

NOTICE

NOTICE is hereby given that the **Nineteenth** Annual General Meeting of the Members of **AGARWAL INDUSTRIAL CORPORATION LIMITED** will be held on **Monday, September 30, 2013** at 11 A.M at Unit No. 12, A-Wing, 1st Floor, Sita Estate, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at **March 31, 2013** and Statement of Profit & Loss Account for the year ended **March 31, 2013** along with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the Financial Year 2012-13.
3. To appoint a Director in place of **Mr Jaswant D. Sharma** who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Mr Harikrishna Patni**, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Mr Alok Bharara**, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint **M/s. Rashmi Agrawal**, Chartered Accountants (Registration No.104517) as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Next Annual General Meeting of the Company at such Remuneration as may be approved by the Board of Directors of the Company.

SPECIAL BUSINESS

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

Ordinary Resolution :

"RESOLVED THAT Mr Ramdas Trimbak Rajguroo, who was appointed as an Additional Director with effect from September 29, 2012 by the Board of Directors of the Company in terms of Section 260 of the Companies Act, 1956 and Article No 128 of Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing under Section 257 of the Companies Act, 1956 , proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

Special Resolution :

" RESOLVED THAT in pursuance to the provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions, if any of the Companies Act, 1956 and in accordance with Section II of Part II of Schedule XIII of the said Act, (including any statutory modification or re-enactment thereof, or any other law) and in terms of Article 146 of the Articles of Association of the Company, consent of members be and is hereby accorded to the re-appointment of Mr Jaiprakash Agarwal as Managing Director of the Company for a period of 3 (Three) years with effect from April 01, 2013 at a remuneration up to ` 3 (Three) Lacs per month during the tenure of the appointment, as the Board of Directors or a Committee thereof, may deem fit and proper, from time to time and on other terms and conditions as set out 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."

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

"RESOLVED THAT in pursuance to the provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions, if any of the Companies Act, 1956 and in accordance with Section II of Part II of Schedule XIII of the said Act, (including any

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statutory modification or re- enactment thereof, or any other law) and in terms of Article 147 A of the Articles of Association of the Company, consent of members be and is hereby accorded to the appointment of Mr Lalit Agarwal as a Whole Time Director of the Company for a period of 3 (Three) years with effect from April 01, 2013 at a remuneration up to ` 3 (Three) Lacs per month during the tenure of the appointment,as the Board of Directors or a Committee thereof, may deem fit and proper, from time to time and on other terms and conditions as set out 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. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

" RESOLVED THAT in pursuance to the provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions, if any of the Companies Act, 1956 and in accordance with Section II of Part II of Schedule XIII of the said Act,(including any statutory modification or re- enactment thereof, or any other law) and in terms of Article 147 A of the Articles of Association of the Company, consent of members be and is hereby accorded to the appointment of Mr Ramchandra Agarwal as a Whole Time Director of the Company for a period of 3 (Three) years with effect from April 01, 2013 at a remuneration up to ` 3 (Three) Lacs per month during the tenure of the appointment, as the Board of Directors or a Committee thereof, may deem fit and proper, from time to time and on other terms and conditions as set out 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."

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

"RESOLVED THAT in pursuance to the provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions, if any of the Companies Act, 1956 and in accordance with Section II of Part II of Schedule XIII of the said Act,(including any statutory modification or re-enactment thereof, or any other law) and in terms of Article 147 A of the Articles of Association of the Company, consent of members be and is hereby accorded to the appointment of Mr Jawahar D. Patil as a Whole Time Director of the Company for a period of 3(Three) years with effect from April 01, 2013 at a remuneration up to Rs 75,000/ per month during the tenure of the Appointment, as the Board of Directors or a Committee thereof, may deem fit and proper, from time to time and on other terms and conditions as set out 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."

By Order of the Board of Directors

Place : Mumbai

Dated : September 5, 2013

Rakesh Bhalla
Chief Financial Officer & Company Secretary

REGISTERED OFFICE:

Unit No-4, B-Wing,
Sita Estate, Aziz Baug,
Mahul Road, Chembur,
Mumbai- 400 074

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 An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the Meeting is annexed hereto.
- 3 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.
- 4 The Profiles of the Directors being re-appointed under Item Nos. 3,4 & 5 of the Notice as required under Clause No.49 of the Listing Agreement with the Stock Exchange are annexed to this Notice.
- 5 In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6 (a) The Company has already notified closure of Register of Members & Share Transfer Books from Friday, September 20, 2013 to Monday, September 30, 2013 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

(b) The dividend on Equity Shares, if declared at the Meeting will be credited/ dispatched on or after October 05, 2013 to those members whose names shall appear on the Company's Register of Members on Thursday, September 19, 2013; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depositories Limited and Central Depository Services (India) Ltd as beneficial owners as on that date.
- 7 Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars & Transfer Agents, M/s Ankit Consultancy Pvt. Ltd (Ankit), cannot act on any request received directly from the members Holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are advised only to the Depository Participant of the member. Further, such members are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
- 8 Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.aicld.in under the section 'Investor Relations'. Members are also requested to such nominations and intimation regarding any change in their address or bank mandates immediately to the Company/Ankit.
- 9 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts . Members holding shares in physical form can submit their PAN details to the Company/ Ankit.
10. Non-Resident Indian Member are requested to inform Ankit, immediately change in their residential status on return to India for permanent settlement. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
11. The Ministry of Corporate Affairs, Government of India, through its circular Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 201, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its green initiatives in

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corporate governance. Recognizing the spirit of the circular, it is proposed that henceforth document as mentioned above will be sent electronically to the email addresses provided by you and made available to the Company by the Depositories viz. NSDL/CDSL. As and when there are changes in your email address, you are requested to update the same with your depository participant. For shares held in physical form, shareholders can register their email address with the Company at www.aicld.in mentioning their name(s) and folio no(s).

12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Ankit Consultancy, for consolidation into a single folio.
13. Prevention of Frauds : You are advised to exercise due diligence and notify your DP of any in address, Stay abroad or demise of any shareholder as soon as possible. Do not leave your Demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
14. Confidentiality of Security Details : Do not disclose your folio Nos./DP ID/Client ID to unknown persons. Do not hand over signed blank transfer deeds and delivery instruction slips to any unknown persons.
15. Annual Report and Attendance Slip will not be distributed at the Annual General Meeting, Shareholders are requested to bring the same along with them.

By Order of the Board of Directors

Place : Mumbai
Dated : September 5, 2013

Rakesh Bhalla
Chief Financial Officer & Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement set out all material facts relating to the Special Business at Item no 7, 8, 9, 10 and 11 of the accompanying Notice.

Item No 7

Mr Ramdas Trimbak Rajguroo, was appointed as an Additional Director by Board of Directors of the Company with effect from September 29, 2012, in terms of Section 260 of the Companies Act, 1956 and Article No 128 of Articles of Association of the Company. Mr Rajguroo holds office up to the date of this Annual General Meeting . The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing Mr Rajguroo's candidature for the office of Director of the Company liable to retire by rotation pursuant to Section 255 of the Companies Act, 1956.

Keeping in view of Mr Rajguroo's vast experience and in depth knowledge of Corporate Laws, the Board recommends the resolution as set out in item no 7 of the Notice, for approval of members as an Ordinary Resolution.

None of the Directors of the Company is concerned or interested in the proposed resolution.

Item No 8

Mr Jaiprakash Agarwal, is the Promoter Director and is presently the Managing Director of the Company. He was appointed as the Managing Director of the Company for a period of 3 yrs with effect from 1st April, 2010 at a remuneration and other terms and conditions as determined by the Remuneration Committee of the Board and approved by the Board of Directors and by the Members in pursuance to the provisions of the Companies Act, 1956.

Mr Agarwal 's existing tenure has expired and considering his vast knowledge and expertise, the Remuneration Committee of the Board and the Board of Directors have approved the re- appointment and remuneration of Mr Agarwal, subject to the confirmation of the members, as detailed below :

- a] Designation : Managing Director
- b] Tenure of Appointment : 3 Years with effect from April 01, 2013
- c] Salary : Up to ` 3,00,000 pm during the tenure of appointment.
- d] Perquisites : Perquisites as per paragraph 2 of the Section II of Part II of Schedule XIII of the Companies Act, 1956 as the Board of Directors may deem fit and proper.
- e] Other Terms : The Company will reimburse Mr Jaiprakash Agarwal all expenses incurred by him for entertainment, travelling and other miscellaneous expenses in connection with business of the Company
: In terms of Article 147 of the Articles of Association of the Company, Mr Jaiprakash Agarwal will not be liable to retire by rotation.

For continued development and growth and improved financial performance of the Company, the Board recommends the resolution as set out in item no 8 of the Notice, for approval of members as a Special Resolution.

A statement containing details as per sub para (iv) of (B) of paragraph 1 of Section II of Part II of Schedule XIII of the Companies ACT, 1956 is annexed hereto.

The terms as set out in the Resolution and Explanatory Statement may be treated as an abstract of the terms and conditions governing the appointment and remuneration and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr Jaiprakash Agarwal himself and Mr Lalit Agarwal, Mr Ramchandra Agarwal and Mr Mahendra Agarwal, Directors, being brothers of Mr Jaiprakash Agarwal, is concerned or interested in the proposed resolution.

Item No 9

Mr Lalit Agarwal, is the Promoter Director and is presently the Whole Time Director of the Company. Mr Agarwal has to his credit nearly 26 years of industrial and corporate experience and is known for excellent business skills. Mr 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 was transformed from a single logistic company to a well diversified company having ventured into the businesses of trading and manufacturing of Petrochemical products [Bitumen and Bituminous products] and Wind Power projects. His valuable contribution to the growth and development and creation of brand image of the Company is highly commendable. Mr Agarwal 's existing tenure has expired and considering his vast knowledge and expertise, the Remuneration Committee of the Board and the Board of Directors have approved the appointment and remuneration of Mr Agarwal, subject to the confirmation of the members, as detailed below :

- a] Designation : Whole Time Director
- b] Tenure of Appointment : 3 Years with effect from April 01, 2013
- c] Salary : Up to ` 3,00,000 pm during the tenure of appointment.
- d] Perquisites : Perquisites as per paragraph 2 of the Section II of Part II of Schedule XIII of the Companies Act, 1956 as the Board of Directors may deem fit and proper.
- e] Other Terms : The Company will reimburse Mr Lalit Agarwal all expenses incurred by him for entertainment, travelling and other miscellaneous expenses in connection with business of the Company

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The Board, for sustained and multifold development and enhanced profitability of the Company, recommends the resolution as set out in item no 9 of the Notice, for approval of members as a Special Resolution.

