial Personnel as well as the rest of the employees.
- vii. On an annual basis, recommend to the Board the remuneration payable to the Directors and oversee the remuneration to Executive team or Key Managerial Personnel of the Company.
- viii. Oversee familiarization programmes for Directors.
- ix. Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team).
- x. Provide guidelines for remuneration of Directors on material subsidiaries.
- xi. Recommend to the Board on voting pattern for appointment and remuneration of Directors on the Boards of its material subsidiary companies.
- xii. Performing such other duties and responsibilities as may be consistent with the provisions of the Committee charter.

During the year, the Committee met two times, the details of attendance whereat are on page no. 48.

Remuneration Policy:

As recommended by the Nomination and Remuneration Committee (NRC), the Board has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other Employees. The Policy envisages payment of remuneration according to qualification, experience and performance and is based on the commitment of fostering a culture of leadership with Trust. The remuneration of the Whole-time Director(s), is recommended by the Nomination and Remuneration Committee based on factors such as industry benchmarks, the Company's performance vis-à-vis the industry, performance/ track record of the Whole Time Director(s) which is decided by the Board of Directors Remuneration comprises a fixed component viz. salary, benefits, perquisites and allowances in accordance with the relevant laws, rules and regulations in force from time to time. The NRC also recommends the annual increments within the salary scale approved by the Members

NOTE:

During the financial year under review, all Independent Directors (ID) and Non-Independent Non-Executive Director (NINED) have voluntarily decided not to receive any sitting fee for the Board/Committee meeting attended during the financial year 2015-16.

3. Stakeholders' Relationship Committee:

The Company's Stakeholders' Relationship Committee comprises of Mr. Harikrishna Patni, (Chairman), Mr. Jaswant D, Sharma, Mr. Rajkumar Mehta and, Mr. Alok Bharara, all Independent Directors The scope of the Stakeholders' Relationship Committee includes reporting of the status of shareholders The brief terms of reference of the Committee include resolving grievances of all the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

The Committee met twelve times during the period under review.

4. Other Committees:

i. Corporate Social Responsibility (CSR) Committee:

Although the provisions of Section 135 of the Companies Act, 2013, is applicable to the Company for the financial year 2015-16, in accordance with the provisions of said section, the Company has constituted a CSR Committee comprising of Mr. Jaiprakash Agarwal, Managing Director, Mr. Lalit Agarwal, Whole Time Director and Mr. Jaswant D. Sharma, Independent Director. The broad terms of reference of the CSR Committee are as under:

- Formulating and recommending to the Board, the CSR Policy which aid section, shall indicate the activities to be undertaken by the Company.
- Recommending the amount of expenditure to be incurred on the aforesaid activities and;
- Reviewing and Monitoring the CSR Policy of the company from time to time.

During the year, the Committee met Five times.

ii. Risk Management Committee:

The Board of Directors have constituted a Risk Management Committee to frame, implement and monitor the risk management plan of the Company. The Committee comprises entirely of Independent Directors, viz Mr. Jaswant D. Sharma, Mr. Rajkumar Mehta and, Mr. Alok Bharara. The Committee has formulated a Risk Management Policy, which lays down a vigorous and active process for identification and mitigation of risks. The Committee reviews and monitors the risk management and mitigation plan from time to time. The terms of reference of the Risk Management Committee inter alia, include the following:

- To review the Risk Management Plan / Policy and its deployment within the Company.
- To monitor the effectiveness of the Risk Management Plan /Policy.
- To decide the maximum risk taking ability of the Company to guide the Board in making new investments.
- To review the major risks of the Company and advise on its mitigation to the Board.
- Such other functions as may be delegated by the Board from time to time.

During the year, the Committee met Thrice and was attended by all the Members

Details on General Meetings:

Location, date, time and Special Resolutions passed at the Annual General Meetings held in the last 3 years are as under

Location	Date	Time	Special Resolutions passed
Hotel Stars Parade, Lower Hall, Swami Jairamdas Building, Near Basant Park, Chembur, Mumbai – 400 071	September 30, 2015	11.00 A.M.	-Increase in Authorised Capital of the Company. - Amendment of Memorandum and Articles of Association of the Company. - Allotment of warrants, convertible into Equity Shares to Promoter of Promoter Group of the Company in Preferential Basis. -Related party transaction.
Unit No.12, A Wing, 1st Floor, Sita Estate Aziz Baug, Mahul Road, Chembur, Mumbai – 400 074	September 30, 2014	11.00 A.M.	-Appointment of Independent Directors -Modification in terms of Appointment of Whole Time Directors -Related Party transaction.
Unit No.12, A Wing, 1st Floor, Sita Estate Aziz Baug, Mahul Road, Chembur, Mumbai – 400 074	September 30, 2013	11.00 A.M.	-- Re-appointment of Managing Director -Appointment of Whole Time Directors.

All Special Resolutions passed in the previous three Annual General Meetings of the Company were passed with requisite majority.

Two Extra-ordinary General Meetings were held during the last three years.

Three Special Resolutions were passed by Postal Ballot.

Disclosures

- i) All related party transactions entered during the F. Y. 2015-16 were approved by the Board of Directors and the Audit Committee and were also consented by the members in the Annual General Meeting of the Company held on September 30, 2015 in accordance with Section 188 of the Companies Act, 2013 and Rules made thereunder (as amended) and as per earlier Listing Agreements and subsequently on the basis of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of related party transactions entered during the F. Y. 2015-16 are placed under Form AOC-2 mentioned herewith.
- ii. The Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.

- iii. There were no materially significant transactions with Related Parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements.
- iv. The Board of Directors receive, from time to time, disclosures relating to financial and commercial transactions from Key Managerial Personnel of the Company, where they and / or their relatives have personal interest.
- v. The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India / Statutory Authorities on all matters relating to capital markets, during the last 3 years.
- vi. In accordance with requirement of the Companies Act as well as the Listing Agreement, the Company has adopted the Whistle Blower Policy pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest by approaching the Chairman of the Audit Committee. The policy has been disclosed on the website of the Company under <http://www.aicld.in>
- vii. The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and Designated Employees of the Company.
- viii. Pursuant to the provisions of Regulation 17(8) of SEBI LODR Regulations, 2015, the Managing Director and CFO have issued a certificate to the Board, for the year ended March 31, 2016.

ANNEXURE V

MANAGEMENT DISCUSSION AND ANALYSIS

Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated, on account of various factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which your Company conducts its business, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints, etc.

Industry Insights- Global Bitumen Market

The global bitumen market size was USD 66.10 billion in 2015 and is expected to witness significant growth over the next eight years owing to increasing use in various applications including roadways, waterproofing, insulation, and adhesives. Rapid urbanization in emerging markets has contributed to rising in infrastructure activities. This has resulted in increasing demand for the product.

Growing demand for infrastructure on account of growing the population, improving the standard of living is projected to bolster market growth over the forecast period. Increasing awareness about climate changes, along with global warming will drive roofing requirements which in turn is supposed to drive product demand over the next eight years.

Declining oil prices has resulted in tight raw material supply and caused price fluctuation and volatility in the market, which will restrain industry expansion over the forecast period. The long supply chain is a key feature owing to bitumen being a strong product to handle. This feature is being challenged as large contractors have begun directly selling to the refineries.

The global commodity prices continued to be on the downward trail during the year. January 2016 marked the hitting of a nadir for most of the commodities. Surplus supply in the face of weak demand, appreciation of the US dollar, and concerns about weakening of the global economy, especially with regard to China, were the key reasons behind the commodity markets meltdown. Looking ahead, global growth is expected to continue to be slow and is pegged at 3.1 per cent in 2016 and accelerate to 3.4 per cent in 2017, as per the latest projections of the International Monetary Fund. Some of the key downside risks to the outlook are: increased geo-political tensions, policy uncertainty, turbulence in financial markets and unfolding of the extent of impact of 'Brexit.'

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Indian Economy

During the year, the Indian economy emerged as the fastest-growing large economy, surpassing China, and recording a GDP growth of 7.6 per cent, up from 7.2 per cent recorded in the previous year. The growth was largely led by the accelerated growth in industrial production and continued high growth in the services sector. Agricultural output grew by a meager 1.2 per cent, which was never the less an improvement over output contraction experienced in the previous year. In terms of the demand-side analysis of growth, acceleration in the growth of private final consumption expenditure, which accounts for more than 55 per cent of the GDP, was the key propeller that helped

In the emerging and developing markets group, there was a continuation of a broad- based deceleration. Growth in the group fell to 4 per cent in 2015 from 4.6 per cent in 2014. India was the only exception that witnessed acceleration in its GDP growth. Growth and macro-economic conditions in oil exporting countries were also adversely affected due to fur their lowering of international oil prices.

However, the Indian economy demonstrated its resilience during the year 2015 -16 and overcame the adverse effect of a sub-optimal monsoon on the agriculture sector by improved performance in the industrial and service sector. The economy grew at 7.3% during the year supported well by the manufacturing and service sectors which grew up by 6% and 10% respectively in 2015-16 as compared to 4.5% and 9 % in 2014-15. The Indian Rupee fared well during 2015-16 as it saw the lowest depreciation in the past four years the market

Infrastructure Sector Development & Bitumen Demand:

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.

Our Operations

Manufacturing and Trading of Bitumen & Bituminous Products

The Company is a leading manufacturers and traders of Bitumen & Bituminous products in the country today. Our rich background of being in the logistics business (transportation of Bitumen & LPG) has been instrumental in driving our decision to foray into this segment. We enjoy cordial relations with all major road contractors in India thanks to our long standing presence in the industry and professional conduct. Selling our products to clients, for who we used to provide logistics facilities earlier, was thereby relatively easy. We have expertise in Bituminous products and have established state of the art factory at Belgaum and Hyderabad. All our units are well equipped with modern laboratories. We manufacture and market quality products like Paving grade Bitumen, Industrial Grade Bitumen, Bitumen Emulsions, Modified Bitumen, Bitumen Coat, Bitumen Paints, Bitumen Insulation material etc which are known for their quality and standard.

Bulk Bitumen Storage Facilities at Karwar

We are also amongst the leading organized importers of Bitumen into India. Our bulk storage facility is conveniently at Karwar (South India) near the port. Imports so made cater to the large requirements of the south.

Project under Implementation (Construction of Liquid Cargo Storage Tanks)

To further enhance our efficiencies and cater to the demand supply gap of Bitumen and Bituminous products, the Company has decided to install our own bulk Liquid Cargo Storage Tanks at Karwar Port, the land for which has already been allotted by the Director of Ports and Inland Water Transport Karwar. The project is under implementation. With its commissioning, we expect to have locational benefits resulting in cost cutting which consequently may enhance our profitability.

Bulk Bitumen Transportation

We are the pioneers of logistics in Bitumen, which is predominantly used in road construction business. It can be procured either in bulk or in packed form. In either case the product has to be dispatched to the construction site or to the storage facilities of our industrial consumers. The bulk bitumen is transported via specially designed tankers that are insulated and have pumping facility for loading and unloading the bitumen. Most of our Bitumen tankers are under contract with major oil companies in India like HPCL, BPCL and IOCL and by other major consumers of the product.

Bulk LPG Transportation

We are amongst the leading transporters of LPG in India, which is the most widely used fuel for domestic as well as industrial purposes. While we already own a large fleet of tankers, we also hire tankers on long term contracts to cater to the demand from customers. LPG is mainly sourced from domestic refineries and via bulk imports. Bulk LPG is mainly transported from the source to the industrial user or to their bottling plants through specially designed tankers. LPG, being highly inflammable, require tankers that take care of all safety aspects while loading, transporting and unloading. Most of the LPG tankers are under contract with major oil companies like HPCL, BPCL and IOCL.

Authorized Service Centre of Ashok Leyland

Owning such a large fleet of tankers necessarily calls for periodic maintenance. As also, our entire fleet of tankers come from the Ashok Leyland stable. Both these factors influenced our decision to set up an authorized service center, for Ashok Leyland vehicles, within the company. Not only does this ensure a timely turnaround of the fleet serviced but is an economically beneficial proposition for the company. We have our own workshop and maintenance facilities at strategic locations like Mumbai, Baroda and Jodhpur.

Wind Mills

The Company has diversified into Non-Conventional energy generation by installing wind mills at Rajasthan and Maharashtra, keeping in view of the likely shortage of energy resources in future.