A statement containing details as per sub para (iv) of (B) of paragraph 1 of Section II of Part II of Schedule XIII of the Companies ACT , 1956 is annexed hereto.

The terms as set out in the Resolution and Explanatory Statement may be treated as an abstract of the terms and conditions governing the appointment and remuneration and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr Lalit Agarwal himself and Mr Jaiprakash Agarwal, Mr Ramchandra Agarwal and Mr Mahendra Agarwal, Directors, being brothers of Mr Lalit Agarwal, is concerned or interested in the proposed resolution.

Item No 10

Mr Ramchandra Agarwal, is the Promoter Director and is presently the Whole Time Director of the Company. Company . He is a well known name in the Transportation Industry. Mr Agarwal has to his credit nearly 30 years of industrial and is known for his leadership skills. Under his able leadership, the Company expanded its transportation business many fold and the trend continues. His valuable contribution to the development and success of the Company' operations is much appreciable. Mr Agarwal 's existing tenure has expired and considering his vast knowledge and expertise, the Remuneration Committee of the Board and the Board of Directors have approved the appointment and remuneration of Mr Agarwal, subject to the confirmation of the members, as detailed below :

- a] Designation : Whole Time Director
- b] Tenure of Appointment : 3 Years with effect from April 01, 2013
- c] Salary : Up to ` 3,00,000 pm during the tenure of appointment.
- d] Perquisites : Perquisites as per paragraph 2 of the Section II of Part II of Schedule XIII of the Companies Act, 1956 as the Board of Directors may deem fit and proper.
- e] Other Terms : The Company will reimburse Mr Ramchandra Agarwal all expenses incurred by him for entertainment, Travelling and other miscellaneous expenses in connection with business of the Company

The Board considering credentials of Mr Agarwal, recommends the resolution as set out in item no 10 of the Notice, for approval of members as a Special Resolution.

A statement containing details as per sub para (iv) of (B) of paragraph 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is annexed hereto.

The terms as set out in the Resolution and Explanatory Statement may be treated as an abstract of the terms and conditions governing the appointment and remuneration and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr Ramchandra Agarwal himself and Mr Jaiprakash Agarwal, Mr Lalit Agarwal, and Mr Mahendra Agarwal, Directors, being brothers of Mr Ramchandra Agarwal, is concerned or interested in the proposed resolution.

Item No 11

Mr Jawahar D Patil is the Whole Time Director of the Company Mr Patil is a Technocrat and holds Degree of B. Tech (Mechanical) from Univeristy of Mysore. Mr Patil has to his credit 30 years of techno - industrial experience. Mr Patil's existing tenure has expired and considering his vast knowledge and expertise, the Remuneration Committee of the Board and the

Board of Directors have approved the appointment and remuneration of Mr Patil, subject to the confirmation of the members, as detailed below :

- a] Designation : Whole Time Director
- b] Tenure of Appointment : 3 Years with effect from April 01, 2013
- c] Salary : Up to ` 75,000 pm during the tenure of appointment.
- d] Perquisites : Perquisites as per paragraph 2 of the Section II of Part II of Schedule XIII of the Companies Act, 1956 as the Board of Directors may deem fit and proper.
- e] Other Terms : The Company will reimburse Mr Patil all expenses incurred by him for entertainment, travelling and other miscellaneous expenses in connection with business of the Company.

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

A statement containing details as per sub para (iv) of (B) of paragraph 1 of Section II of Part II of Schedule XIII of the Companies ACT , 1956 is annexed hereto.

The terms as set out in the Resolution and Explanatory Statement may be treated as an abstract of the terms and conditions governing the appointment and remuneration and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr Patil, is concerned or interested in the proposed resolution.

By Order of the Board of Directors

Place : Mumbai
Dated : September 5, 2013

Rakesh Bhalla
Chief Financial Officer & Company Secretary

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 XIII of the Companies ACT , 1956

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, 2013, the Company's Turnover was ` 11673.05 Lacs as against `

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7852.25 Lacs during the corresponding previous year and the Net Profit after Taxes was ₹ 335.82 Lacs as against ₹ 241.24 Lacs during the corresponding previous year. The Net worth of the Company enhanced to ₹ 3425.67 Lacs during the Financial Year ended March 31, 2013 as against ₹ 1297.70 Lacs during the corresponding previous year.

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

(₹ In Lacs)

Particulars	F.Y. 2012-13 (Audited)	F.Y. 2011-12 (Audited)	F.Y. 2010-11 (Audited)
Gross Income	11720.42	7945.91	5668.95
Profit Before Tax	508.96	297.01	235.01
Profit After Tax	335.82	241.24	168.45
Net worth	3425.67	1297.70	1056.46
Dividend per Share	₹ 1.20	—	₹ 1.00

e] Export performance and net foreign exchange collaborations

Not Applicable

f] Foreign investments or collaborations, if any.

The Company has one NRI Shareholder holding 40 Equity shares of ₹ 10/- each fully paid up.

II. Information about the Appointees

A. Mr Jaiprakash Agarwal

a] Background details :

Mr Jaiprakash Agarwal, 55 years, is our Managing Director. Mr Agarwal has to his credit nearly 32 years of industrial and corporate experience. He is a Commerce Graduate and is a visionary and his business skills have turned the Company from a single logistic company to a well diversified company having ventured into the businesses of trading and manufacturing of Petrochemical products [Bitumen and Bituminous products] and Wind Power projects. His valuable contribution to the development and success of the Company's operations is highly commendable.

b] Past remuneration

During the F.Ys ended March 31, 2013 and March 31, 2012, Mr Jaiprakash Agarwal was paid a total remuneration of ₹ 21 Lacs each year.

c] Recognition or awards

Though No formal recognition or awards have been awarded to Mr Agarwal so far, he is a highly respected well recognized personality in his industry circle.

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 Managing Director of the Company.

e] Remuneration Proposed

The terms of remuneration proposed are detailed in the relative Resolution (Item No 8 of the Notice] and the corresponding Explanatory Statement.

f] Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person. (In case of expatriates the relevant details would be with respect to the country of his origin).

For the responsibility shouldered by Mr Agarwal , Managind Director of the Company in driving the Company 's growth plans, the remuneration paid or proposed to be paid to Mr Agarwal is commensurate and compares

favorably 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.

B. Mr Lalit Agarwal

- a] Background details :

Mr Lalit Agarwal, 45 years, is the Whole Director of the Company and is known for his acumen and leadership qualities. He is a Post Graduate in Commerce and is a well known name in the Transportation industry. Under his valuable guidance and direction, the Company achieved many milestones and was transformed from a single logistic company to a well diversified company having ventured into the businesses of trading and manufacturing of Petrochemical products viz Bitumen and Bituminous products and Wind Power projects.

- b] Past remuneration

During the F.Ys ended March 31, 2013 and March 31, 2012, Mr Agarwal was paid a total remuneration of ` 9 Lacs each 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 (Item No 9 of the Notice] and the corresponding Explanatory Statement.

- f] Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person. (In case of expatriates the relevant details would be with respect to the country of his origin).

For the responsibility shouldered by Mr Agarwal , Whole Time Director of the Company in driving the Company 's growth plans, the remuneration paid or proposed to be paid to Mr Agarwal is commensurate and compares favorably 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.

C. Mr. Ramchandra Agarwal

- a] Background details :

Mr Ramchandra Agarwal, 57 years, is the Whole Director of the Company. He is a Commerce Graduate and is a respected name in the Transportation and related industry. Under his valuable guidance, the Company achieved many milestones and became a well diversified Company.

- b] Past remuneration

During the F.Ys ended March 31, 2013 and March 31, 2012, Mr Agarwal was paid a total remuneration of ` 9 Lacs each year.

- c] Recognition or awards

Though No formal recognition or awards have been awarded to Mr Agarwal so far, he is a highly respected personality in his industry circle.

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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 (Item No 9 of the Notice) and the corresponding Explanatory Statement.

f] Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person. (In case of expatriates the relevant details would be with respect to the country of his origin).

For the responsibility shouldered by Mr Agarwal , Whole Time Director of the Company in driving the Company 's growth plans, the remuneration paid or proposed to be paid to Mr Agarwal is commensurate and compares favorably 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.

D. Mr Jawahar D. Patil

a] Background details :

Mr Jawahar D. Patil, 57 years, is the Whole Director of the Company. He is a Mechanical Engineer (B. Tech - Mechanical) and has over 30 years of Technical experience in the petrochemical industry. Earlier, Mr Patil was a Senior Manager -Sales in BPCL and also served in Kochi Refineries Ltd [KRL] as Refinery Co-ordination. During his tenure in BPCL, he guided all India sales team and achieved increased sales and enhanced profitability.

b] Past remuneration

During the F.Ys ended March 31, 2013 and March 31, 2012, Mr Patil was paid a total remuneration of Rs 5.65 Lacs and ` 4.05 lacs respectively.

c] Recognition or awards

Mr Patil obtained Certificate of Boiler Proficiency from Boiler Inspectorate from Mumbai and is a Member of Indian Institute of Production Engineering and Associate Member and Secretary of Indian Institute of Industrial Engineering

d] Job Profile and his suitability

Being a senior Technocrat with several years of related industry experience, Mr Patil 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 (Item No 11 of the Notice) and the corresponding Explanatory Statement.

f] Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person. (In case of expatriates the relevant details would be with respect to the country of his origin).

For the responsibility shouldered by Mr Patil , Whole Time Director of the Company in driving the Company 's growth plans, the remuneration paid or proposed to be paid to Mr Patil is commensurate and compares favorably 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.

III. Other Information

1. Reasons for loss or inadequate profits

The general downward economy trends together with recessionary scenario in infrastructure sector in particular, seasonality of the business, regulated refinery prices, cut throat competition with contractors rising input costs and volatile currency markets are a few of factors which have largely contributed to inadequate profits particularly for the purposes and with reference to of Schedule XIII of the Companies Act, 1956.

2. Steps taken or proposed to be taken for improvement

Various cost reduction measures together with initiation of steps to increase capacity utilization, faster debtors realization and minimizing stock holding are some of the steps Company has been taken for improvement of operations and profitability. The Company had commissioned a new Plant at Hyderabad for the manufacture of Bituminous and Allied Products which once fully operational would improve the overall performance of the Company.