Financial Performance and Operations:

The key indicators of your Company's financial performance for the year ended March 31, 2016 are presented in the accompanying financial statements, which have been prepared in accordance with the requirements of the Companies Act, 2013 and the rules made thereunder, Generally Accepted Accounting Principles (GAAP) and the Accounting Standards prevailing in India.

The total revenue of the Company for the financial year ended March 31, 2016 was ₹ 19177.39 Lacs as compared to previous year's total income of ₹ 22007.71 Lacs thus registering a decrease of 12.86 % over the previous year. Further, Profit before tax and after tax were ₹ 804.89 Lacs and ₹ 563.48 Lacs respectively during the year under review as against ₹ 826.17 Lacs and ₹ 579.23 Lacs in the corresponding previous year thus indicating decreased by 2.57% & 2.71% respectively. The decrease in total revenue and profits was primarily due to reduction in product prices. However, your Directors are hopeful for improved results during the current financial year.

Dividend

Your Directors have recommended a dividend of ₹ 1.50 on per equity share of the face value of ₹ 10 each for the Financial Year ended March 31, 2016, subject to declaration 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 [Bituminous and allied products, Transportation for Bitumen and LPG and power generation through Wind mill operations.]

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

Risk and Concerns

Industry Risk

Like any other industry, our industry is prone to impacts due to fluctuations in the economy caused by changes in global and domestic economies, changes in local market conditions, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other social factors. However, our Company is least prone to industry risks as has under its fold various business segments like manufacturing and trading of Bitumen and Bituminous products, Logistics and transportation and 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. Further, your Company regularly monitors the economic and industrial trends and reviews its short and long term business policies and strategies accordingly.

Business Risk

Timely debtor's realization is the primary concern for the Company.

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 cost risks as the increased costs are generally passed on to the end users. However, as ongoing process, various cost reduction measures are initiated by the Company from time to time.

Your Company has initiated various cost reduction measures to mitigate cost risk.

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
- Eminent Board of Directors
- Healthy Financials with low debt- equity ratio
- Promoters with over 4 decades of Industry experience
- Well established, integrated and diversified Company
- Fine combination of backward and forward integration

- 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
- Benefits of a Listed Company

Opportunities

- Directly related to Infrastructure projects which are under Govt's priority agenda.
- Endless opportunities for expansion of Bitumen & Bituminous Products as road construction within the ambit of infrastructural growth.
- Import of Bitumen under favorable EXIM Policy of Govt of India provides ready road construction projects
- Huge deficit in power demand and power supply leaving tremendous scope for expansion of Wind Power Mills
- 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. However frequent price fluctuation due to global crude oil prices continue to be major areas of concern.

Internal Control Systems and Their Adequacy

Your Company has in place an adequate system of internal controls, with documented procedures covering all corporate functions. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them.

Human Resources

Your Company is committed to attract, develop and retain high quality talent. We promote 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.

Protection of Women at Workplace

The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This has been widely disseminated. There were no cases of sexual harassment received by the Company in 2015-16.

Safety, Health and Development

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

Management Information System

Our management information system continues to play a vital role in sustaining the competitive position in the market and supporting in the growth of our Company.

Our Certifications

Our Credit ratings with NSIC - CRISIL for small scale industries has been awarded as SE 1B. This rating indicates our high performance capability and financial strength.

ANNEXURE VI
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sr. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	----As per Annexure-A enclosed *-----
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Justification for entering into such contracts or arrangements or transactions'	
	Date of approval by the Board	
	Amount paid as advances, if any	
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

* (please refer to annexure A attached herewith)

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Not Applicable
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Date of approval by the Board	
	Amount paid as advances, if any	

**Annexure-A
Forming part of Form AOC-2 above
RELATED PARTY TRANSACTIONS**

₹ in Lacs

NAME	NATURE OF RELATION	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	F.Y. 2015-16
Shri Jaiprakash Agarwal	Managing Director	Three Years w.e.f. 01.04.2016	Remuneration	30.00
Shri Ramchandra Agarwal	Whole Time Director	Three Years w.e.f. 01.04.2016	Remuneration	21.60
Shri Lalit Agarwal	Whole Time Director	Three Years w.e.f. 01.04.2016	Remuneration	21.60
Shri Lalit Agarwal	Whole Time Director	Three Years w.e.f. 01.10.2013	Rent	4.14
Shri Jaiprakash Agarwal	Managing Director	Three Years w.e.f. 01.10.2013	Rent	2.64
Shri Rakesh Bhalla	V.P. – Legal & Company Secretary	Year to Year Basis	Remuneration	10.19
Shri Vipin Agarwal	Chief Financial Officer	Year to Year Basis	Remuneration	9.60
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Transportation paid	90.12
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Transportation Recd	33.70
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Labour charges Recd	6.03
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Spare Parts	8.73
Agarwal Gas Carriers	Firm in which Directors are Partners	Year to Year Basis	Transportation paid	66.27
Agarwal Gas Carriers	Firm in which Directors are Partners	Year to Year Basis	Labour charges Recd	6.16
Agarwal Gas Carriers	Firm in which Directors are Partners	Year to Year Basis	Spare Parts	15.54
Agarwal Tranlink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Transportation paid	76.41
Agarwal Tranlink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Transportation Recd	195.29
Agarwal Tranlink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Labour charges Recd	3.06
Agarwal Tranlink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Spare Parts	3.87
Agarwal Tranlink P. Ltd	Company in which Directors are Directors	Year to Year Basis	HSD/OIL	264.29
Agarwal Petrochem P. Ltd	Company in which Directors are Directors	Year to Year Basis	Transportation recd	6.65
Agarwal Petrochem P. Ltd	Company in which Directors are Directors	Year to Year Basis	Spare Parts	0.19
Agarwal Petrochem P. Ltd	Company in which Directors are Directors	Year to Year Basis	Purchase of Bitumen	322.02
Bituminex Cochin Pvt Ltd	100% Subsidiary	No fixed duration	Loan Given & Outstanding	121.00

**Sd/-
Jaiprakash Agarwal
Managing Director**

Subsidiary Company

The Company has only one Wholly Owned Subsidiary (W.O.S) - Bituminex Cochin Pvt Ltd (BCPL) at Kochi. There are no Joint Ventures or Associate Companies related to your Company.

The Consolidated Financial Statements of the Company and its Wholly Owned Subsidiary prepared in accordance with the relevant Accounting Standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the Consolidated Accounts.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Pursuant to the provisions of Section 136 of the Act, the financial statement of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary are available on the website of the Company.

During the year, the Company has not disposed of any shares in its material subsidiaries or disposed or leased the assets amounting to more than twenty percent of the assets of the material subsidiary.

Means of Communication:

Quarterly, half-yearly and annual results of the Company were published in leading English and vernacular newspapers viz. Business Standard and Mumbai Lakshdeep. Additionally, the results and other important information/disclosures are also periodically updated on the Company's website viz. www.aicld.in which also contains a separate dedicated section "Investor Relations".

BSE Listing Centre

BSE Limited has launched an Online Portal - BSE Corporate Compliance & Listing Centre (the "Listing Centre") for submission of various filings by listed companies. All disclosures and periodic filings submitted to the BSE are also uploaded on the Listing Centre.

NSE Electronic Application Processing System (NEAPS)

The Company also files information through NEAPS – a web based application provided by NSE which facilitates online filing of Corporate Governance Report, the Shareholding Pattern by companies, Results and other disclosures.

Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated June 7, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA.

SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

Annual Report

The Annual Report containing inter alia the Audited Financial Statements, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to the investors Management Discussion and Analysis forms part of the Annual Report. Pursuant to the Green Initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same. The Annual Reports are also available in the Investor Relations section on the Company's web site www.aicld.in.

General Shareholder Information

Annual General Meeting

Date and Time : September 22, 2016 at 11.00 A.M.
 Venue : Hotel Stars Parade
 Lower Hall, Swami Jairamdas Building,
 Near Basant Park, Chembur,
 Mumbai – 400 071
 Registered Office : Eastern Court, Unit- 201-202, Plot No. 12,
 V. N. Purav Marg, S. T. Road, Chembur,
 Mumbai – 400071
 Telephone No.: 022-25251149/50 Fax: 022-25291147
 Website : www.aicltd.in
 E mail : r.bhalla@aicltd.in
 Book Closure : September 16, 2016 to September 22, 2016 (Both days inclusive)

Financial Calendar

Financial reporting for:

- Quarter ending June 30, 2016 : August 2016
- Quarter ending September 30, 2016 : November 2016
- Quarter ending December 31, 2016 : February 2017
- Quarter ending March 31, 2017 : May 2017

Listing

Ordinary Shares : BSE Limited
 National Stock Exchange of India Limited

Compulsorily Convertible Debentures : N.A.

Global Depository Receipts : N.A.

Share Transfer Agent : Ankit Consultancy Pvt. Ltd.
 60, Electronic Complex, Pardeshipura,
 Indore (M.P.) 452010.
 A dedicated e-mail id ankit_4321@yahoo.com has been set up for investor complaints. The Company has been granted certificate of Permanent Registration as Category II Share Transfer Agent by SEBI.

SEBI Registration No. : INR 000000767

Share Transfer System : All shares have been transferred and returned within 15 days from the date of lodgment, provided the necessary documents were in order.

The Company has paid annual listing fees to the Stock Exchanges in respect of the financial year 2016-2017.

Stock Codes

STOCK EXCHANGE	STOCK CODE
BSE Limited	531921 ISIN : INE204E01012
National Stock Exchange of India Limited	AGARIND Series :EQ

Market Price Data: High, Low during each month in the financial year 2015-16

Months	BSE High	BSE Low	No. of Shares traded	NSE High	NSE Low	No. of Shares traded
April' 15	120.10	90.10	93267	122.90	87.25	129952
May' 15	105.80	89.00	76544	107.00	89.00	94066
June' 15	107.10	97.40	116509	106.95	97.50	141222
July' 15	114.00	97.00	100554	114.95	96.00	126652
August' 15	136.55	97.50	177959	136.50	98.00	230424
September' 15	120.90	91.00	130575	113.00	90.75	194610
October' 15	144.00	89.00	590371	144.80	88.50	621952
November' 15	185.90	135.60	845591	186.00	134.70	1172755
December' 15	207.70	173.00	448673	205.80	172.95	629710
January' 16	191.40	147.60	497921	199.00	146.95	553153
February' 16	168.00	144.70	291418	175.00	141.80	326321
March' 16	168.00	121.80	261835	165.00	121.50	355159

Source: www.bseindia.com and www.nseindia.com

Agarwal Industrial Corporation Limited - Distribution of Shareholding as on March 31, 2016

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	2940545	53.34
Resident Individuals & HUF	1493369	27.09
Financial Institutions / Banks		
Foreign Institutional Investors		
Corporate Bodies	945653	17.17
Insurance Companies		
Mutual Funds / UTI		
Others	7425	0.13
Non-Resident Indian	125908	2.28

Distribution of Equity Shareholding of Agarwal Industrial Corporation Limited as on March 31, 2016

No. of Shares held	Total Members	Total Shares	Total % to Paid Up Share Capital.
Upto 1000	1,041	50096	0.91
1001 to 2000	244	42423	0.77
2001 to 3000	97	26060	0.47
3001 to 4000	77	28432	0.52
4001 to 5000	106	51703	0.94
5001 to 10000	165	131885	2.39
10001 to 20000	129	192639	3.49
20001 to 30000	62	154327	2.80
30001 to 40000	29	106005	1.92
40001 to 50000	26	119263	2.16
50001 to 100000	32	251252	4.56
100001 & above	70	4358815	79.07
Total	2078	5512900	100

Reconciliation of Share Capital Audit

In keeping with the requirements of the SEBI and the Stock Exchanges, a Reconciliation of Share Capital Audit by a Practicing Company Secretary is carried out at the end of every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued / paid – up capital tallies with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Report on Corporate Governance

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance through XBRL mode as mandated by BSE through its BSE Listing Centre and to NSE through NEAPS application of NSE. A certificate from a practising Chartered Accountant on Corporate Governance is attached as an annexure to this Report.

Dematerialisation of Shares & Liquidity

As at the end of March 31, 2016, shares comprising approximately 98.34% of the Company's Equity Share Capital have been dematerialised.

Status on Dematerialised shares (Equity ISIN No. INE204E01012)

Shares held through	Percentage of Holding
NSDL	21.28
CDSL	77.06
Physical	1.66
Total	100.00

Outstanding GDRs/Warrants, conversion date and likely impact on equity: During the period under review, the Company allotted 6,60,000 warrants convertible into equity shares of ₹ 10/- each of the Company, at an exercise price of ₹ 111.50 per warrant (including premium) aggregating upto ₹ 7,35,90,000/- (Rupees Seven Crore Thirty Five Lacs Ninety Thousand Only) any time within 18 months from the date of allotment of the warrants to persons belonging to the promoter and promoter group of the Company on preferential basis.

Investor Correspondence

For any queries, investors are requested to get in touch with the Company's Registrar & Transfer Agent at Ankit Consultancy Pvt. Ltd. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010. A dedicated e-mail Id. Ankit_4321@yahoo.com has been set up for investor complaints.

As Managing Director of Agarwal Industrial Corporation Limited and as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Jaiprakash Agarwal, hereby declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Business Conduct and Ethics of the Company for the Financial Year 2015-16.

For Agarwal Industrial Corporation Limited

**Sd/-
Jaiprakash Agarwal
Chairman/ Managing Director**

Place: Mumbai
Date: 25/08/2016

MANAGING DIRECTOR / CFO CERTIFICATE

**To,
The Board of Directors
Agarwal Industrial Corporation Ltd**

1. We have reviewed financial statements and the cash flow statement of Agarwal Industrial Corporation Ltd for the year ended march 31, 2016 and to the best of our knowledge and belief:
 - (i) These statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such controls.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

**Sd/-
(Vipin Agarwal)
Chief Financial Officer**

**Sd/-
(Jaiprakash Agarwal)
Managing Director**

Place: Mumbai

Date: 25/08/2016

AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF 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 financial year ended March 31, 2016, as stipulated in Regulation 34 & Schedule V of SEBI LODR Regulations, 2015.

The compliance of 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 my opinion and to the best of my information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above mentioned in the Regulations.

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

**FOR LADHA SINGHAL & ASSOCIATES
Chartered Accountants
(FRN.No. 120241W)**

**(Ajay Singhal)
Partner
M. No. 104451**

**Place: Mumbai
Date: 25/08/2016**

ANNEXURE VII

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

The Corporate Social Responsibility (CSR) activities of the Company are guided by the Vedik Mantra "Sarve Bhavantu Sukhna, Sarve Santu Nirmaya" meaning "ALL SHOULD BE BLESSED AND HAPPY". The vision and philosophy of CSR Policy embodies the concept of Trusteeship and common good, and lays the foundation for ethical, value based and transparent functioning. This philanthropic approach has taken the Company to higher levels of success and respect. The Company believes that the true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

The CSR Policy broadly outlines the Company's responsibility as a corporate citizen and lays down the parameters, guidelines and mechanism for undertaking activities for welfare & sustainable development of the community at large for common good.

The vital elements of CSR is the continuing commitment by business to ethical principles, protection of human rights, care for the environment while improving the quality of life of all the stakeholders including the local community and society at large.

The Company would carry out its CSR activities with the objectives of overall National and Community Development. At the same time the Company would give preference to the local areas around the locations where it operates in India like Mumbai, Baroda, Jodhpur, Belgaum, Hyderabad, Jaisalmer, Dhulia and Karwar etc. The Company will undertake CSR activities to do overall good to the community with special emphasis on activities for the benefit of the poor and needy sections of the society. In particular the Company will undertake CSR activities as specified in Schedule VII to the Companies Act, 2013 but initially focus is to the following:

- (i) Eradicating hunger poverty and malnutrition promoting preventive health care and sanitation and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women elderly and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) For Company's CSR policy, including overview of projects or programs proposed to be undertaken, please refer to the web-link <http://www.aicld.in/documents/AICL-CSR-POLICY.pdf>

2. The Composition of the CSR Committee:

The Company has constituted a CSR Committee of the Board consisting of Mr. Jaiprakash Agarwal, Managing Director, Mr. Lalit Agarwal, Whole Time Director and Mr. Jaswant D. Sharma, an Independent Director.

3. Average net profit of the Company for last three financial years: ₹ 470.54 Lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 9.41 Lacs

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: ₹ 9.41 Lacs
- (b) Amount unspent: ₹ 9.41 Lacs
- (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity indentified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

During the year under review, the Corporate Social Responsibility (CSR) committee had series of meetings and detailed discussion with many NGO's partners to actively support and chanalised the activities / projects / programme to be undertaken by the Company in line with the CSR objectives. However, despite meeting number of NGO's partner's, the committee could not identify any suitable NGO partner for this purpose and required more time to meet other NGO partner to achieve its CSR objectives.

Keeping in view of the above reason the CSR Committee resolved not to make any to the Board for the financial year 2015-16 for the CSR activities to be undertaken by the Company and the amount of expenditure to be incurred on CSR activities. However, in order to establish Company's sincere intent to spent money on CSR activities for the welfare of the community, the CSR Committee recommended to Board to appropriate the amount to be spent towards CSR activities and accordingly the Board of Directors appropriated ₹ 9.51 Lacs from profits of the Company for the Financial Year Ended 31.03.2016 towards expenses to be incurred for CSR Activities

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

**Sd/-
Jaiprakash Agarwal
Managing Director and
Chairman of CSR Committee**

Results of Operations for the year ended March 31, 2016
Consolidated Financial Results

The following table sets forth financial information of the Company for the year ended March 31, 2016

Particulars	2015-16	2014-15
	₹ in Lacs	₹ in Lacs
Total Revenue	19455.49	22504.46
Profit before Depreciation, Finance Costs and Tax	1711.19	1658.96
Less: Depreciation	481.85	429.82
Less: Finance Costs	404.32	394.77
Profit before Tax & Exceptional Item	825.03	834.37
Less: Exceptional Items	Nil	Nil
Profit/(Loss) before Tax	825.03	834.37
Less: Provision for Tax	247.64	246.87
Add: Excess Provision of Tax of earlier years (Net)	Nil	Nil
Profit after Tax	577.39	587.5
Profit/ (Loss) attributable to Minority Interest	Nil	Nil
Share of Profit/ (Loss) of Associates	Nil	Nil
Loss after Tax, Minority Interest & Share of Associates	Nil	Nil
Add: Balance brought forward from the previous year	2108.97	1620.42
Amount available for Appropriation	2686.36	2207.92
APPROPRIATIONS		
Proposed Dividend	82.69	82.69
Tax on Dividend	16.83	16.01
Depreciation adjustment	-	0.25
Balance carried to Balance Sheet	2586.84	2108.97

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of Agarwal Industrial Corporation Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of Agarwal Industrial Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Ajay Singhal
(Partner)
M. No. 104451

Place: Mumbai
Dated: 30th May 2016.

Annexure A to Independent Auditor's Report

Referred to as 'Annexure A' in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Agarwal Industrial Corporation Limited on the standalone financial statement for the year ended on 31st March, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Agarwal Industrial Corporation Limited ("the Company") as on 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Dated: 30th May 2016.

Ajay Singhal
(Partner)
M. No. 104451

Annexure B to Independent Auditor's Report

Referred to as 'Annexure B' in paragraph 9 of the Independent Auditors' Report of even date to the members of Agarwal Industrial Corporation Limited on the standalone financial statement for the year ended on 31st March, 2016, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year under a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and the explanation given to us and the records examined by us, we report that the title deeds of immovable properties are held in the name of the Company as at the Balance Sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted interest free unsecured loan to one body corporate being wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In respect of aforesaid loan granted, the terms and condition under which such loans are granted are not prejudicial to the interest of the company.
 - (b) In respect of aforesaid interest free long term loan granted to wholly owned subsidiary by the company, there is no schedule of repayment of principle.
 - (c) There are no overdue amounts for more than ninety days or more in respect of the loan granted to the body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information given to us, the company has not accepted deposits and hence, compliance with the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted is not applicable.
- (vi) 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 section 148(1) of the Act in respect 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.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing with appropriate authorities applicable undisputed statutory dues including employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax or cess were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, details of employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax or cess which have not been deposited as on 31st March, 2016 on account of any dispute are as given below:

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
Custom Act	Penalty under the Custom Act	6.48	April 2013 to March 2014	CESAT Appellate Tribunal
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
Income Tax Act	Income Tax Demand	35.43	A.Y. 2013-14	Commissioner of Income Tax (Appeal)

- (viii) In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to banks or financial institutions. The Company does not have any borrowings from government and has not issued any debentures.
- (ix) The Company has not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year; hence clause 3(ix) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
- (x) 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 explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanation give to us and based on our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; hence clause 3(xii) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence; clause 3(xiv) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or the persons connected to its directors; hence clause 3(xv) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: Mumbai
Dated: 30th May 2016.

Ajay Singhal
(Partner)
M. No. 104451

**Twenty Second Annual Report
2015-2016**

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in lacs)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	551.29	551.29
(b) Reserves and Surplus	3	4,225.73	3,761.78
(c) Money received against Share Warrants		367.95	-
		5,144.97	4,313.07
2. Non - Current Liabilities			
(a) Long Term Borrowing	4	989.74	492.74
(b) Long Term Provision	5	11.93	7.32
(c) Deferred Tax Liability	6	163.28	135.21
		1,164.95	635.26
3. Current Liabilities			
(a) Short Term Borrowing	7	2,718.51	3,184.19
(b) Trade Payables	8	244.38	618.76
(c) Other Current Liabilities	9	489.58	606.84
(d) Short Term Provisions	10	118.26	116.76
		3,570.73	4,526.54
TOTAL		9,880.66	9,474.88
ASSETS			
1. Non - Current Assets			
(a) Fixed Assets (Net Block)			
(i) Tangible Assets	11	3,171.10	2,879.51
(b) Non Current Investment	12	232.55	232.55
(c) Long Term Loans & Advances	13	179.94	186.99
		3,583.59	3,299.05
2. Current Assets			
(a) Inventories	14	298.11	913.56
(b) Current Investments	15	302.26	162.34
(c) Trade Receivable	16	4,981.69	4,056.27
(d) Cash & Cash Equivalents	17	305.27	419.25
(e) Short Term Loans & Advances	18	394.68	612.81
(f) Other Current Assets	19	15.07	11.59
		6,297.07	6,175.83
TOTAL		9,880.66	9,474.88

Significant Accounting Policies

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Notes forming part of the financial statements

29 to 38

As per our report of even date

FOR & ON BEHALF OF BOARD OF DIRECTORS

For LADHA SINGHAL & ASSOCIATES

Chartered Accountants
(Firm Regd. No. 120241W)

(JAIPRAKASH AGARWAL)
Managing Director
(DIN : 01379868)

(MAHENDRA AGARWAL)
Director
(DIN : 01366495)

(AJAY SINGHAL)
PARTNER

(LALIT AGARWAL)
Whole Time Director
(DIN : 01335107)

(VIPIN AGARWAL)
Chief Financial Officer

(RAKESH BHALLA)
Company Secretary

M.No. 104451

Place : Mumbai

Date : 30th May 2016

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(₹ in lacs)

	Note No.	For the year ended 31st March 2016	For the year ended 31st March 2016
A CONTINUING OPERATIONS			
I Gross Revenue	20	19,144.50	21,954.02
II Other Income	21	32.88	53.68
III Total Revenue (I + II)		19,177.38	22,007.71
IV Expenses			
Operating Expenses	22	2,829.50	3,012.12
Cost of Material Consumed	23	4,207.21	4,021.85
Purchase of Stock in Trade		8,682.82	12,734.00
Change in Inventories	24	574.48	(445.09)
Employee Benefits Expenses	25	288.13	247.28
Manufacturing and Other Direct Expenses	26	513.99	416.92
Finance Cost	27	402.89	387.23
Depreciation and Amortization Expense	11	475.22	421.60
Other Expenses	28	398.26	385.62
Total Expenses		18,372.50	21,181.53
V Profit / (Loss) before Exceptional and Extraordinary Items and Tax (III-IV)		804.89	826.17
VI Exceptional Items / Extraordinary Items		-	-
VII Profit / (Loss) Before Tax (V-VI)		804.89	826.17
VIII Tax Expense:			
(a) Current Tax		210.00	185.00
(b) Deferred Tax (Asset) / Liability		28.07	27.36
(c) Short Provision for Tax for earlier years		3.34	2.19
(d) Mat Credit Utilisation		-	32.39
		241.40	246.94
IX. Profit / (Loss) from Continuing operations (VII-VIII)		563.48	579.23
B DISCONTINUING OPERATIONS			
X. Profit/(Loss) for the Year from Discontinuing Operations		-	-
C TOTAL OPERATIONS			
XI. Profit / (Loss) for the Year (IX + X)		563.48	579.23
XII. Earnings Per Equity Share of ₹ 10/- each :			
Weighted average no. of shares (Basic & Diluted)		5,512,900	5,512,900
(1) Basic Earning Per Share (₹)		10.22	10.51
(2) Diluted Earning Per Share (₹)		10.22	10.51