3. Expected increase in profitability and profits in measurable terms.

Keeping in view of factors mentioned in para 2 above, the Company expects to improve overall performance in the current financial year.

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

Name of the Director	Mr. Jaiprakash Agarwal	Mr. Ramchandra Agarwal	Mr. Lalit Agarwal	Mr. Jaswant D. Sharma	Mr. Harikrishna Patni	Mr. Jawahar D. Patil	Mr. Alok Bharara	Mr. R.T. Rajguroo
Date of Birth	02/07/1958	17/07/1956	12/09/1968	15/08/1943	23/07/1971	28/06/1956	04/06/1961	27/06/1944
Expertise in Specific Functional Areas	Finance	Marketing	Finance	Liaisoning	Sales	Technical	Finance	Corporate Laws
Qualifications	B.Com	B.Com	M. Com	B.Com	B.Com	B-Tech Mechanical	B.Com	FCS
List of other Companies in which directorship Held as on 31st March 2013	Agarwal Translink P. Ltd.,	Agarwal Petrochem P.Ltd,	1.Agarwal Petrochem P. Ltd, , 2. Bituminex Cochin Pvt. Ltd., 3.Sita Premises Ltd.	NIL	NIL	NIL	Sita Premises Ltd	1.Guroo Financial Consultancy P. Ltd, 2.Rituja Investments and Trades P. Ltd., 3. IMP Powers Ltd., 4.Siddharth Education Services Ltd
Chairman/ Member of the Committee of the Board of other Companies in which he is a Director as on 31st March, 2013	—	—	—	—	—	—	—	2
No. of Shares Held	407600	370700	302000	NIL	NIL	NIL	NIL	NIL

AGARWAL INDUSTRIAL CORPORATION LIMITED

DIRECTORS' REPORT

The Directors are pleased to present the Nineteenth Annual Report and Audited Statement of Accounts for the Year ended March 31, 2013.

FINANCIALS RESULTS

(` In Lacs)

Particulars	F.Y 2012-2013	F.Y 2011-2012
Total Income	11,720.42	7,945.91
Total Expenditure	11,211.46	7,648.90
Profit before Interest & Depreciation	1,123.61	752.59
Interest	224.95	123.41
Depreciation	389.70	332.17
Profit Before Tax	508.96	297.01
Provision for taxation		
a) Current tax	101.83	59.43
b) Mat Tax Credit	73.40	—
c) Deferred tax	(2.09)	(3.66)
Profit after Tax	335.82	241.24
Balance brought forward from earlier year	806.29	565.05
Profit available for appropriation	2,935.25	806.29
APPROPRIATION :		
Proposed Dividend on Equity Shares	52.37	—
Dividend Distribution Tax	8.50	—
Balance Carried to Balance Sheet	2,874.45	806.29

DIVIDEND:

Your Directors have recommended a dividend of ` 1.20 per equity share of ` 10 each. .

OPERATIONS AND BUSINESS PERFORMANCE:

Please refer to the Chapter on Management Discussion and Analysis for detailed analysis of the performance of the Company during the Financial Year ended March 31, 2013.

COMMISSIONING OF NEW PLANT AT HYDERABAD FOR MANUFACTURE OF BITUMINOUS AND ALLIED PRODUCTS IN RECORD TIME

Your Directors feel pleasure to report about commissioning of new plant at Hyderabad for manufacturing of Bituminous and allied products in record time of less than six months. Yours Directors are hopeful that once the plant becomes fully operational, Company's revenues and bottom line would increase in coming years.

RE-ISSUE OF FORFEITED SHARES

During the Financial Year ended March 31, 2013, your Company re-issued 14,20,100 equity shares [which were forfeited earlier as per provisions of relevant laws] at an Issue Price of ` 121/ per equity share of the face value of ` 10/ each at a premium of ` 111/ per equity share in accordance with the in-principle received from the BSE Ltd. The re-issued equity shares have also been duly listed on the BSE Ltd.

CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

FIXED DEPOSITS:

The Company did not take any Fixed Deposits from the public and no fixed deposits were outstanding or unclaimed as on March 31,2013.

LISTING OF SHARES:

The equity shares of your Company are listed on the Stock Exchange, Mumbai. (BSE code 531921) and the listing fees for the year 2013-14 have been duly paid.

INDUSTRIAL RELATIONS:

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

COST AUDITORS :

In compliance with the Central Government's Order No.52/26/CAB-2010 dated June 30, 2011, the Board has appointed M/s. Vinayak Kulkarni, Cost Accountants, Mumbai to carry out the cost audit in respect of insecticide products of the Company for the financial year 2012-13. The Due date for filing of the Cost Audit Report for the financial year 2012-13 is September 30, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. In the preparation of annual accounts for the year ended, March 31, 2013 the applicable Accounting Standards have been followed. There are no material departures from the applicable accounting standards;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that year;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared Annual accounts for the year ended March 31, 2013 on a going concern basis.

DIRECTORS:

Mr Jaiprakash Agarwal, Managing Director and, Mr Lalit Agarwal, Mr Ramchandra Agarwal and Mr Jawahar D.Patil, Whole Time Directors of the Company are proposed to be re-appointed in accordance with the relevant provisions of the Companies Act, 1956 read with Schedule XIII of the said Act. For detailed terms of their re-appointment and remuneration, please refer to the Notice and Explanatory Statement together with Annexure to the Notice of the ensuing Annual General Meeting..

Mr Ramdas Trimbak Rajguroo, was appointed as an Additional Director by Board of Directors of the Company with effect from September 29, 2012, in terms of Section 260 of the Companies Act, 1956 and Article No. 128 of Articles of Association of the Company. Mr Rajguroo holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing Mr Rajguroo's candidature for the office of Director of the Company liable to retire by rotation pursuant to Section 255 of the Companies Act, 1956.

Mr. Jaswant D. Sharma, Mr Harikrishna Patni and Mr Alok Bharara retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

SUBSIDIARIES:

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

Ministry of Corporate Affairs (MCA) vide Circular No.51/12/2007-CL-III dated 8 February 2011 has given a general exemption to all companies in terms of Section 212[8] of the Companies Act, 1956 with regard to attaching of the Annual Reports of its Subsidiaries. Accordingly, the Directors' Report and Audited Accounts viz Balance Sheet, Profit and Loss Account and other documents of Bituminex Cochin Pvt Ltd (BCPL), for the Financial Year ended March 31, 2013 are not being enclosed with this Annual Report. Any member desiring to inspect the detailed Annual Report of BCPL for the Financial Year ended March 31, 2013 may inspect the same at registered office of the Company and of the Subsidiary Company. In event a Member desires to have a copy of the Annual Report of BCPL, he may write to the registered office of the Company and of the BCPL. The Company shall supply a copy of the Annual Report of the BCPL to such member. A statement as required under Section 212 of the Companies ACT, 1956 of the Company's interest in Subsidiary is attached herewith.

AGARWAL INDUSTRIAL CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with Accounting Standard 21, issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements for the Financial Year ended March 31, 2013 have been provided in the Annual Report. These Statements provide financial information about your Company and its Subsidiary Company as a single economic entity. The Consolidated Financial Statements form part of this Annual Report.

CEO/CFO REPORT ON ACCOUNTS

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

EMPLOYEES PARTICULARS

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

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

(A) Conservation of Energy and Technology Absorption:

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

1) Conservation of Energy:

a) Measures :

(i) Electrical Energy :

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

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

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

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

Total energy consumption - Power and Consumption

a) Electricity

1. Purchase	
Unit (Nos)	49,877
Total Amount (` in Lacs)	3.18
Rate/Unit (`)	6.37

b) Own generation (Through D.G.Set)

Diesel Oil Consumed (Ltrs)	3267
Total Amount (` in Lacs)	1.72
Avg. PerLtr. (`)	52.55
Unit (Nos)	15065

2) Technology Absorption:

The Company has not imported any Technology. The Company has not yet established separate Research & Development facilities.

3) Foreign Exchange Earnings and Outgo:

	(` in Lacs)
Particulars	2012-13
Earnings	NIL
Outgo	3737

AUDITORS' REPORT

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

AUDITORS:

Your Company's Auditors M/s. RASHMI AGARWAL, Chartered Accountants, hold office until the conclusion of the forthcoming Annual General Meeting. They have shown their willingness to accept the office as Statutory Auditors, if appointed. Your Company has received a written certificate from the Auditors to the effect that their re-appointment, if made, would be within the prescribe limit under section 224(1 B) of the Companies Act, 1956.

INTERNAL CONTROL SYSTEMS & ITS ADEQUACY :

Your Company has adequate internal control systems and procedures in place for effective and smooth conduct of business and to meet exigencies of operation and growth. The key business processes have been documented. The transactions are recorded and reported in conformity with generally accepted accounting practices. The Internal Control systems and procedure ensure reliability of financial reporting, Compliance with the company's policies and practices, governmental regulations and statues. Internal audit is conducted by Independent firm of Auditors. Internal Auditors regularly check the adequacy of the system, their observations are reviewed by the management and remedial measures, as necessary, are taken.

ACKNOWLEDGMENT:

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

For and on behalf of the Board of Directors

Place : Mumbai
Dated: September 5, 2013

JAIPRAKASH AGARWAL
Chairman

AGARWAL INDUSTRIAL CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT-ANNEXURE 'A'

1. Company's Philosophy on Corporate Governance.

Agarwal Industrial Corporation Ltd [AICL] firmly believes in good corporate governance practices which are evolved on the philosophies of morality, integrity, fairness, accountability, ethics, respect for laws of the land, transparency and thorough professionalism in conducting affairs of the Company. AICL has committed itself to be a strict law compliant company ensuring timely disclosures for the awareness and familiarization of the stakeholders about the state of affairs of their Company at regular intervals. At AICL, corporate governance is a way of life which is practiced through systematic and standardized processes, established policies, rules and regulations for achieving corporate goals and missions.

In India, corporate governance standards for listed companies are regulated by the Securities Exchange Board of India [SEBI] through Listing Agreements of Stock Exchanges where the shares are listed. AICL is presently, a BSE listed Company and is in compliance with Clause 49 of the Listing Agreement, various relevant provisions of the Companies Act, 1956, SEBI Act, Rules, Regulations and Guidelines issued by SEBI from time to time, Securities Laws and all other relevant laws with regard to Corporate Governance.