Significant Accounting Policies
Notes forming part of the financial statements

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29 to 38

As per our report of even date

FOR & ON BEHALF OF BOARD OF DIRECTORS
For LADHA SINGHAL & ASSOCIATES

 Chartered Accountants
(Firm Regd. No. 120241W)

(JAIPRAKASH AGARWAL)
Managing Director
(DIN : 01379868)

(MAHENDRA AGARWAL)
Director
(DIN : 01366495)

(AJAY SINGHAL)
PARTNER

(LALIT AGARWAL)
Whole Time Director
(DIN : 01335107)

(VIPIN AGARWAL)
Chief Financial Officer

(RAKESH BHALLA)
Company Secretary

M.No. 104451

Place : Mumbai

Date : 30th May 2016

**Twenty Second Annual Report
2015-2016**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(₹ in lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary Items	804.89	826.17
Adjustments for		
Depreciation	475.22	421.60
Interest & Finance Charges	424.97	403.88
Gratuity	5.13	8.13
Rent Equilisation Reserve Provided / (Reversed)	(1.84)	1.84
Dividend Received	(0.32)	(1.06)
Interest Received	(8.82)	(15.06)
Loss / (Profit) on sale of Mutual Funds	(7.65)	1.16
Loss on sale of fixed assets	-	3.35
Operating Profit Before Working Capital Adjustments	1,691.58	1,650.02
Changes in Working Capital		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	615.45	(433.13)
Trade receivables	(925.42)	(1,332.33)
Short-term loans and advances	218.13	339.25
Long-term loans and advances	7.04	(13.14)
Other current assets	(3.48)	(2.76)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(374.38)	297.49
Other current liabilities	77.87	(148.03)
Short-term provisions	-	-
Cash generated from operations	1,306.80	357.37
Direct Tax Paid (Refund) [Net]	212.35	170.38
Net cash flow from / (used in) operating activities (A)	1,094.45	186.99
B. CASH FLOW FROM INVESTING ACTIVITIES		
Money received against share warrants	367.95	-
Capital expenditure on fixed assets	(775.29)	(520.87)
Proceeds from sale of fixed assets	8.48	3.50
Dividend Received	0.32	1.06
Sale of Mutual Fund-Current Investment	59.99	8.84
Purchase of Mutual Fund-Current Investment	(192.26)	(162.34)
Loan to Subsidiary Company	-	-
Net cash flow from / (used in) investing activities (B)	(530.80)	(669.81)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(424.97)	(403.88)
Interest Received	8.82	15.06
Net Increase / (Decrease) in Working Capital Borrowing	(465.67)	559.39
Proceeds from Long Term Borrowings	751.40	504.55
Repayment of Long Term Borrowing	(447.68)	(430.76)
Dividend Paid	(82.69)	(77.18)
Dividend Tax Paid	(16.83)	(12.52)
Net cash flow from / (used in) financing activities (C)	(677.64)	154.65
Net increase (decrease) in cash and cash equivalents (A+B+C)	(113.99)	(328.17)
Cash and cash equivalents at the beginning of the year	419.25	747.43
Cash and cash equivalents at the end of the year	305.27	419.25
Cash and cash equivalents at the end of the year comprises :		
(a) Cash on hand	7.75	7.89
(b) Balances with banks		
(i) In current accounts	236.27	350.48
(ii) In deposit accounts	55.07	54.42
(c) Cheques, drafts in hands	6.18	6.46
	305.27	419.25

NOTES: 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 OF DIRECTORS

(JAIPRAKASH AGARWAL)
Managing Director
(DIN : 01379868)

(MAHENDRA AGARWAL)
Director
(DIN : 01366495)

(AJAY SINGHAL)
PARTNER

M.No. 104451

Place : Mumbai

Date : 30th May 2016

(LALIT AGARWAL)
Whole Time Director
(DIN : 01335107)

(VIPIN AGARWAL)
Chief Financial Officer

(RAKESH BHALLA)
Company Secretary

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

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 basis and in accordance with, method and useful life prescribed in Schedule II to the Companies Act 2013.

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 an 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 Statement of Profit & Loss 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.

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.

Note 2 : Share Capital

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised:		
70,00,000 (60,00,000) Equity Shares of ₹ 10/- each	700.00	600.00
TOTAL	700.00	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 :

Particulars	As at 31st March, 2016	As at 31st March, 2015
Number of shares at the beginning of the year	5,512,900.00	5,512,900.00
Add: Issue of Shares during the year		
Number of shares at the end of the year	<u>5,512,900.00</u>	<u>5,512,900.00</u>

(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 2016		As at 31st March 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ramchandra Agarwal	370,700	6.72	370,700	6.72
Jaiprakash Agarwal	407,600	7.39	407,600	7.39
Mahendra Kumar Agarwal	362,600	6.58	362,600	6.58
Kishan Kumar Agarwal	348,200	6.32	348,200	6.32
Jugalkishore Agarwal	331,500	6.01	331,500	6.01
Lalit Kumar Agarwal	302,000	5.48	302,000	5.48

**Twenty Second Annual Report
2015-2016**

Note 3 : Reserves & Surplus

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a) Security Premium	1,576.31	1,576.31
b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	2,103.35	1,622.82
Add/(Less): Profit/(Loss) for the year	563.48	579.23
Less: Utilisation of reserves		
- Proposed Dividend	82.69	82.69
- Tax on Proposed Dividend	16.83	16.01
	2,567.30	2,103.35
c) Share Forfeiture	82.12	82.12
TOTAL	4,225.73	3,761.78

Note 4 : Long Term Borrowing

(₹ in lacs)

Particulars	Non-Current Portion		Current Portion	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Secured Loans				
Term Loans				
(i) From Bank	989.74	492.74	181.23	374.51
	989.74	492.74	181.23	374.51
(Secured against Hypothecation of specific vehicle and is repayable in equated monthly installment over the tenure of the loan)				
TOTAL	989.74	492.74	181.23	374.51

Note 5 : Long Term Provision

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Employees Benefit expenses	11.93	7.32
TOTAL	11.93	7.32

Note 6 : Deferred Tax Liability

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability		
Related to Fixed Assets	167.58	132.57
Deferred Tax Assets		
Due to disallowances under Income Tax	(4.30)	2.64
TOTAL	163.28	135.21

Note 7 : Short Term Borrowing

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Loans		
(i) From Bank		
Working Capital Facility	2,718.51	3,184.19
(Secured against Hypothecation of Stock, Books Debts, Current Assets, movable & immovable fixed assets of the Company, immovable property of it's director and personal gaurantee of some of the Directors)		
TOTAL	2,718.51	3,184.19

Note 8 : Trade Payables

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Payables:		
Payable for Goods & Services	244.38	618.76
TOTAL	244.38	618.76

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 2016

Note 9 : Other Current Liabilities

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Other Payable		
Current maturity of Long Term Borrowings (Refer Note No 4)	181.23	374.51
Payable for Expenses	18.80	6.84
Payable for Capital Goods	6.40	24.08
Statutory Remittances	138.36	171.41
Advances From Customer	125.77	13.09
Unclaimed Dividend	11.53	7.55
Other Liability	7.50	7.50
Rent Equilisaiton Reserve/Provision	-	1.84
TOTAL	489.58	606.84

Note 10 : Short Term Provisions

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Proposed Dividend	82.69	82.69
Provision for Tax on Proposed Dividend	16.83	16.01
Provision for Taxation (Net of Taxes Paid)	17.40	17.24
Provision for Payment of Gratuity	1.33	0.81
TOTAL	118.26	116.76

Note 11 : Fixed Assets

(₹ in lacs)

Description	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1st April 2015	Additions during the Year	Deductions/ Adjustments	Balance as at 31st March 2016	Balance as at 1st April 2015	Depreciation For the Year	Deductions / Adjustments	Balance as at 31st March 2016	Balance as at 31st March 2015
TANGIBLE ASSETS OWNED									
Land	132.93	-	-	132.93	-	-	-	132.93	132.93
Commercial Vehicles	3,644.30	624.14	-	4,268.44	2,254.78	373.26	-	2,628.04	1,389.52
Furniture & Fixtures	55.29	12.02	-	67.30	10.31	5.68	-	15.99	44.98
Computers & Printers	18.72	2.85	-	21.58	14.32	2.75	-	17.07	4.41
Office Equipments	27.80	2.09	-	29.89	11.51	4.80	-	16.31	16.29
Electrical Fittings	22.51	26.23	-	48.74	3.01	3.30	-	6.31	19.49
Borewell	4.33	-	-	4.33	1.44	0.85	-	2.29	2.90
Factory Building	91.31	108.63	-	199.93	10.62	4.04	-	14.66	80.69
Motor Car & Other Vehicles	95.42	73.30	-	168.72	38.64	8.53	-	47.17	56.77
Workshop	30.59	-	-	30.59	4.04	1.08	-	5.12	26.55
Plant & Machinery	606.17	0.89	(8.48)	598.59	89.36	38.69	-	128.05	516.82
Laboratory Equipment	2.98	0.31	-	3.29	0.89	0.44	-	1.32	2.09
Wind Mill	1,119.89	-	-	1,119.89	618.56	31.82	-	650.38	501.33
TOTAL	5,852.23	850.47	(8.48)	6,694.22	3,057.47	475.22	-	3,532.69	2,794.76
WORK IN PROGRESS									
Building	84.75	33.45	(108.63)	9.57	-	-	-	-	84.75
TOTAL	84.75	33.45	(108.63)	9.57	-	-	-	-	84.75
TOTAL	5,936.98	883.91	(117.11)	6,703.79	3,057.47	475.22	-	3,532.69	2,879.51
PREVIOUS YEAR	5,428.42	520.87	(12.30)	5,936.98	2,641.32	421.60	(5.45)	3,057.47	2,787.09

Note 12 : Non-Current Investments

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade - Unquoted		
Investment in Equity Shares - At Cost		
6200 (6200) Equity shares of wholly owned subsidiary, M/s Bituminex Cochin Pvt Ltd of ₹ 100/- each, fully paid up	232.50	232.50
Investment in Government Securities - At Cost		
National Saving Certificate (lying with government authority)	0.05	0.05
TOTAL	232.55	232.55

Note 13 : Long Term Loans & Advances

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered good		
Security Deposit	58.94	65.99
Loan to Wholly Owned Subsidiary	121.00	121.00
TOTAL	179.94	186.99

Note 14 : Inventories

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(Valued at lower of Cost or Net Realizable Value)		
Finished Goods	47.71	780.47
Semi Finished Goods	232.34	74.06
Raw Material	10.02	15.43
Stores, Spares & Packing Material	8.04	43.59
TOTAL	298.11	913.56

Note 15 : Current Investments

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Non Trade - Unquoted		
Investment in Mutual Fund		
1008571 units of Reliance Money Manager Fund - Dividend Plan (Market Value as at 31st March, 2015 ₹ 10,11,359/-)	-	10.10
725.751 units of Reliance Money Manager Fund - Growth Plan (Market Value as at 31st March, 2016 ₹ 15,05,933/-)	15.00	-
464725.01 units (Pr Yr. 247856.823) of Reliance Income Fund Growth Plan (market Value as at 31st March, 2016 ₹ 2,22,92,626/- (Pr Yr 1,12,90,052/-)	215.95	110.00
2271.353 units of Union KBC Liquid Fund Growth (Market Value as at 31st March, 2015 ₹ 31,79,278/-)	-	30.93
142847.620 units of Reliance Banking & PSU Debt Fund (Market Value as at 31st March, 2016 ₹ 15,41,097/-)	15.00	-
68273.367 units of Reliance Equity Saving fund (Market Value as at 31st March, 2016 ₹ 6,89,834/-)	7.00	-
50697.848 units of SBI Corporate Bond Fund Regular Growth (market Value as at 31st March, 2016 ₹ 12,06,071/-)	11.31	-
65985.671 units SBI Dynamic Bond Fund - Regular Growth (Market Value as at 31st March, 2015 ₹ 11,33,152/-)	-	11.31
1053.90 units of SBI Premier Liquid Fund Regular Plan Growth (market Value as at 31st March, 2016 ₹ 25,00,850/-)	25.00	-
49261.084 units of ICICI Prudential Balanced Advantage Fund - Growth (market Value as at 31st March, 2016 ₹ 12,62,068/-)	13.00	-
TOTAL	302.26	162.34
Total Market Value as at 31st March, 2016	309.23	163.82

Note 16 : Trade Receivable

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Receivable:		
Unsecured, Considered good		
Due for a period exceeding six months	1,284.05	1,088.31
Others	3,697.64	2,967.97
TOTAL	4,981.69	4,056.27

Note 17 : Cash and Cash Equivalents

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash on Hand	7.75	7.89
Balance with Scheduled Banks		
- In Current Accounts	236.27	350.48
- In Fixed Deposit Account	55.07	54.42
Cheques, Drafts on Hand	6.18	6.46
TOTAL	305.27	419.25

Note 18 : Short Term Loans & Advances

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered good		
Other Loan and Advances		
- Advances recoverable in cash or in kind or for value to be received	27.95	73.33
- Advances to Staff	13.54	28.07
- Advance to Supplier	90.06	53.86
Balance with Government Authorities		
- Deposit with Custom Authority	25.53	25.53
- Deposit with Sales Tax Authority	33.89	33.89
- Amount due as refund of Additional Duty of Custom	203.71	398.13
TOTAL	394.68	612.81

Note 19 : Other Current Assets

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Accrued Interest on Fixed Deposit	15.07	11.59
TOTAL	15.07	11.59

Note 20 : Revenue from Operations

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Sales	15,225.00	18,117.90
Vehicle Freight Income	3,779.14	3,689.61
Labour Charges received	28.17	24.28
Wind Mill Income	112.19	122.23
TOTAL	19,144.50	21,954.02

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Note 21 : Other Income

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Exchange Rate Gain / (Loss)	15.83	30.20
Interest received	8.82	15.06
Miscellaneous Income	8.24	8.43
TOTAL	32.88	53.68

Note 22 : Operating Expenses

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Vehicle Running & Maintenance Expenses	2,600.56	2,463.27
Freight Paid	217.77	517.37
Wind Mill Expenses	11.17	31.47
TOTAL	2,829.50	3,012.12

Note 23 : Cost of Material Consumed

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Opening Stock	15.43	11.04
Add:- Purchases during the year	4,201.79	4,026.25
	4,217.22	4,037.28
Less: - Closing Stock	10.02	15.43
TOTAL	4,207.21	4,021.85

Note 24 : Change In Inventories

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Opening Stock		
Inventory of Finished Goods as at the beginning of the year	780.47	29.71
Inventory of Semi Finished Goods as at the beginning of the year	74.06	379.73
Less : Closing Stock		
Inventory of Finished Goods as at the end of the year	47.71	780.47
Inventory of Semi Finished Goods as at the end of the year	232.34	74.06
TOTAL	574.48	(445.09)

Note 25 : Employees Benefits Expenses

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Directors Remuneration	73.20	60.00
Salaries, Wages and Bonus	189.53	160.21
Gratuity	5.13	8.13
Staff Welfare	20.27	18.94
TOTAL	288.13	247.28

Note 26 : Manufacturing and Other Direct Expenses

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Transportation Charges	275.71	153.69
Labour Charges	13.01	35.44
Repairs & Maintenance - Machinery	8.87	21.08
Storage Terminal Rent	112.72	106.98
Heating Charges	74.65	61.83
Other Direct Expenses	29.03	37.90
TOTAL	513.99	416.92

Note 27 : Finance Cost

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest Paid to Banks	401.70	387.02
Interest Paid to Others	1.19	0.21
TOTAL	402.89	387.23

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Note 28 : Other Expenses

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(A) Administrative Expenses		
Rent, Rates & Taxes	23.42	20.95
Payment to Auditors		
- Statutory Audit fees	1.72	1.29
- Tax Audit Fees	0.57	0.56
- Other Services	0.86	0.15
Insurance	4.79	3.47
Share Transfer Fees	1.15	1.11
Legal & Professional Charges	23.05	10.94
Bank Charges & Commission	22.08	15.31
Electric Expenses	7.70	6.80
Annual Listing Fee	5.06	3.19
Postage, Telegram and Telephone	9.14	6.85
Security Charges	15.33	14.20
Printing & Stationery	3.81	3.00
Vehical Expenses	4.98	7.15
Travelling & Conveyance	38.27	30.15
Repair & Maintenance - Other	10.32	1.91
Expenditure on Corporate Social Responsibility	9.51	-
Miscellaneous Expenses	17.74	20.96
	199.49	147.98
(B) Selling and Distribution Expenses		
Advertisement & Business Promotion Expenses	2.22	4.84
Discount Given	196.54	232.81
	198.76	237.65
TOTAL	398.26	385.62

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

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

(₹ in lacs)

	As on 31.03.2016	As on 31.03.2015
i) Sales Tax	2.72	2.72
ii) Entry Tax	111.58	111.58
iii) Import Duty	32.00	32.00

- 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.

30. Earning per share has been calculated as under:

(₹ in lacs)

Particulars	As on 31.03.2016	As on 31.03.2015
Net Profit (Loss) After Tax as per Statement of Profit & Loss	563.48	579.23
Weighted Average number of equity shares used as denominator for calculating EPS	55,12,900	55,12,900
Basic Earning (Loss) per share	10.22	10.51
Diluted Earning (Loss) per share	10.22	10.51
Nominal Value per equity share	10	10

31. In accordance with the Accounting Standard 17 on Segment Reporting issued by the ICAI, the segment information for the year ended 31st March, 2016 is as follows:

(₹ in lacs)

Particulars	Petrochemicals			Total
	(Bituminous Products)	Transportation	Windmill	
<u>Revenue</u>				
Segment Revenue	15,180.95	3,884.25	112.19	19,177.39
<u>Result</u>				
Segment Results before Interest and Tax	796.69	341.89	69.20	1,207.78
Less:-Interest	-	-	-	402.89
<u>Net Profit Before Tax</u>	-	-	-	804.89
Taxation	-	-	-	241.40
Net Profit	-	-	-	563.48
<u>Other Information</u>				
Segment Assets	5,393.84	3,361.54	469.51	9,224.89
Unallocable corporate assets	-	-	-	655.76
Total Assets	-	-	-	9,880.65
Segment / Total Liabilities	3,064.76	505.97	-	3,570.73
Segment Capital Employed	3,059.26	2,125.41	469.51	5,654.18
Total Capital Employed	-	-	-	6,309.94

32. Related Party Disclosures

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

Subsidiary	Bituminex Cochin Pvt Ltd.
Key Management Personnel	Mr. Jaiprakash Agarwal Mr. Lalit Agarwal Mr. Ramchandra Agarwal Mr. Vipin Agarwal (CFO) Mr. Rakesh Bhalla (CS)
Relatives of KMP	Mrs. Pooja Vipin Agarwal Mr. Nilesh Agarwal
Concerns in which Directors are interested	ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd 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
Directors Remuneration	-	73.20 (60.00)	-	-	73.20 (60.00)
Salary	-	19.79 (18.38)	19.20 (18.00)	-	38.99 (36.38)
Sub-Contract Payment	-	-	-	232.79 (481.15)	232.79 (481.15)
Sub-Contract Receipt	-	-	-	235.63 (77.51)	235.63 (77.51)
Labour Charges Received	-	-	-	15.25 (9.80)	15.25 (9.80)
Sales of Spare Parts & OIL	-	-	-	28.33 (21.08)	28.33 (21.08)
HSD & Oil Purchase	-	-	-	264.29 (237.17)	264.29 (237.17)
Bitumen Purchase	-	-	-	322.02 (246.21)	322.02 (246.21)
Bitumen Sales	-	-	-	- (239.45)	- (239.45)
Rent Paid	-	6.78 (6.30)	-	-	6.78 (6.30)
Balance Outstanding as at the year end					
Payable towards Expenses	-	0.72 (0.66)	0.72 (0.66)	95.56 (235.91)	97.00 (237.23)
Loan Given	121.00 (121.00)	-	-	-	121.00 (121.00)
Receivables	-	-	7.25 (15.87)	110.63 (-)	117.88 (15.87)

33. Disclosure in respect of gratuity liability

The company have recognised the Gratuity liability in accordance with Accounting Standard 15 (revised) during the year. The necessary particulars / disclosure are as follows:-

(₹ in lacs)

i. Change in the present value of obligation during the year

Present value of obligation as at the beginning of the year	8.13
Interest cost	0.65
Current service cost	3.84
Benefits paid	Nil
Actuarial (gains)/losses on obligation	0.64
Present value of obligation as at the end of the year	13.26

ii. Change in the fair value of the assets during the year

Fair value of plan assets at the beginning of the year	Nil
Actual return on plan assets	N.A.
Employer contribution	N.A.
Actual benefits paid	N.A.
Fair value of plan assets at the end of the year	Nil

iii. Amount Recognised in Balance Sheet

Present value of Defined benefit obligation	13.26
Fair value of plan assets	Nil
Net asset / (liability)	(13.26)
Net assets / (liability) recognised in the Balance Sheet	(13.26)

iv. Expense recognized in statement of Profit and Loss

Current service cost	3.84
Interest cost	0.65
Actual return on plan assets	N.A.
Net actuarial (gain)/loss recognised in the year	0.64
Expenses recognised in the Statement of Profit and Loss	5.13

v. Actuarial assumptions used

Discount rate (per annum)	8% p.a.
Expected rate of return on plan assets	N.A.
In service morality	Indian Assured Lives Mortality (2006-08) Ultimate
Future salary increase	5% p.a.
Withdrawal rates	1% p.a.
Retirement age	60 years

vi. Category of Assets

Not funded

34. Managerial Remuneration consisting of the following:

(₹ in lacs)

	2015-16	2014-15
Remuneration to Managing Directors	30.00	24.00
Remuneration to Whole Time Directors	43.20	36.00
TOTAL	73.20	60.00

35. Value Of Raw Material Consumed:

(₹ in lacs)

	IMPORTED		INDIGENOUS	
	Value	%	Value	%
Raw Material	3540.83	84.16%	666.38	15.84%
	(3685.14)	(91.62%)	(336.71)	(8.37%)

36. Expenditure In Foreign Currency

(₹ in lacs)

C.I.F. Value Of Imports:	2797.80	(2591.78)
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37. The balances of Unsecured Loans, Creditors, Debtors and Loans and Advances are subject to confirmation and reconciliation, if any.

38. 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.

Signature to Note 1 to 38 forming part of Standalone Financial Statement.

As per our report of even date

FOR & ON BEHALF OF BOARD OF DIRECTORS

For LADHA SINGHAL & ASSOCIATES

Chartered Accountants
(Firm Regd. No. 120241W)

(JAIPRAKASH AGARWAL)
Managing Director
(DIN : 01379868)

(MAHENDRA AGARWAL)
Director
(DIN : 01366495)

(AJAY SINGHAL)
PARTNER

(LALIT AGARWAL)
Whole Time Director
(DIN : 01335107)

(VIPIN AGARWAL)
Chief Financial Officer

(RAKESH BHALLA)
Company Secretary

M.No. 104451

Place : Mumbai

Date : 30th May 2016

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Agarwal Industrial Corporation Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Agarwal Industrial Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiary Bituminex Cochin Private Limited (the holding company and its subsidiary constitute "the Group") which comprise the consolidated Balance Sheet as at March 31, 2016, 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 (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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.
6. 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 judgment, 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the group as at 31st March, 2016, and its consolidated profits and its consolidated cash flows for the year ended on that date.

Other Matter

9. We did not audit the financial statement of the subsidiary, whose financial statements reflect total assets of ₹. 155.55 Lacs as at 31st March 2016, total revenues of ₹ 277.97 Lacs, net profit of ₹ 13.91 lakhs and net cash flow amounting to ₹ 56.14 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statement have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relate to the amounts and disclosure included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to aforesaid subsidiary, is based solely on the report of the other auditor.