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

2. Board of Directors

(i) Composition of the Board

As on March 31, 2013, the Company's Board of Directors comprised of 10 [Ten] Directors - 4 [Four] Executive Directors (Comprising of Managing Director and Whole Time Directors), 1 [One] Non-Executive Non- Independent Director and 5 [Five] Independent Non- Executive Directors.

The Board is headed by the Executive Managing Director.

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

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

Notes :-

Mr. Bhavin Shah resigned from the Directorship of the Company with effect from September 29, 2012.

Mr Ramdas Trimbak Rajguroo, was appointed as an Additional Director by Board of Directors of the Company with effect from September 29, 2012, in terms of Section 260 of the Companies Act, 1956 and Article No 128 of Articles of Association of the Company. Mr Rajguroo holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing Mr Rajguroo's candidature for the office of Director of the Company liable to retire by rotation pursuant to Section 255 of the Companies Act, 1956.

(iii) Board Meetings and Annual General Meeting:

During the financial year 2012-13, Seventeen Board Meetings were held on 11th April 2012, 19th April 2012, 28th April 2012, 31st May 2012, 2nd July, 2012, 16th July, 2012, 13th August 2012, 27th August 2012, 17th September, 2012, 29th September 2012, 6th November 2012, 12th November, 2012, 5th, December 2012, 6th December, 2012, 19th December, 2012, 14th February, 2013 and 21st February, 2013.

The last Annual General Meeting of the company was held on Saturday, September 29, 2012. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows:-

Director	No. of meetings		Attended last AGM
	Held	Attended	
Shri Jaiprakash Agarwal	17	10	Yes
Shri Lalit Agarwal	17	17	Yes
Shri Mahendra Agarwal	17	17	Yes
Shri Ramchandra Agarwal	17	9	No
Shri. Bhavin Shah	17	9	No
Shri. Jaswant D. Sharma	17	15	Yes
Shri. Harikrishna Patni	17	15	Yes
Shri. Rajkumar Mehta	17	10	Yes
Shri Jawahar D. Patil	17	7	Yes
Shri Alok Bharara	17	5	No
Shri R. T. Rajuguroo	17	3	No

Mr. Bhavin Shah resigned from the Directorship of the Company with effect from September 29, 2012.

Mr Ramdas Trimbak Rajguroo, was appointed as an Additional Director by Board of Directors of the Company with effect from September 29, 2012, in terms of Section 260 of the Companies Act, 1956 and Article No 128 of Articles of Association of the Company. Mr Rajguroo holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing Mr Rajguroo's candidature for the office of Director of the Company liable to retire by rotation pursuant to Section 255 of the Companies Act, 1956.

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

3. Code of Conduct

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

4. Audit Committee

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

Members of the Audit Committee possess expert knowledge of Accounts, Audit and Finance. The Audit Committee Meetings were held on 31st May 12, 13th July '12, 12th November '12, 14th February 13.

The following table presents the details of attendance at the Audit Committee Meetings held during the Financial Year 2012-13.

Director	No. of Meetings Held	No of Meetings Attended
Mr. Jaswant D. Sharma (Chairman)	4	4
Mr. Bhavin Shah *	4	4
Mr. Rajkumar Mehta	4	3
Mr. Mahindra Agarwal	4	3
Mr. Alok Bharara**	4	2

Notes :

* Mr. Bhavin Shah resigned as Member of the Audit Committee w.e.f. September 29, 2012.

**Mr. Alok Bharara was appointed as Member of the Audit Committee w.e.f. September 29, 2012.

AGARWAL INDUSTRIAL CORPORATION LIMITED

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

In addition, the Committee also reviews the Managements Discussion and Analysis of the financial condition and results of operations, the Financial Statements, Investments made and Minutes of Board Meetings.

(II) **Remuneration Committee**

The Remuneration Committee consists of 4 (four) Independent, Non Executive Directors and they met one time during the year 2012-13 on September 29th, 2012.

The following table presents the details of attendance at the Remuneration Committee Meetings held during the year 2012-13.

Director	No of Committee Meetings Held	No of Meetings Attended
Mr. Jaswant D. Sharma (Chairman)	1	1
Mr. Harikrishna Patni	1	1
Mr. Bhavin Shah *	1	—
Mr. Alok Bhara	1	—
Mr. Rajkumar Mehta	1	1

* Mr. Bhavin Shah resigned as Member of the Remuneration Committee w.e.f. September 29, 2012.

**Mr. Rajkumar Mehta was appointed as Member of the Remuneration Committee w.e.f. September 29, 2012

III) **Remuneration Policy**

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

Details of Remuneration and Commission paid to all Directors in financial year 2011-2012.

Whole-time Directors

The details of payment to the Whole-time Directors for the Financial Year 2012-13 are as follows:

Name	Salary (₹)	Commission
Mr. Jaiprakash Agarwal	21,00,000 p.a.	NIL
Mr. Lalit Agarwal	9,00,000 p.a.	NIL
Mr. Ramchandra Agarwal	9,00,000 p.a.	NIL
Mr. Jawahar D. Patil	4,05,000 p.a.	NIL

5 **SHAREHOLDER/INVESTOR GREIVANCE COMMITTEE:**

The Shareholders'/Investors' Grievance Committee of the Company, inter-alia, reviews and considers the report of Link Intime India Private Limited regarding number of various types of complaints/ requests received, handled and balances, if any. Members of the Committee are : Mr. Harikrishna Patni, (Chairman), Mr. Jaswant D. Sharma, Mr. Rajkumar Mehta & Mr. Alok Bhararai. The Committee meetings were held on 31st May'12, 27th August '12, 6th November '12 & 21st February '13.

The attendance at these meetings was as under:

Director	No. of Meetings Held	No of Meetings Attended
Mr. Harikrishna Patni (Chairman)	4	4
Mr. Jaswant D. Sharma	4	3
Mr. Rajkumar Mehta	4	4
Mr. Alok Bharara	4	2
Mr Bhavin Shah*	4	2

** Mr. Bhavin Shah resigned as Member of the Shareholders/ Investors Grievances Committee w.e.f. September 29, 2012.

** Mr. Alok Bharara was appointed as Member of the Shareholders/ Investors Grievances Committee w.e.f. September 29, 2012.

There was only one complaints received from shareholders/investors during the financial year 2012-13 and was settled promptly. There were no pending shareholder/investor complaints as on March 31, 2013.

6. **GENERAL MEETING**

Details of Annual general Meetings

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

Date & Year	Time	Location
29/09/2012	11.00 A.M	Unit - 4, B-Wing, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074
30/09/2011	11.00 A.M	Unit - 4, B-Wing, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074
30/09/2010	11.00 A.M	Unit - 4, B-Wing, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074

- b) Whether special resolutions were put through postal ballot last year? — No
c) Are votes proposed to be conducted through postal ballot this year? — No

7. **DISCLOSURE**

(i) Basis of Related-Party Transactions:

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

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

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

(iii) Disclosure of Accounting Treatment :

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

(iv) Risk Management :

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

Your Company has a comprehensive risk management policy and it is periodically reviewed by the Board of Directors. During the period under review, a presentation in the critical risks and their mitigation plans devised by respective units were made to the Board.

AGARWAL INDUSTRIAL CORPORATION LIMITED

(v) Management :

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

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

(vi) Report on Corporate Governance :

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

8. **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

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

9. **CEO/CFO CERTIFICATION**

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

10. **GENERAL SHAREHOLDER'S INFORMATION**

- | | | |
|----|---|---|
| 1 | Annual General Meeting
Date & Time
Venue | September 30, 2013 at 11.00 AM
Unit 12, A-Wing, 1st Floor, Sita Estate, Aziz Baug,
Mahul Road, Chembur, Mumbai- 400074. |
| 2 | Financial Year
Quarterly results will be declared as per the
Following tentative schedule:

Un-audited Financial results for the
quarter ending June 30, 2013

* Un-audited/Audited results for the
quarter/half year ending September, 2013.

* Un-audited results for the quarter
ending December 31, 2013.

* Audited results for the year
ending March 31, 2014. | Financial Year : April 01, To March 31,

Published on or before 15
August, 2013

Will be published on or before 15 November, 2013

Will be published on or before 15 February, 2014

Will be published on or before 31st
May, 2014 |
| 3. | Means of Communication
Newspapers in which the results are published -

Website on which the Results are uploaded - | Economic Times, Novbharat Times, &
Mubai Lakshdeep.
www.aicltd.in |
| 4. | Dates of Book Closure | September 20, 2013 to September 30, 2013
(Both days inclusive) |
| 5. | Dividend | The Directors of your Company have recommended
payment of divided of ` 1.20 per Equity Share of
` 10/ each for the Financial Year ended March 31,
2013, subject declaration/ confirmation of the Members
of the Company at the ensuing Annual General Meeting.
Such Dividend shall be paid to those Shareholders
whose names appear on the Register of Members as
on August 19, 2013.
The dividend pay out would be effected on or after
October 05, 2013. |
| 6. | Lisiting on Stock Exchanges | The Shares of your Company are listed on
Bombay Stock Exchange Limited
P. J. Towers, Dalal Street, Mumbai - 400001 |

Your Company has paid the Annual Listing Fee for the Financial year 2013-14 to the Stock Exchange (BSE Ltd

7. **Stock Code** Bombay Stock Exchange Limited: 531921
 8. Market price Data and Performance: ISIN : INE204E01012 (`)

Month	High	Low
April 2012	109.50	85.50
May 2012	124.80	95.70
June 2012	130.00	107.00
July 2012	126.90	107.00
August 2012	115.50	104.25
September 2012	137.00	110.50
October 2012	139.00	123.30
November 2012	149.00	125.05
December 2012	154.80	131.55
January 2013	140.80	128.00
February 2013	142.00	128.50
March 2013	150.00	130.25

Period ..Financial Year 2012 -2013

All Prices in `

Year	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	*Spread-H-L	*Spread-C-O
2012	108.00	148.00	85.50	110.85	772082	8847	8,67,50,570	62.50	2.85
2013	139.00	185.00	73.00	78.00	10,31,099	14,452	14,31,28,097	112.00	-61.00

- 9 **Registrar and Share Transfer Agent** : ANKIT CONSULTANCY PVT LTD
60, Electronic Complex , Padeshi Pura
Indore, -452010 (M.P)

10. **Share Transfer System**

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

- 11 Compliance Officer
 Mr. Rakesh Bhalla ,
 Chief Financial Officer & Company Secretary
 B/4 Wing, Sita Estate, Aziz baug, Mahul Road, Chembur, Mumbai.Tel:25549202/25541469 Email: r.bhalla@aicltid.in

12. **Dematerialisation of Shares**

As on March 31, 2013, 97.24% shares of your Company are held in the electronic mode

13. **Investor Complaints**

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

AGARWAL INDUSTRIAL CORPORATION LIMITED

14. Shareholding Pattern as on March 31, 2013

Category	No of shareholders	% of shareholders	No of shares held	% of Shareholding
Individual	1644	93.50	5154382	93.50
Bodies Corporate	93	6.50	358478	6.50
Non Resident Bodies	NIL	NIL	NIL	NIL
Corporate	NIL	NIL	NIL	NIL
FIs	NIL	NIL	NIL	NIL
NRI/OCBs	1	0.00	40	0.00
Mutual Funds	NIL	NIL	NIL	NIL
Bank, Financial Institution & Insurance Companies	NIL	NIL	NIL	NIL
Total	1738	100	5512900	100
Promoters	21	53.70	2960460	53.70
Non-Promoters	1717	46.30	2552440	46.30
Total	1738	100	5512900	100

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013

No. of Equity Shares Held	No. of Shareholders	%	Share Amount in ₹	%
Up to 1000	792	45.57	436100	0.79
1001 - 2000	214	12.31	375470	0.68
2001 - 3000	95	5.47	254210	0.46
3001 - 4000	63	3.62	238740	0.43
4001 - 5000	87	5.01	418830	0.76
5001 - 10000	147	8.46	1185380	2.15
10001 - 20000	104	5.98	1515210	2.75
20001 - 30000	58	3.34	1413090	2.56
30001 - 40000	28	1.61	1041950	1.89
40001 - 50000	25	1.44	1125990	2.04
50001 - 100000	50	2.88	3776270	6.85
100000 ABOVE	75	4.32	43347760	78.63
Total	1738	100.00	55129000	100.00

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

Agarwal Industrial Corporation Ltd

We have examined the compliance of the conditions of Corporate Governance by Agarwal Industrial Corporation Ltd. for the year ended on March 31,2013, as stipulated in clause 49 of the Listing agreement of the said Company with the Bombay Stock exchange.

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

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

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

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

Place: Mumbai
Date : 05/09/2013

For RASHMI AGRAWAL
Chartered Accountants

RASHMI AGRAWAL
Proprietor
(M.B. No.104517)

CODE OF CONDUCT DECLARATION

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Bombay Stock Exchange, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the code of conduct, as applicable to them, for the financial year ended March 31, 2013.

Mr. Jaiprakash Agarwal
Managing Director

Place : Mumbai
Date : 05/09/2013

AGARWAL INDUSTRIAL CORPORATION LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS – ANNEXURE B

The Management of Agarwal Industrial Corporation Ltd is pleased to present Management Discussion and Analysis Report for the year ended 31st March'2013.

Economic Scenario and Outlook

The Financial Year 2012-13 witnessed continued slow down and sluggish economic scenario as the GDP growth was just 5% as against 6.2% in the pervious year. Industrial sector registered a modest growth of 2.1% where as the growth in manufacturing sector is estimated to be as low as 1 % . The only exception was the service sector which has sustained growth during the last decade and is contributor of appox 65% of the overall economic growth. However, it was unfortunate that the growth rate of this dependable sector declined to 7.1% in the year under review from 8.2% in the previous year. Various tough monetary measures initiated by the Government of India for curbing inflation, lower investments, volatile currency markets with un predictable currency fluctuations coupled with weaken global economies have all been responsible for the curtailed industrial growth which resulted in fiscal deficit moving up to 5.7 % of the GDP.

On the international front, the global economies continue to register slack growth. According to International Monetary Fund (IMF), world output growth was just 3.2 % in the year 2012. The advanced economies reported still lower growth rate of mere 1.2% in the same year. Diminishing exports from India was clear indication of this scenario. The rupee per US \$ fluctuated very significantly and the rupee weakened to the alarming levels thereby adversely affecting imports to large extent.

The Infrastructure Sector

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

Roads

Roads are a major mode of transportation in India today , as they carry almost 90 % of the country's passenger traffic and about 65 % of its freight. The density of India's 80,000 km national highway (NH) net work is 0.66 km of per square kilometer of land. NHAI has completed 99.99% of India's much awaited Infrastructure Project - Golden Quadrilateral (GQ) highway net work-connecting Delhi, Mumbai, Kolkata and Chennai. NHAI wanted to establish GQ as a benchmark of Indian Highways attaining global standards while boosting local economics around it.

The project also facilitated numerous opportunities for public-private partnerships(PPPs) in infrastructure building.

Petrochemicals

There was an increase in consumption of petroleum products from 148 million tons during the financial year 2011-12 to 155 million tons in year 2012-13 registering appox.an increase of 5%. Besides other petroleum products, Bitumen consumption increased marginally by 0.7% and LPG consumption increased by 1.6%. However, consumption of ATF, FO/ LSHS, LDO and SKO registered declined trends during the year 2012-13.

Future Outlook

It is strongly believed that in near future, the stalemate and sluggishness in advanced Global economies would continue with number of uncertainties around, despite the fact that prospects for growth have improved. Nonetheless, the main focus for development and growth in India would be on accelerate indigenous demand. Many steps have been taken by the Government of India to steer up growth like permitting FDI in those sectors where it was prohibited or by enhancing

investment limits to quicken the flow of foreign investment in India to implement mega investment projects and debt reconstructions etc, a few to quote. The estimated growth for F.Y 2013-14 is expected to be in the range of 6%, with Government expected to implement series of tough measures to boost growth.

As you are aware that the main business activities of your Company are Trading and Manufacturing of Petrochemicals [Bituminous and allied products], Transportation and Wind Mills and all these activities are invariably associated with the infrastructure sector. Our growth is linked to the development and growth of this sector and any major policy change by the Government of India as necessitated by Global economy or otherwise may severely affect our operations too and thus requires your Company's continuous monitoring and vigil of this sector.

Our manufacturing plants at Belgaum and Hyderabad and bulk Bitumen import facility at Karwar Port in Karnataka where Bulk cargos of the Bitumen are imported are functioning smoothly and are primarily catering to markets in and around Karnataka.

Your Company's Wholly Owned Subsidiary Company - Bituminex Cochin Pvt Ltd, at Kerala undertakes similar business and its overall performance has been satisfactory and is growing.

Conservation of environment has always been a focused area for your Company and in this pursuit is generating power through Wind Mills.

FINANCIAL PERFORMANCE AND OPERATIONS:

The key indicators of your Company's financial performance for the year ended March 31, 2013 are presented in the accompanying financial statements, which have been prepared in accordance with the requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) and Accounting Standards prevailing in India.

Your Directors feel pleasure to report that during the financial year 2012-2013, your Company achieved a Turnover of ` 11,673.05 Lacs and made a Net Profit before Tax and Depreciation of ` 898.66 Lacs as compared to a Turnover of ` 7,852.25 and Profit before Tax and Depreciation of ` 629.18 Lacs in the previous financial year.

Your Company's Net Profit after Tax for the Financial Year 2012-13 was ` 335.82 Lacs as compared to ` 241.24 Lacs in the Financial Year 2011 - 2012. The Net Worth of the Company for the Financial Year 2012-13 was Rs. 3425.67 Lacs as compared to ` 1297.70 lacs during the Financial Year 2011-12, thus indicating an impressive growth on all these fronts. Your Company is hopeful to sustain its growth track record and expects to perform better in the current financial year 2013-14.

Dividend

Your Directors have recommended a dividend of ` 1.20 on per equity share of ` 10 each for the Financial Year ended March 31, 2013 subject to declaration/ confirmation of the members at the ensuing Annual General Meeting of your Company.

SEGMENT-WISE/PRODUCT-WISE PERFORMANCE:

Presently, your Company's operations are related to Trading and Manufacturing of Petrochemicals [Bituminous and allied products,] Transportation and Wind Mills.

RISKS AND CONCERNS:

Industry Risk

The Company's businesses are prone to uncertainty due to current economic scenario which may impact current demand, cost of production and sales realization.

AGARWAL INDUSTRIAL CORPORATION LIMITED

Your Company regularly monitors the economic trends and tries to mitigate itself from the risk of uncertainty with appropriate balance between short run and long run Strategies.

Geographic Concentration Risk

Concentration in a particular region could adversely affect revenues in the event of a slow down of a particular region.

Your Company is under active consideration to initiate necessary steps to mitigate the geographic concentration risks.

Cost Risk

Rising cost of raw materials, fuel, power freight costs and volatile currency may impact the profitability and the operating margins.

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

Competition Risk

Increasing competition in our all business segments may erode market share of the Company.

OPPORTUNITIES AND THREATS:

The company is expanding its activities very satisfactorily. The high growth of infrastructure in our county is the biggest opportunity to your company. Years of experience of the field, strategic expansion of the related business activities and long lasting business relations with the consumers are the strength of your company. Having highly experienced board members are added advantage. Your company does not see any major threat, except of political instability which may slow down the infrastructure projects.

OUR STRENGTHS

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

OPPORTUNITIES AHEAD

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

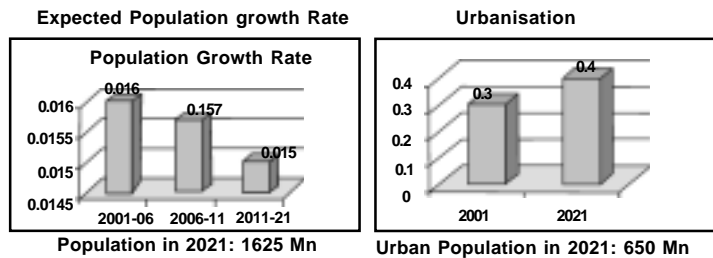
THREATS BEFORE US

- Development of Infrastructure Sector largely depends on favorable Govt Policies and road construction activity being part of this sector also becomes vulnerable. Any slow down in the development process particularly with regard to road construction may adversely affect our business.
- There may be a probable threat from big Oil Companies for Bitumen related business.
- Huge dependency on giant refineries is a matter of concern.
- Frequent fluctuations in Bitumen prices is a continuing threat.