Report on other Legal and Regulatory Requirements

10. As required by section 143(3) of the Act, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2016, and taken on record by the Board of Directors of the Holding Company and on the basis of the report of the statutory auditor of its subsidiary company, none of the directors of the Group is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) There were no pending litigations which would impact the consolidated financial position of the Group;
 - ii) The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

(Ajay Singhal)
Partner
M. No.: 104451

Place :Mumbai
Dated :30th May, 2016

Annexure A to the Independent Auditors' Report

Referred to as "Annexure A" in paragraph 10(f) under Independent Auditors' Report of even date to the members of Agarwal Industrial Corporation Limited on the consolidated financial statement for the year ended on 31st March, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Agarwal Industrial Corporation Limited ("the Holding Company") and its subsidiary company which are incorporated in India, as on 31st March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

2. The Respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company incorporated in India, in terms of their reports referred to in sub-paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note.

Other Matter

9. Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiary company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

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

(Ajay Singhal)
Partner
M. No.: 104451

Place : Mumbai
Dated : 30th May, 2016



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in lacs)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	551.29	551.29
(b) Reserves and Surplus	3	4,246.64	3,768.78
(c) Money received against Share Warrants		367.95	-
		5,165.88	4,320.07
2. Non - Current Liabilities			
(a) Long Term Borrowing	4	989.74	492.74
(b) Long Term Provision	5	11.93	7.32
(c) Deferred Tax Liability	6	163.70	136.20
		1,165.38	636.25
3. Current Liabilities			
(a) Short Term Borrowing	7	2,718.51	3,236.91
(b) Trade Payables	8	247.95	624.03
(c) Other Current Liabilities	9	490.87	608.73
(d) Short Term Provisions	10	120.41	112.19
		3,577.74	4,581.87
TOTAL		9,909.00	9,538.19
ASSETS			
1. Non - Current Assets			
(a) Fixed Assets (Net Block)			
(i) Tangible Assets	11	3,201.14	2,916.18
(ii) Goodwill on Consolidation		226.30	226.30
(b) Non Current Investment	12	0.05	0.05
(c) Long Term Loans & Advances	13	59.99	66.96
		3,487.48	3,209.50
2. Current Assets			
(a) Inventories	14	312.86	992.80
(b) Current Investments	15	302.26	162.34
(c) Trade Receivable	16	4,993.16	4,079.27
(d) Cash & Cash Equivalents	17	363.69	421.54
(e) Short Term Loans & Advances	18	434.48	661.15
(f) Other Current Assets	19	15.07	11.59
		6,421.52	6,328.70
TOTAL		9,909.00	9,538.19

Significant Accounting Policies
Notes forming part of the financial statements

1
29 to 38

As per our report of even date
For LADHA SINGHAL & ASSOCIATES

FOR & ON BEHALF OF BOARD OF DIRECTORS

Chartered Accountants
(Firm Regd. No. 120241W)

(JAIPRAKASH AGARWAL)
Managing Director
(DIN : 01379868)

(MAHENDRA AGARWAL)
Director
(DIN : 01366495)

(AJAY SINGHAL)
PARTNER

(LALIT AGARWAL)
Whole Time Director
(DIN : 01335107)

(VIPIN AGARWAL)
Chief Financial Officer

(RAKESH BHALLA)
Company Secretary

M.No. 104451
Place : Mumbai
Date : 30th May 2016

**Twenty Second Annual Report
2015-2016**

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016		(₹ in lacs)		
	Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015	
A CONTINUING OPERATIONS				
I	Gross Revenue	20	19,422.47	22,447.81
II	Other Income	21	33.02	56.65
III	Total Revenue (I + II)		19,455.49	22,504.46
IV Expenses				
	Operating Expenses	22	2,829.50	3,012.12
	Cost of Material Consumed	23	4,420.04	4,452.67
	Purchase of Stock in Trade		8,683.39	12,735.09
	Change in Inventories	24	573.95	(441.25)
	Employee Benefits Expenses	25	308.71	265.61
	Manufacturing and Other Direct Expenses	26	518.25	421.96
	Finance Cost	27	404.32	394.77
	Depreciation and Amortization Expense	11	481.85	429.82
	Other Expenses	28	410.45	399.29
	Total Expenses		18,630.46	21,670.09
V	Profit / (Loss) before Exceptional and Extraordinary Items and Tax (III-IV)		825.03	834.37
VI	Exceptional Items / Extraordinary Items		-	-
VII	Profit / (Loss) Before Tax (V-VI)		825.03	834.37
VIII	Tax Expense:			
	(a) Current Tax		216.80	186.56
	(b) Deferred Tax (Asset) / Liability		27.50	26.49
	(c) Short Provision for Tax for earlier years		3.34	2.19
	(d) Mat Credit Utilisation		-	31.63
			247.64	246.87
IX.	Profit / (Loss) from Continuing operations (VII-VIII)		577.39	587.50
B DISCONTINUING OPERATIONS				
X.	Profit/(Loss) for the Year from Discontinuing Operations		-	-
C TOTAL OPERATIONS				
XI.	Profit / (Loss) for the Year (IX + X)		577.39	587.50
XII.	Earnings Per Equity Share of ₹ 10/- each :			
	Weighted average no. of shares (Basic & Diluted)		5,512,900	5,512,900
	(1) Basic Earning Per Share (₹)		10.47	10.66
	(2) Diluted Earning Per Share (₹)		10.47	10.66
	Significant Accounting Policies	1		
	Notes forming part of the financial statements	29 to 38		

As per our report of even date

For LADHA SINGHAL & ASSOCIATES

Chartered Accountants
(Firm Regd. No. 120241W)

(AJAY SINGHAL)
PARTNER
M.No. 104451

(LALIT AGARWAL)
Whole Time Director
(DIN : 01335107)

FOR & ON BEHALF OF BOARD OF DIRECTORS

(JAIPRAKASH AGARWAL)
Managing Director
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(VIPIN AGARWAL)
Chief Financial Officer

(MAHENDRA AGARWAL)
Director
(DIN : 01366495)

(RAKESH BHALLA)
Company Secretary

Place : Mumbai

Date : 30th May 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(₹ in lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
A CASH FLOW FROM OPERATING ACTIVITIES	825.03	834.37
Net Profit/(Loss) before tax and Extraordinary Items		
Adjustments for	481.85	429.82
Depreciation	427.21	411.80
Interest & Finance Charges	5.13	8.39
Gratuity	(1.84)	1.84
Rent Equilisation Reserve	(0.32)	(0.95)
Dividend Received	(8.95)	(15.16)
Interest Received	(7.65)	1.16
Loss / (Profit) on sale of Mutual Funds	-	3.35
Loss on sale of fixed assets	1,720.45	1,674.63
Operating Loss Before Working Capital Adjustments		
Changes in Working Capital		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	679.94	(490.97)
Trade receivables	(913.89)	(1,294.86)
Short-term loans and advances	226.67	337.41
Long-term loans and advances	6.97	(12.91)
Other current assets	(3.48)	(2.76)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(376.09)	299.95
Other current liabilities	77.27	(147.51)
Short-term provisions	-	-
Cash generated from operations	1,417.84	362.99
Direct Tax Paid (Refund) [Net]	212.43	171.88
Net cash flow from / (used in) operating activities (A)	1,205.41	191.11
B CASH FLOW FROM INVESTING ACTIVITIES		
Money received against share warrents	367.95	-
Capital expenditure on fixed assets, including capital advances	(775.29)	(520.94)
Proceeds from sale of fixed assets	8.48	3.50
Dividend Received	0.32	0.95
Sale of Mutual Fund-Current Investment	59.99	8.84
Purchase of Mutual Fund-Current Investment	(192.26)	(162.34)
Net cash flow from / (used in) investing activities (B)	(530.80)	(670.00)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(427.21)	(411.80)
Interest Received	8.95	15.16
Net Increase / (Decrease) in Working Capital Borrowing	(518.40)	561.05
Proceeds from Long Term Borrowings	751.40	504.55
Repayment of Long Term Borrowing	(447.68)	(430.76)
Dividend Paid	(82.69)	(77.18)
Dividend Tax Paid	(16.83)	(12.52)
Net cash flow from / (used in) financing activities (C)	(732.46)	148.49
Net increase (decrease) in cash and cash equivalents (A+B+C)	(57.85)	(330.40)
Cash and cash equivalents at the beginning of the year	421.54	751.95
Cash and cash equivalents at the end of the year *	363.69	421.55
* Comprises:		
(a) Cash on hand	9.03	9.27
(b) Balances with banks		
(i) In current accounts	293.42	351.40
(ii) In deposit accounts	55.07	54.42
(c) Cheques, drafts in hands	6.18	6.46
	363.69	421.54

NOTES: The Cash Flow Statement has been prepared as per Indirect Method

As per our report of even date

FOR & ON BEHALF OF BOARD OF DIRECTORS
For LADHA SINGHAL & ASSOCIATES

Chartered Accountants

(Firm Regd. No. 120241W)

(JAIPRAKASH AGARWAL)
Managing Director

(DIN : 01379868)

(MAHENDRA AGARWAL)
Director

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PARTNER

M.No. 104451

Place : Mumbai

Date : 30th May 2016

(LALIT AGARWAL)
Whole Time Director

(DIN : 01335107)

(VIPIN AGARWAL)
Chief Financial Officer
(RAKESH BHALLA)
Company Secretary

Notes forming part of the Consolidated Financial Statement for the year ended 31st March 2016

Note 1: Significant Accounting Policies

a) Background:

The Consolidated Financial Statement comprises the financial statement of Agarwal Industrial Corporation Ltd, ("The Company") and its wholly owned 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 costs 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 basis and in accordance with, method and useful life prescribed in Schedule II to the Companies Act 2013.

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 an 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 Statement of Profit & Loss 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 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 with in the control of the Group.

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

Note 2 : Share Capital

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised:		
70,00,000 (60,00,000) Equity Shares of ₹ 10/- each	700.00	600.00
TOTAL	700.00	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 :

Particulars	As at 31st March, 2016	As at 31st March, 2015
Number of shares at the beginning of the year	5,512,900.00	5,512,900.00
Add: Issue of Shares during the year		
Number of shares at the end of the year	5,512,900.00	5,512,900.00

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

Name of Share Holder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ramchandra Agarwal	370,700	6.72	370,700	6.72
Jaiprakash Agarwal	407,600	7.39	407,600	7.39
Mahendra Kumar Agarwal	362,600	6.58	362,600	6.58
Kishan Kumar Agarwal	348,200	6.32	348,200	6.32
Jugalkishore Agarwal	331,500	6.01	331,500	6.01
Lalit Kumar Agarwal	302,000	5.48	302,000	5.48

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Note 3 : Reserves & Surplus (₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
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	2,108.97	1,620.42
Add/(Less): Profit/(Loss) for the year	577.39	587.50
Less: Utilisation of reserves		
- Depreciation Adjustment	-	0.24
- Proposed Dividend	82.69	82.69
- Tax on Proposed Dividend	16.83	16.01
	2,586.83	2,108.97
d) Share Forfeiture	82.12	82.12
TOTAL	4,246.64	3,768.78

Note 4 : Long Term Borrowing (₹ in lacs)

Particulars	Non-Current Portion		Current Portion	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Secured Loans				
Term Loans				
(i) From Bank	989.74	492.74	181.23	374.51
	989.74	492.74	181.23	374.51
(Secured against Hypothecation of specific vehicle and is repayable in equated monthly installment over the tenure of the loan)				
TOTAL	989.74	492.74	181.23	374.51

Note 5 : Long Term Provision (₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Employees Benefit expenses	11.93	7.32
TOTAL	11.93	7.32

Note 6 : Deferred Tax Liability (₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability		
Related to Fixed Assets	168.00	133.56
Deferred Tax Assets		
Due to disallowances under Income Tax	(4.30)	2.64
TOTAL	163.70	136.20

Note 7 : Short Term Borrowing

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Loans		
(i) From Bank		
Working Capital Facility	2,718.51	3,236.91
(Secured against Hypothecation of Stock, Books Debts, Current Assets, movable & immovable fixed assets of the Company, immovable property of it's director and personal gaurantee of some of the Directors)		
TOTAL	2,718.51	3,236.91