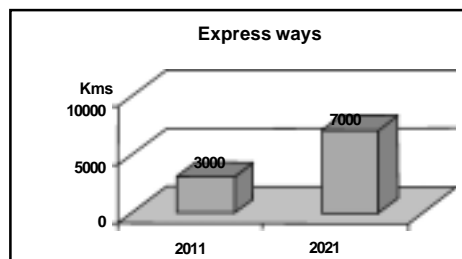
FUTURE PERSPECTIVE:

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

Economic Indicators for bitumen growth



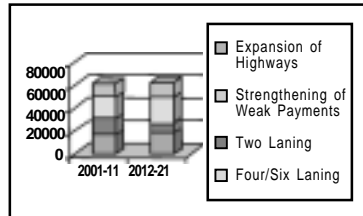
Vision 2021 for Express-ways



Bitumen Demand
2001-11 : 1200 TMT
2011-21 : 2800 TMT

Assuming 80% Bitumen Roads

Vision 2021 for National Highways



Bitumen Demand
2001-11 : 12900 TMT
2011-21 : 13500 TMT

Kms	2001-11	2012-21
Four/Six Lining	16000	19000
Two Lining	15000	7000
Strengthening of Weak Payments	20000	24000
Expansion of Highways	10000	12000

Assuming 90% Bitumen Roads

Outlook of Wind Energy

- India is heavily dependent on fossil fuels for its energy needs, mainly coal of which it has significant reserves.
- Already today, electricity shortages are common, and a significant part of the population has no access to electricity at all.
- So Ministry of Non-Conventional Energy Source (MNES) has drawn out a plan to promote wind energy to supplement energy production by the country.
- India has a great untapped potential for wind energy. According to official estimates, the country's total wind energy resource is announced to be 4.5 GW of installed capacity but some experts think that this figure is on the conservative side, and that technological improvements could significantly increase this potential. India has the fifth largest installed wind power capacity in the world. In 2009-10 India's growth rate was higher among the other top four countries.
- Non-renewable energy attracts favourable policies from the government and helps in tax reduction as well.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

HUMAN RESOURCES

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

SAFETY, HEALTH AND ENVIRONMENT

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

INFORMATION MANAGEMENT

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

CAUTIONARY STATEMENT

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

STANDALONE FINANCIAL STATEMENTS

AGARWAL INDUSTRIAL CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT

AUDITORS' REPORT TO THE MEMBERS OF THE AGARWAL INDUSTRIAL CORPORATION LIMITED.

- 1 We have audited the attached Balancesheet of Agarwal Industrial Corporation Limited (the Company) asat 31st March, 2013, and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we planand perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principle sused and significant estimates made by the management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditors' Report) Order, 2003 (CARO) issued by the Central Government of India interms of Section 227(4A) of the Companies Act,1956, we enclosed in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4 Further to our comments in the Annexure referred to in paragraphs 3 above, were port that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of these books;
 - c) The Balance Sheet and Profit & Loss Accounts and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance sheet and Profit & Loss Account and cashflow statement dealt with by this report comply with the Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors of the Companies as at 31st March 2013, and taken on record by the Board of Directors, were port that no director is disqualified as on 31st March 2013 from being appointed as a Director interms of clause(g) of sub-section(1) of section 274 of the Companies Act,1956; and
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manners so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2013.
 - (ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
 - (iii) In the Case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Place : Mumbai
Date : 30/05/2013

For RASHMIAGRAWAL
Chartered Accountants

RASHMI AGRAWAL
Proprietor
M.B. No. 104517

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date)

1. Fixed Assets :

- a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b) Fixed assets are physically verified by the management at reasonable intervals having regard to size of the company and nature of its assets. No material discrepancies were noticed during such verification during year.
- c) The company has not disposed off any part of fixed assets during the year and accordingly going concern is not affected.

2. Inventories :

- a) As explained to us, physical verification of inventory was carried out at reasonable intervals by the management.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management, are reasonable and adequate, in relation to size of the company and the nature of its business.
- c) In our opinion, and according to the information and explanation given to us, the company has maintained proper records of its inventory, and the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt within the books of account.

3. Loans & Advances :

- (a) According to the Information and explanations given to us, the company has granted loans to one subsidiary covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 100 Lacs and the year-end balance of loans granted to such party was ₹ 100 Lac.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prime facie prejudicial to the interest of the company.
- (c) The loans granted are either re-payable on demand or after the stipulated period of time.
- (d) There is no overdue amount of loans granted to the subsidiary company listed in the register maintained under section 301 of the Companies Act 1956.
- (e) According to the Information and explanations given to us, the company has taken interest free, unsecured loan from parties covered in the register maintained under section 301 of the Companies Act 1956 which has repaid during the year. The maximum amount outstanding during the year was ₹ 913.45 Lacs and outstanding balance at year end is Nil.

4. Internal Controls :

In our opinion and according to the information and explanations given to us, the internal control system needs to be strengthened with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services, during the course of Audit, no major weakness has been noticed in the internal controls.

5. Contracts & Arrangements with parties Covered under Section 301 of the Act :

- a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

AGARWAL INDUSTRIAL CORPORATION LIMITED

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 Lacs in respect to any party during the year, have been made at prices which is prima facie reasonable having regard to prevailing market prices at the relevant time.

6. Deposits :

According to the information and explanations given to us the company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed therein.

7. Internal Audit System :

In our opinion, the internal audit functions carried out during the year by a firm Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.

8. Cost Records :

We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India, the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act 1956 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. Statutory Dues :

- a) According to records of the Company and information and explanation given to us the company has been regular depositing undisputed statutory dues including Income-tax, Sales Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it with appropriate authorities during the year. According to the information and explanation giving to us no undisputed amount payable in respect of above were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there were no dues of sales tax, Income Tax / Customs Duty / Wealth Tax / Excise duty / Cess which have not been deposited by the Company on account any dispute.
- c) According to the records of the company, the dues of sales tax, Income-Tax, Customs, Wealth-Tax, Service Tax, Excise Duty, Cess, Which have not been deposited an account of disputes and the forum where the dispute is pending are as under :

Sr.No.	Nature of the Statute Forum Where	Nature of the Dues	Amount Pending (₹ in Lacs)
1.	Dispute is pending Income Tax Act Rectification	Income Tax Demand	20.25
	(Ass. Year 2003-04)		
2.	Income Tax Act Rectification	Income Tax Demand	17.50
	(Ass. Year 2004-05)		

Other Matters :

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
11. On the basis of our examination and according to the information and explanation given to us, the company has not defaulted in repayment of dues to any bank or financial institution. The Company has not obtained any borrowing by way of debentures.
12. Based on our examination of records & the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the company is not a chit fund or anidhi/mutualbenefitfund/society. Therefore, the Provision of clause 4(xiii) of the order are not applicable.
14. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(XIV) of the Order relating to maintenance of proper records, timely entries and holding investment in own name are not applicable.
15. According to the information and explanation given to us and examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanation given to us, the company has applied the term loans for the purpose for which they were obtained.
17. In our opinion, and on the basis of our examination and according to the information and explanation given to us, and on an overall examination of the balance sheet of the Company, we report that the company has not, prima facie used the funds borrowed on short term basis during the year for long term investment and viceversa.
18. In our opinion considering the nature of activities carried on by the company during the year, the provision of any special statute applicable to chit fund! nidhi/mutual benefit fund! societies are not applicable to it.
19. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanation given to us, there are no funds on short terms basis which have been used for long term investment.
20. The company has not made any preferential allotment of shares or issued debentures or public issue during the year and according clauses (xviii), (xix) and (xx) of the order are not applicable.
21. To the best of our knowledge and belief and according to information and explanations given to us, there have been no cases of fraud on or by the company noticed or reported during the year.

For RASHMI AGRAWAL
Chartered Accountants

RASHMI AGRAWAL
Proprietor
M.B. No. 104517
Place : Mumbai
Date : 30/05/2013

AGARWAL INDUSTRIAL CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

in Lacs

	Note No.	As At 31.03.2013	As At 31.03.2012
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	4	551.29	491.40
Reserves & Surplus	5	2,874.38	806.30
		<u>3,425.67</u>	<u>1,297.70</u>
NON - CURRENT LIABILITIES			
Long term Borrowings	6	510.66	1,758.79
Deferred Tax Liability	7	128.04	130.13
Long Term Provisions	8	7.66	7.33
		<u>646.36</u>	<u>1,896.26</u>
CURRENT LIABILITIES			
Short Term Borrowings	9	1,791.34	1,488.62
Trade Payables	10	290.71	678.29
Other Current Liabilities	11	69.73	56.35
Short Term Provisions	12	288.67	141.89
		<u>2,440.45</u>	<u>2,365.16</u>
TOTAL		<u>6,512.48</u>	<u>5,559.11</u>
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS Tangible Assets	13	2,452.35	2,017.14
Capital Work-in-Progress	13	17.95	5.31
		<u>2,470.30</u>	<u>2,022.45</u>
Non Current Investments	14	232.55	232.55
Long Term Loans & Advances	15	191.06	135.96
		<u>423.61</u>	<u>368.51</u>
CURRENT ASSETS,			
Inventories	16	476.07	847.36
Trade Receivable	17	1,708.60	1,269.60
Cash & Bank Balances	18	522.83	896.34
Short Term Loans & Advances	19	906.86	151.01
Other Current Assets	20	4.21	3.84
		<u>3,618.57</u>	<u>3,168.15</u>
TOTAL		<u>6,512.48</u>	<u>5,559.11</u>

SIGNIFICANT ACCOUNTING POLICIES

3

The Accompanying notes are an internal part of the financial statements.

As per our report of even date

For RASHMI AGARWAL
Chartered Accountants

RASHMI AGARWAL
Proprietor

Place : Mumbai
Date: 30/05/2013

For and on behalf on Board of Directors

JAIPRAKASH AGARWAL
Managing Director

MAHENDRA AGARWAL
Director

LALIT AGARWAL
Director

RAKESH BHALLA
CFO & Company Secretary

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

` in Lacs

NOTE NO.	Year Ended 31.03.2013	Year Ended 31.03.2012
INCOME		
Revenue from Operations	11,673.05	7,852.25
Other Income	47.37	93.66
TOTAL INCOME	11,720.42	7,945.91
EXPENSES		
Cost of Material Consumed	7,745.69	5,641.68
Change in Inventories of Finished Goods, Stock-in-Process & Stock-in-Trade	411.43	(787.73)
Employee Benefit Expenses	152.08	127.25
Production Expenses	95.52	4.02
Finance costs	224.95	127.69
Depreciation & Amortization Expenses	389.70	332.17
Other Expenses	2,192.09	2,203.82
TOTAL EXPENSES	11,211.46	7648.90
PROFIT BEFORE TAXATION	508.96	297.01
TAX EXPENSES		
Current Tax	101.83	59.43
MAT Credit	73.40	—
Deferred Tax (Credit)	(2.09)	(3.66)
PROFIT AFTER TAX	335.82	241.24
EARNINGS PER SHARE (EPS)		
- Basic & Diluted (`)	7.69	5.89
- Nominal Value per share (`)	10.00	10.00

SIGNIFICANT ACCOUNTING POLICIES

3

The Accompanying notes are an internal part of the financial statements.
As per our report of even date

For RASHMI AGARWAL
Chartered Accountants

RASHMI AGARWAL
Proprietor

Place : Mumbai
Date: 30/05/2013

For and on behalf on Board of Directors

JAIPRAKASH AGARWAL
Managing Director

MAHENDRA AGARWAL
Director

LALIT AGARWAL
Director

RAKESH BHALLA
CFO & Company Secretary

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE "1"

BACKGROUND:

Agarwal Industrial Corporation Ltd ('The Company') is public company under the provisions of the Companies Act, 1956. The Company is principally engaged in Logistics, Manufacturing of Bituminous Products, Import & Export of Bituminex and Bituminous products, Trading of Petroleum products and other similar activities.