Note 8 : Trade Payables

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Payables:		
Payable for Goods & Services		
Others	247.19	624.03
Due to Micro, Small and Medium Enterprises	0.76	-
TOTAL	247.95	624.03

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 2016

Note 9 : Other Current Liabilities

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Other Payable		
Current maturity of Long Term Borrowings (Refer Note No 4)	181.23	374.51
Payable for Expenses	19.16	7.31
Payable for Capital Goods	6.40	24.08
Statutory Remittances	138.70	171.81
Advances From Customer	126.35	14.11
Unclaimed Dividend	11.53	7.55
Other Liability	7.50	7.50
Rent Equilisaiton Reserve/Provision	-	1.84
TOTAL	490.87	608.73

Note 10 : Short Term Provisions

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Proposed Dividend	82.69	82.69
Provision for Tax on Proposed Dividend	16.83	16.01
Provision for Taxation (Net of Taxes Paid)	19.56	12.68
Provision for Payment of Gratuity	1.33	0.81
TOTAL	120.41	112.19

Note 11 : Fixed Assets

(₹ in lacs)

Description	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April 2015	Additions during the Year	Deductions/ Adjustments	Balance as at 31st March 2016	Depreciation For the Year	Deductions/ Adjustments	Balance as at 31st March 2016	Balance as at 31st March 2015
TANGIBLE ASSETS OWNED								
Land	133.60	-	-	133.60	-	-	133.60	133.60
Commercial Vehicles	3,644.30	624.14	-	4,268.44	373.26	-	2,628.04	1,389.52
Furniture & Fixtures	56.34	12.02	-	68.36	5.73	-	16.94	45.13
Computers & Printers	20.08	2.85	-	22.94	2.75	-	18.38	4.45
Office Equipments	28.68	2.09	-	30.77	4.80	-	17.14	16.33
Electrical Fittings	23.50	26.23	-	49.73	3.33	-	7.20	19.63
Borewell	4.33	-	-	4.33	0.85	-	2.29	2.90
Factory Building	98.08	108.63	-	206.70	4.25	-	19.25	83.08
Motor Car & Other Vehicles	99.43	73.30	-	172.73	8.53	-	51.10	121.64
Workshop	30.59	-	-	30.59	1.08	-	5.12	25.47
Plant & Machinery	675.33	0.89	(8.48)	667.74	45.00	-	170.44	549.89
Laboratory Equipment	3.42	0.31	-	3.74	0.46	-	1.71	2.17
Wind Mill	1,119.89	-	-	1,119.89	31.82	-	650.38	501.33
INTANGIBLE ASSETS OWNED								
Goodwill	226.30	-	-	226.30	-	-	226.30	226.30
TOTAL	6,163.87	850.47	(8.48)	7,005.86	481.85	-	3,587.99	3,057.73
WORK IN PROGRESS								
Building	84.75	33.45	(108.63)	9.57	-	-	-	84.75
TOTAL	6,248.62	883.91	(117.11)	7,015.43	481.85	-	3,587.99	3,142.48
PREVIOUS YEAR	5,739.98	520.94	(12.30)	6,248.62	429.82	(5.21)	3,106.14	3,058.45

Note 12 : Non-Current Investments

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Investment in Government Securities - At Cost		
National Saving Certificate (lying with government authority)	0.05	0.05
TOTAL	0.05	0.05

Note 13 : Long Term Loans & Advances

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured		
Security Deposit	0.84	0.77
Unsecured, Considered good		
Security Deposit	59.15	66.19
Other Loans & Advances	-	-
TOTAL	59.99	66.96

Note 14 : Inventories

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(Valued at lower of Cost or Net Realizable Value)		
Finished Goods	54.59	786.82
Semi Finished Goods	232.34	74.06
Raw Material	16.91	87.35
Stores, Spares & Packing Material	9.01	44.57
TOTAL	312.86	992.80

Note 15 : Current Investments

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Non Trade - Unquoted		
Investment in Mutual Fund		
1008571 units of Reliance Money Manager Fund - Dividend Plan (Market Value as at 31st March, 2015 ₹ 10,11,359/-)	-	10.10
725.751 units of Reliance Money Manager Fund - Growth Plan (Market Value as at 31st March, 2016 ₹ 15,05,933/-)	15.00	-
464725.01 units (Pr Yr. 247856.823) of Reliance Income Fund Growth Plan (market Value as at 31st March, 2016 ₹ 2,22,92,626/- (Pr Yr 1,12,90,052/-)	215.95	110.00
2271.353 units of Union KBC Liquid Fund Growth	-	30.93

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(Market Value as at 31st March, 2015 ₹ 31,79,278/-)		
142847.620 units of Reliance Banking & PSU Debt Fund	15.00	-
(Market Value as at 31st March, 2016 ₹ 15,41,097/-)		
68273.367 units of Reliance Equity Saving fund	7.00	-
(Market Value as at 31st March, 2016 ₹ 6,89,834/-)		
50697.848 units of SBI Corporate Bond Fund Regular Growth	11.31	-
(market Value as at 31st March, 2016 ₹ 12,06,071/-)		
65985.671 units SBI Dynamic Bond Fund - Regular Growth	-	11.31
(Market Value as at 31st March, 2015 ₹ 11,33,152/-)		
1053.90 units of SBI Premier Liquid Fund Regular Plan Growth	25.00	-
(market Value as at 31st March, 2016 ₹ 25,00,850/-)		
49261.084 units of ICICI Prudential Balanced Advantage Fund - Growth	13.00	-
(market Value as at 31st March, 2016 ₹ 12,62,068/-)		

TOTAL	302.26	162.34
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Total Market Value as at 31st March, 2016	309.23	163.82
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Note 16 : Trade Receivable (₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Receivable:		
Unsecured, Considered good		
Due for a period exceeding six months	1,292.12	1,098.15
Others	3,701.04	2,981.12
TOTAL	4,993.16	4,079.27

Note 17 : Cash and Cash Equivalents (₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash on Hand	9.03	9.27
Balance with Scheduled Banks		
- In Current Accounts	293.42	351.40
- In Fixed Deposit Account	55.07	54.42
Cheques, Drafts on Hand	6.18	6.46
TOTAL	363.69	421.54

Note 18 : Short Term Loans & Advances

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered good		
Other Loan and Advances		
- Security Deposit	2.53	4.90
- Advances recoverable in cash or in kind or for value to be received	28.14	73.52
- Advances to Staff	13.72	28.19
- Advances to Supplier	124.69	88.11
Balance with Government Authorities		
- Deposit with Custom Authority	25.53	25.53
- Deposit with Sales Tax Authority	33.89	33.89
- Amount due as refund of Additional Duty of Custom	205.99	407.01
TOTAL	434.48	661.15

Note 19 : Other Current Assets

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Accrued Interest on Fixed Deposit	15.07	11.59
TOTAL	15.07	11.59

Note 20 : Revenue from Operations

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Sales	15,502.98	18,611.68
Vehicle Freight Income	3,779.14	3,689.61
Labour Charges received	28.17	24.28
Wind Mill Income	112.19	122.23
TOTAL	19,422.47	22,447.81

**Twenty Second Annual Report
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Note 21 : Other Income

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Exchange Rate Gain / (Loss)	15.83	33.07
Interest received	8.95	15.16
Miscellaneous Income	8.24	8.43
TOTAL	33.02	56.65

Note 22 : Operating Expenses

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Vehicle Running & Maintenance Expenses	2,600.56	2,463.27
Freight Paid	217.77	517.37
Wind Mill Expenses	11.17	31.47
TOTAL	2,829.50	3,012.12

Note 23 : Cost of Material Consumed

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Opening Stock	88.33	22.25
Add:- Purchases during the year	4,349.60	4,518.75
	4,437.93	4,541.00
Less: - Closing Stock	17.88	88.33
TOTAL	4,420.04	4,452.67

Note 24 : Change In Inventories

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Opening Stock		
Inventory of Finished Goods as at the beginning of the year	786.51	39.75
Inventory of Semi Finished Goods as at the beginning of the year	74.38	379.89
Less : Closing Stock		
Inventory of Finished Goods as at the end of the year	48.50	786.51
Inventory of Semi Finished Goods as at the end of the year	238.44	74.38
TOTAL	573.95	(441.25)

Note 25 : Employees Benefits Expenses

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Directors Remuneration	73.20	60.00
Salaries, Wages and Bonus	205.87	175.18
Gratuity	5.53	8.39
Staff Welfare	24.11	22.05
TOTAL	308.71	265.61

Note 26 : Manufacturing and Other Direct Expenses

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Transportation Charges	275.71	153.69
Labour Charges	13.70	36.09
Repairs & Maintenance - Machinery	9.45	21.96
Storage Terminal Rent	112.72	106.98
Heating Charges	74.65	61.83
Other Direct Expenses	32.02	41.41
TOTAL	518.25	421.96

Note 27 : Finance Cost

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest Paid to Banks	403.12	394.56
Interest Paid to Others	1.19	0.21
TOTAL	404.32	394.77

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2015-2016**

Note 28 : Other Expenses

(₹ in lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(A) Administrative Expenses		
Rent, Rates & Taxes	24.83	22.92
Payment to Auditors		
- Statutory Audit fees	1.91	1.48
- Tax Audit Fees	0.73	0.71
- Other Services	0.86	0.15
Insurance	5.14	4.15
Share Transfer Fees	1.15	1.11
Legal & Professional Charges	23.25	11.45
Bank Charges & Commission	22.89	15.68
Electric Expenses	8.93	8.11
Annual Listing Fee	5.06	3.19
Postage, Telegram and Telephone	9.58	7.37
Security Charges	16.30	15.19
Printing & Stationery	3.93	3.19
Vehical Expenses	6.60	8.06
Travelling & Conveyance	38.81	31.12
Repair & Maintenance - Other	10.54	2.07
Expenditure on Corporate Social Responsibility	9.51	-
Miscellaneous Expenses	21.55	24.37
	211.59	160.30
(B) Selling and Distribution Expenses		
Advertisement & Business Promotion Expenses	2.32	5.41
Commission & Brokerage Paid	-	0.77
Discount Given	196.54	232.81
	198.86	238.99
TOTAL	410.45	399.29

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

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

(₹ in lacs)

	As on 31.03.2016	As on 31.03.2015
i) Sales Tax	2.72	2.72
ii) Entry Tax	111.58	111.58
iii) Import Duty	32.00	32.00

- 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.

30. Earning per share has been calculated as under:

(₹ in lacs)

Particulars	As on 31.03.2016	As on 31.03.2015
Net Profit (Loss) After Tax as per Statement of Profit & Loss	577.39	587.50
Weighted Average number of equity shares used as denominator for calculating EPS	55,12,900	55,12,900
Basic Earning (Loss) per share	10.47	10.66
Diluted Earning (Loss) per share	10.47	10.66
Nominal Value per equity share	10	10

31. In accordance with the Accounting Standard 17 on Segment Reporting issued by the ICAI, the segment information for the year ended 31st March, 2016 is as follows:

(₹ in lacs)

Particulars	Petrochemicals			Total
	(Bituminous Products)	Transportation	Windmill	
<u>Revenue</u>				
Segment Revenue	15,458.61	3,884.25	112.19	19,455.05
<u>Result</u>				
Segment Results before Interest and Tax	818.25	341.89	69.20	1,229.34
Less:-Interest	-	-	-	404.32
<u>Net Profit Before Tax</u>	-	-	-	825.02
Taxation	-	-	-	247.63
Net Profit	-	-	-	577.39
<u>Other Information</u>				
Segment Assets	5,422.19	3,361.54	469.51	9,253.24
Unallocable corporate assets	-	-	-	655.76
Total Assets	-	-	-	9,909.00
Segment / Total Liabilities	3,071.78	505.97	-	3,577.75
Segment Capital Employed	3,080.59	2,125.41	469.51	5,675.51
Total Capital Employed	-	-	-	6,331.27

32. Related Party Disclosures

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

Subsidiary	Bituminex Cochin Pvt Ltd.
Key Management Personnel	Mr. Jaiprakash Agarwal Mr. Lalit Agarwal Mr. Ramchandra Agarwal Mr. Vipin Agarwal (CFO) Mr. Rakesh Bhalla (CS)
Relatives of KMP	Mrs. Pooja Vipin Agarwal Mr. Nilesh Agarwal
Concerns in which Directors are interested	ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd Agarwal Petrochem P Ltd