NOTE "2"

BASIS OF PREPARATION :

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Financial statements have been prepared under the historical cost conversion on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

NOTE "3"

SIGNIFICANT ACCOUNTING POLICIES :

The Significant accounting policies are as follows :

a) Change in Accounting Policy

During the year ended March 31, 2013, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation & presentation of its financial statements. The Adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of Financial statements. However, it has significant impact on presentation and disclosure made in the Financial Statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Use of Estimate

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

c) Tangible Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation, amortization & impairment losses if any. Cost comprises the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

d) Depreciation & Amortization

Depreciation on Tangible Fixed Assets are provided using straight line method based on estimated useful life or on the basis of depreciation rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

e) 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 recognized as an expenses in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

f) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

g) Investments

- (i) Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- (ii) Current Investments are stated at lower of cost and fair value.

h) Inventories

Inventories are valued at cost or net realizable value, whichever is lower.

i) Foreign Currency

Transactions in foreign currencies are recorded at the exchange rates notified by CBEC or at the exchange rate under related forward exchange contracts. The realized exchange gains/ losses are recognized in the Profit & Loss account. All foreign currency current assets and liabilities are translated in rupees at the rates prevailing on the date of balance sheet.

j) Employee benefits

Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. Post employment benefits are recognized as an expense in the Profit and loss account for the year in which the employee has rendered services. Long Term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services.

k) Revenue Recognition

Sale of goods :

Sales are recognized when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discounts, rebates, sales taxes and excise duties.

Interest :

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

l) Taxation

Provision for current income tax is made in accordance with Local laws. Deferred Tax liabilities and assets are recognized at substantially enacted tax rates, subject to the consideration of prudence, on timing difference.

m) Revenue :

Domestic Sales is Exclusive of Excise duty & Vat.

n) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities & Contingent Assets are neither recognized nor disclosed in the financial statements.

o) Segment Reporting

The Company's operations relate to the business segments namely transportation, service centre, Power Generation by Windmill and Manufacturing of Bitumen & Bituminous Products. These business segments represents primary basis of information set out in the financial statements. In accordance with the Accounting Standard 17 on Segment Reporting issued by the ICAI, the segment information for the year ended March 31,2013 is as follows:

Segment assets include all operating assets used by a segment and consist primarily of debtors, ,current assets and fixed assets net of provisions and allowances Segment liabilities include all operating liabilities and consist principally of creditors and other payables.

Particulars	Transporation	Windmill	(` IN LACS)	
			Petrochemicals (Bituminous Products)	Total
<u>Revenue</u>				
Segment Revenue	2698.35	145.16	8.876.91	11,720.42
<u>Result</u>				
Segment Results	243.87	62.17	155.55	461.59
Operating Profit	243.87	62.17	155.55	461.59
Other Income	47.37	—	—	47.37
Net Profit Before Tax	291.24	62.17	155.55	508.96
Taxation				173.14
Net Profit				335.82
<u>Other Information</u>				
Segment Assets	2417.23	592.28	3502.97	6512.48
Total Assets	2417.23	592.28	3502.97	6512.48
Segment Liabilities	266.87	—	2954.64	3221.51
Total Liabilities	266.87	—	2954.64	3221.51
Capital Employed	2150.36	592.28	548.33	3290.97

AGARWAL INDUSTRIAL CORPORATION LIMITED

p) **Earning per Share :**

The computation of earning per share is set out below.

	except per share data Financial Year 2012-2013	Financial Year 2011-2012
		(` in Lacs)
Basic and Diluted weighted average no. of equity share outstanding (nos.)	—	4,092,800
(1) Basic	5512900	
(2) Diluted Weighted Average	4364883	
NetProfit/(Loss)	335.82	241.24
EarningPer Share		
(1) Basic	6.09	5.89
(2) (Diluted)	7.69	
NominalValuePerShare	10.00	10.00

q) **RELATED PARTIES DISCLOSURES:**

I RELATED PARTIES

A Key Management Personnel

Mr.Jaiprakash Agarwal , Managing Director

B Relatives of the Key Management Personnel

Mr.Lalit Agarwal

Mr.Ramchandra Agarwal

Mr.Mahendra Agarwal

II TRANSACTIONS WITH RELATED PARTIES

Name	Nature of Transactions	Relations	2012-13	2011-12
ShriJaiprakashAgarwal	Remuneration	Managing Director	21.00	21.00
ShriRamchandraAgarwal	Remuneration	Director	9.00	9.00
ShriLalitAgarwal	Remuneration	Director	9.00	9.00
ShriNileshAgarwal	Salary	Cousin of Directors	8.40	8.40
ShriVipinAgarwal	Salary	Cousin of Directors	8.40	8.40
Smt. Pooja V. Agarwal	Salary	Daughter-in-law of Directors Brother	8.40	8.40
Smt. SudhaAgarwal	Salary	Wife of Directors Brother	8.40	8.40
Agarwal Gas Carriers	Sub-Contract Payment	Firm in which Directors Are partners	54.51	—
ANZ Transporters	Sub-Contract Payment	Firm in which Directors are partners	139.39	4.33
AgarwalTranslink P. Ltd	Sub-Contract Payment	Co. in which Directors Are Directors	64.38	1.91
Agarwal Petrochem P. Ltd.	Sub-Contract Payment	Co. in which Directors Are Directors	4.93	—
Agarwal Petrochem P. Ltd.	Bitumen Purchase	Co. in which Directors Are Directors	80.83	130.02
Agarwal Petrochem P. Ltd.	Bitumen Sales	Co.in which Directors Are Directors	674.90	309.72
ShriLalitAgarwal	Rent	Director	1.50	1.50

r) Managerial Remuneration under section 198 of the Companies Act, 1956.

	2012-2013	2011-2012
Remuneration to Managing Director	21,00,000.00	21,00,000.00
Remuneration to Director	22,05,000.00	23,65,000.00
TOTAL	43,05,000.00	44,65,000.00

s) <u>Remuneration to Auditors</u>	2012-2013	2011-2012
Audit Fees	115,000.00	1,15,000.00
Tax Audit Fees	50,000.00	50,000.00
Certification Work	10,000.00	15,000.00
Service Tax	20,394.00	16,995.00
Out of Pocket Expenses	4,606.00	18,005.00
	<u>2,00,000.00</u>	<u>2,15,000.00</u>

t) Previous year figures have been regrouped whenever necessary.

NOTE "4"

**SHARE CAPITAL
AUTHORISED**

	2012-13	2011-12
60,00,000 Equity Share of ₹ 10/- Each	600.00	600.00
ISSUED		
55,12,900 Equity Share of ₹ 10/- Each	551.29	551.29
SUBSCRIBED & PAID UP		
55,12,900 Equity Share of ₹ 10/- Each fully paid-up	551.29	409.28
Add : Forfeited Shares	—	82.12
	<u>551.29</u>	<u>491.40</u>

Reconciliation of shares outstanding at the Beginning and at the end of the reporting period :

	2012-13	2011-12
No.'s	₹ in lacs	No.'s ₹ in lacs
Equity Shares outstanding at the beginning of the period	4,092,800.00	4,092,800.00
Issued During the year (Re-issue of forfeited shares)	14,20,100.00	—
Equity Shares outstanding at the end of the period	55,12,900.00	4,092,800.00

NOTE "5"

RESERVES & SURPLUS

	2012-13	2011-12
Share Premium	1658.43	—
Surplus in the statement of Profit & Loss A/c		
Balance Beginning of the year	806.30	565.06
Profit for the year	335.82	241.24
	<u>1142.12</u>	<u>806.30</u>
Less : Appropriations		
Proposed Dividend on Equity Shares	52.37	—
Tax on Proposed Dividend	8.50	—
	<u>1081.25</u>	<u>806.30</u>
Mat Credit	134.70	—
Balance at end of the year	<u>2874.38</u>	<u>806.30</u>

NOTE "6"

**LONG TERM BORROWINGS
SECURED BORROWINGS**

Term Loans -

From Banks

a). Against. Windmills

(Secured by first Mortgage and charge on all the immovable and movable assets, present and future of the company and personal guarantee of promoter directors)

b). Against. Vehicles

(Secured by hypothecation of vehicle and are repayable in equated monthly installments over the tenure of the loan)

—	60.07
510.66	785.27
<u>510.66</u>	<u>845.34</u>

AGARWAL INDUSTRIAL CORPORATION LIMITED

		(` in Lacs)
UNSECURED BORROWINGS		
Loans from Related Parties	—	913.45
(Repayable after the end of one year but before the end of 3 years, as mutually agreed).		913.45
	<u>510.66</u>	<u>1,758.79</u>
NOTE "7"		
DEFERRED TAX PROVISION		
Deferred tax liability		
Timing difference between book and tax depreciation	128.04	130.13
	<u>128.04</u>	<u>130.13</u>
NOTE "8"		
LONG TERM PROVISION		
Provision for Income Tax (Net of Advance Tax)	7.66	7.33
	<u>7.66</u>	<u>7.33</u>
CURRENT LIABILITIES		
NOTE "9"		
SHORT TERM BORROWINGS		
SECURED BORROWINGS		
From Banks		
Working Capital Facilities	1,791.34	1,488.62
(Secured against Hypothecation of Raw Material & Finished Goods & Secured by Mortgage and Charge on all the movable assets of the company & immovable Property of Sister Concern and personal guarantee of the Directors)		
	<u>1,791.34</u>	<u>1,488.62</u>
NOTE "10"		
TRADE PAYABLES		
Trade Payables	290.71	678.29
(There are no Micro, small & Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date. The Above information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.)		
	<u>290.71</u>	<u>678.29</u>
NOTE "11"		
OTHER CURRENT LIABILITIES		
Advances from Customers	27.43	11.85
Unclaimed Dividend	2.19	2.27
Bank Overdrafts	40.12	33.29
Other Payables	—	9.14
	<u>69.73</u>	<u>56.35</u>
NOTE "12"		
SHORT TERM PROVISIONS		
Provision for Tax (Net of Advance Tax)	84.63	0.33
Dividend (including Dividend Distribution Tax)	60.87	—
Others	143.17	141.56
	<u>288.67</u>	<u>141.89</u>