(ii) Transaction with Related Parties

(₹ in lacs)

NATURE OF TRANSACTION	KMP	RELATIVES OF KMP	CONCERNS IN WHICH KMP & THEIR RELATIVES ARE INTERESTED	TOTAL
Directors Remuneration	73.20	-	-	73.20
	(60.00)			(60.00)
Salary	19.79	19.20	-	38.99
	(18.38)	(18.00)		(36.38)
Sub-Contract Payment	-	-	232.79	232.79
			(481.15)	(481.15)
Sub-Contract Receipt	-	-	235.63	235.63
			(77.51)	(77.51)
Labour Charges Received	-	-	15.25	15.25
			(9.80)	(9.80)
Sales of Spare Parts & OIL	-	-	28.33	28.33
			(21.08)	(21.08)
HSD & Oil Purchase	-	-	264.29	264.29
			(237.17)	(237.17)
Bitumen Purchase	-	-	322.02	322.02
			(246.21)	(246.21)
Bitumen Sales	-	-	-	-
			(239.45)	(239.45)
Rent Paid	6.78	-	-	6.78
	(6.30)			(6.30)
Balance Outstanding as at the year end				
Payable towards Expenses	0.72	0.72	95.56	97.00
	(0.66)	(0.66)	(235.91)	(237.23)
Receivables	-	7.25	110.63	117.88
		(15.87)	(-)	(15.87)

33. Managerial Remuneration consisting of the following:

(₹ in lacs)

	2015-16	2014-15
Remuneration to Managing Directors	30.00	24.00
Remuneration to Directors	43.20	36.00
Total	73.20	60.00

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

35. Disclosure in respect of gratuity liability

(₹ in lacs)

i. Change in the present value of obligation during the year

Present value of obligation as at the beginning of the year	8.13
Interest cost	0.65
Current service cost	3.84
Benefits paid	Nil
Actuarial (gains)/losses on obligation	0.64
Present value of obligation as at the end of the year	13.26

ii. Change in the fair value of the assets during the year

Fair value of plan assets at the beginning of the year	Nil
Actual return on plan assets	N.A.
Employer contribution	N.A.
Actual benefits paid	N.A.
Fair value of plan assets at the end of the year	Nil

iii. Amount Recognised in Balance Sheet

Present value of Defined benefit obligation	13.26
Fair value of plan assets	Nil
Net asset / (liability)	(13.26)
Net assets / (liability) recognised in the Balance Sheet	(13.26)

iv. Expense recognized in statement of Profit and Loss

Current service cost	3.84
Interest cost	0.65
Actual return on plan assets	N.A.
Net actuarial (gain)/loss recognised in the year	0.64
Expenses recognised in the Statement of Profit and Loss	5.13

v. Actuarial assumptions used

Discount rate (per annum)	8% p.a.
Expected rate of return on plan assets	N.A.
In service morality	Indian Assured Lives Mortality (2006-08) Ultimate
Future salary increase	5% p.a.
Withdrawal rates	1% p.a.
Retirement age	60 years
vi. Category of Assets	Not funded

36. Value Of Raw Material Consumed:

(₹ in lacs)

	IMPORTED		INDIGENOUS	
	Value	%	Value	%
Raw Material	3638.31	82.33%	780.98	17.67%
	(3876.20)	(87.46%)	(556.04)	(12.54%)

37. Expenditure In Foreign Currency

(₹ in lacs)

C.I.F. Value Of Imports:	2844.64	(2771.18)
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38. 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.

Signature to Note 1 to 38 forming part of Standalone Financial Statement.

As per our report of even date

FOR & ON BEHALF OF BOARD OF DIRECTORS

For LADHA SINGHAL & ASSOCIATES

Chartered Accountants
(Firm Regd. No. 120241W)

(JAIPRAKASH AGARWAL)
Managing Director
(DIN : 01379868)

(MAHENDRA AGARWAL)
Director
(DIN : 01366495)

(AJAY SINGHAL)
PARTNER

M.No. 104451
Place : Mumbai
Date : 30th May 2016

(LALIT AGARWAL)
Whole Time Director
(DIN : 01335107)

(VIPIN AGARWAL)
Chief Financial Officer

(RAKESH BHALLA)
Company Secretary

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in lacs)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Bituminex Cochin Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2015 to 31/03/2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	6.20
5.	Reserves & surplus	20.90
6.	Total assets	155.54
7.	Total Liabilities	155.54
8.	Investments	Nil
9.	Turnover	277.97
10.	Profit before taxation	20.13
11.	Provision for taxation	6.23
12.	Profit after taxation	13.90
13.	Proposed Dividend	Nil
14.	% of shareholding	100 %

Notes:

1. Names of subsidiaries which are yet to commence operations : NIL
2. Names of subsidiaries which have been liquidated or sold during the year : NIL

Part "B": Associates and Joint Ventures

There are no Joint Venture or Associate Companies related to your Company.



AGARWAL GROUP

AGARWAL INDUSTRIAL CORPORATION LIMITED

Registered Office: Eastern Court, Unit No. 201 -202, Plot No. 12, V. N. Purav Marg, S. T. Road, Chembur, Mumbai 400 071,
Tel. Nos: +91-22-25291149/50; **Fax No.:** +91-22-25291147; **Website :** www.aicltd.in; **E-mail:** r.bhalla@aicltd.in
CIN: L9999MH1995PLC084618

Form MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules 2014]

Name of the member(s)	
Registered Address	
Email ID	
Folio No. / DP ID / Client ID	

I/We, being the member(s) of _____ shares of Agarwal Industrial Corporation Limited, hereby appoint:

- _____ of _____ having e-mail id _____ or failing him
- _____ of _____ having e-mail id _____ or failing him
- _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company, to be held at Hotel Stars Parade, Lower Hall, Swami Jairamdas Building, Near Basant Park, Chembur, Mumbai - 400 071 on Thursday, September 22, 2016 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Item No.	Resolutions	For	Against
1.	(a) Adoption of the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016 along with the Reports of the Board of Directors and Independent Auditors thereon; and (b) Adoption of the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 along with the Report of the Independent Auditors thereon		
2.	To declare Dividend on Equity Shares for the Financial Year 2015-16		
3.	To appoint a Director in place of Shri Lalit Agarwal (DIN- 01335107) who retires by rotation, and being eligible, offers himself for re- appointment		

4.	To appoint a Director in place of Shri Ramchandra Agarwal (DIN- 02064854) who retires by rotation, and being eligible, offers himself for re- appointment		
5.	To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s).		
6.	Increase in Authorised Capital of the Company.		
7.	Amendment Of Memorandum and Articles of Association of the Company		
8.	To Approve Allotment of Warrants, Convertible into Equity Shares on Preferential Basis in accordance with Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2009 ("ICDR Regulations").		
9.	Re-Appointment of Mr. Jaiprakash Agarwal as Managing Director of the Company		
10.	Re- Appointment of Mr. Lalit Agarwal as Whole Time Director of the Company.		
11.	Re- Appointment of Mr. Ramchandra Agarwal as Whole Time Director of the Company.		
12.	Related Party Transactions		
13.	Appointment of Cost Auditors		

Signed this Day of 2016

Signature of Shareholder:

Affix a 1 Rupee Revenue Stamp
--

Signature of proxy holder(s)

Note:

- (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- (2) **A Proxy need not be a member of the Company.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- (6) In case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



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CIN: L9999MH1995PLC084618

ATTENDANCE SLIP

Folio No.	DP ID / Client ID

Name of the attending member/s (in Block Letters)	
Name of the Proxy (in Block Letters) to be filled in by the Proxy who attends instead of the Member)	

* Applicable in case of shares held in Demat.

No. of Shares held

I/we hereby record my/our presence at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company at Hotel Stars Parade, Lower Hall, Swami Jairamdas Building, Near Basant Park, Chembur, Mumbai - 400 071 on Thursday September 22, 2016 at 11 A.M.

.....
Member's/Proxy's/Signature
(To be signed at the time of handing over this slip)

Note:

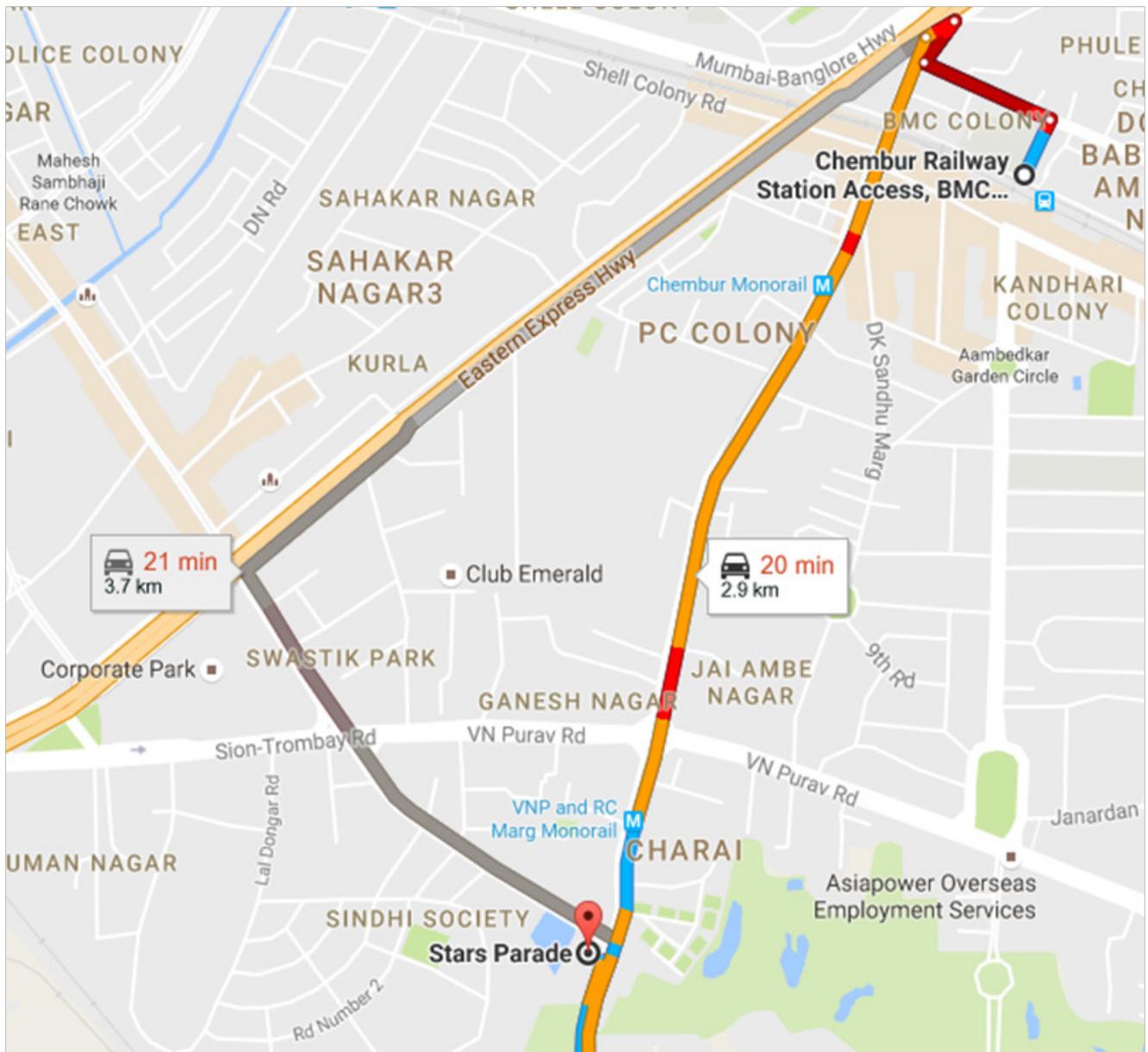
1. Members / Proxy holders are requested to bring the attendance slip with them, dully filled in when they come to the meeting and hand over at the gate, affixing signature on it.
2. Only Members / Proxy holders can attend the meeting.

Route Map for AGM Venue:

Hotel Stars Parade, Lower Hall, Swami Jairamdas Building,
Near Basant Park, Chembur, Mumbai – 400 071

Prominent Landmark:

- Opposite Acres Club, Chembur.
- Near Basant Park, Chembur.





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