NOTE "13" Notes Forming Part of the Financial Statements (in lacs)

Sr. No.	Description	GROSS BLOCK (AT COST)			DEPRECIATION & AMORTIZATION			NET BLOCK		
		As At 31.03.2012	Add during the year	Ded. during the year	As at 31.03.2012	For the year	Deduction & adjustment for the year	As at 31.03.2013	As at 31.03.2012	
TANGIBLE ASSETS										
1	Commercial vehicles and tanks (LPG, Bitumen & Propane Tankers)	2352.96	251.57	—	2604.54	310.01	—	1626.63	977.91	1036.34
2	Furniture & Fixtures.	8.96	2.01	—	10.96	0.61	—	3.22	7.74	6.35
3	Computers & Printers	11.77	0.84	—	12.60	1.45	—	10.83	1.77	2.38
4	Office & Other Equipments	22.46	25.92	—	48.38	1.32	—	4.91	43.47	18.87
5	Other Vehicles	70.41	48.27	(15.09)	103.59	5.77	6.78	30.02	73.57	39.38
6	Wind Mill	1119.89	—	—	1119.89	59.13	—	527.61	592.28	651.41
7	Plot	13.67	30.18	—	43.85	—	—	—	43.85	13.67
8	Workshop	29.82	—	—	29.82	0.59	—	2.43	27.39	27.97
9	Land	37.44	11.85	—	49.29	—	—	—	49.29	37.44
10	Hydraulic Mobile Floor Crane	0.42	—	—	0.42	0.02	—	0.09	0.33	0.35
11	Plant & Machinery	110.49	43.41	—	544.59	8.95	—	19.36	525.22	100.08
12	Borewell	0.52	2.62	—	3.13	0.03	—	0.07	3.06	0.47
13	Platina	0.41	—	—	0.41	0.04	—	0.12	0.29	0.33
14	Factory Land	38.70	1.09	—	39.79	—	—	—	39.79	38.70
15	Factory Building	51.71	19.42	—	71.14	1.73	—	4.74	66.40	48.70
TOTAL TANGIBLE ASSETS		3869.62	827.86	(15.09)	4682.39	389.65	6.78	2230.04	2452.35	2022.45
WORK-IN-PROGRESS										
	Factory Shed	—	10.41	—	10.41	—	—	—	10.41	—
	AC at New office	3869.62	845.81	(15.09)	4700.34	—	6.78	2230.40	2470.30	2022.45
PREVIOUS YEAR		3615.39	271.98	(17.75)	3869.62	332.17	(17.75)	1847.17	2022.45	2082.54

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTE "14"	(` in Lacs)	
NON CURRENT INVESTMENTS		
GOVERNMENT AND TRUST SECURITES (UNQUOTED)		
Investment in Government Security	*	*
* National savings certificates (lying with government authority) ` 5000/- (As at 31st March, 2011 ` 5000)		
Trade Investments		
Investments in fully paid-up equity shares (Unquoted)		
In Subsidiary Company		
Bituminex Cochin (P) Ltd (6200 Equity shares face Value of ` 100/- each)	232.50	232.50
	<u>232.50</u>	<u>232.50</u>
NOTE "15"		
LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Capital Advances	—	40.44
Security Deposits	52.03	32.16
Other Loans & Advances	139.03	63.36
	<u>191.06</u>	<u>135.96</u>
CURRENT ASSETS		
NOTE "16"		
INVENTORIES		
(Valued at lower of Cost or Net Realizable Value)		
Raw Material	24.00	18.48
Finished Goods	409.68	806.52
Stores, Spares & Packing Material	42.39	22.36
	<u>476.07</u>	<u>847.36</u>
NOTE "17"		
TRADE RECEIVABLES		
(Unsecured, consider good)		
Outstanding for a period exceeding six months from the date due for payment	345.25	264.45
Other	1363.35	1005.15
	<u>1708.60</u>	<u>1,269.60</u>
NOTE "18"		
CASH & BANK BALANCE		
CASH & CASH EQUIVALENTS		
Cash on hand	16.83	6.05
<u>Balances with Banks</u>		
In Current Accounts	448.40	371.46
In Fixed Deposits	57.59	518.83
	<u>522.83</u>	<u>896.34</u>
NOTE "19"		
SHORT TERM LOANS & ADVANCES		
(Unsecured, consider good)		
Advance recoverable in cash or in kind or for value to be received	127.93	146.84
Advances to Employees	1.35	3.57
Mat Credit receivable	61.30	—
Mat Creidit utilisation	73.40	
Others Advances	642.88	0.61
	<u>906.86</u>	<u>151.01</u>

NOTE "20"

OTHER CURRENT ASSETS	(₹ in Lacs)	
Accrued interest on fixed deposits	4.21	3.84
	4.21	3.84

REVENUE

NOTE "21"

REVENUE FROM OPERATIONS		
Sales	8,843.86	5,327.46
<u>Service Centre</u>		
Sales of Spare Parts	36.41	63.68
Labour Charges	21.91	16.78
<u>Transportation & Windmill</u>		
Vehical freight income	2,625.71	2,307.50
Wind Mill Energy Income	145.16	136.84
	11,673.05	7,852.25

NOTE "22"

OTHER INCOME		
Interest Income	3.07	2.86
Dividend	0.61	—
Misc Income	43.69	90.80
	47.37	93.66

NOTE "23"

COST OF MATERIALS CONSUMED		
Op.stock	18.48	127.34
Add : Purchases	7,751.21	5,532.83
	7,769.69	5,660.17
Less : Closing Stock	24.00	18.48
	7,745.69	5,641.68

NOTE "24"
INCREASE/ DECREASE IN INVENTORY
STOCK IN TRADE

Opening Stock	821.11	33.37
Less:		
Closing Stock	409.68	821.11
	411.43	(787.73)

NOTE "25"

EMPLOYMENT BENEFIT EXPENSES		
Directors' remuneration	43.05	44.65
Salaries, wages and bonus	98.58	76.82
Staff welfare expenses	10.45	5.78
	152.08	127.25

NOTE "26"

PRODUCTION EXPENSES		
Production & Incidental Expenses	95.52	4.02
	95.52	4.02

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTE "27"

FINANCE COSTS		(` in Lacs)
Bank commission and charges	23.51	4.28
Interest on Loan		
Windmills	1.82	25.20
Others	199.62	98.21
	224.95	127.69

NOTE "28"

OTHER EXPENSES		
Vehicle running & maintenance exps.	1,584.04	1,479.04
Freight Paid	284.07	429.78
Conveyance & Travelling	29.12	23.13
Transportation Charges	23.63	122.90
Vehicle Expenses	4.72	2.88
Rent,Rates & Taxes	147.06	69.87
Power & Fuel Expenses	8.44	6.53
Postage, Telegram and Telephone charges	7.54	6.19
Printing and Stationery Expenses	2.24	1.63
Professional, legal and consultancy charges	11.21	2.93
Repairs & Maintenance charges	16.81	3.93
Office security charges	8.44	6.47
Miscellaneous Expenses	16.63	37.39
Audit Fees	2.00	2.15
Wind Mill Expenses	22.03	
Advertisement and publicity expenses	3.49	3.50
Packing Material	5.93	
Commission & Discount	14.66	5.49
	2,192.06	2,203.82

SIGNIFICANT ACCOUNTING POLICIES

3

The Accompanying notes are an internal part of the financial statements.

As per our report of even date

For RASHMI AGARWAL
Chartered Accountants

RASHMI AGARWAL
Proprietor

Place : Mumbai
Date: 30/05/2013

For and on behalf on Board of Directors

JAIPRAKASH AGARWAL
Managing Director

MAHENDRA AGARWAL
Director

LALIT AGARWAL
Director

RAKESH BHALLA
CFO & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	(` in Lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
A. CASH FLOW PROVIDED BY/(USED IN) OPERATING ACTIVITIES :		
PROFIT BEFORE TAX	508.96	297.01
Non-cash Adjustment :		
Depreciation	389.70	332.17
Interest & Finance Charges	224.95	127.69
Dividend Recd	(0.61)	
Interest recd	(3.07)	(2.86)
	610.97	457.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	<u>1,119.93</u>	<u>754.01</u>
MOVEMENT IN WORKING CAPITAL :		
Increase/ (decrease) in trade payables	(386.58)	629.75
Increase/ (decrease) in provisions	75.14	99.08
Increase/ (decrease) in other liabilities	67.54	(56.60)
Decrease/ (Increase) in trade receivable	(439.00)	(603.61)
Decrease/ (Increase) in Inventories	371.29	(674.36)
Decrease/ (Increase) in Loans & Advances	(784.90)	(115.51)
Decrease/ (Increase) in other Current Aseets	(0.37)	(1.95)
	(1096.88)	(723.20)
CASH GENERATED FROM OPERATIONS	<u>(23.05)</u>	<u>30.81</u>
Taxes Paid (Net)	90.60	59.10
NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES (A)	<u>(67.55)</u>	<u>(28.29)</u>
B. CASH FLOW PROVIDED BY/(USED IN) INVESTING ACTIVITES :		
Purchase of fixed assets including Capital Work-in-progress and capital Advances	(845.84)	(271.98)
Investment in Subsidiary Company		
Proceeds from sale of Fixed Assets	9.11	19.25
Loan to subsidiary Company	40.00	(34.73)
Dividend Received	0.61	—
	(796.12)	(287.46)
NET CASH USED IN INVESTING ACTIVITIES (B)	<u>(796.12)</u>	<u>(287.46)</u>
C. CASH FLOW PROVIDED BY/(USED IN) FINANCING ACTIVITES :		
Interest & Finance Charges	(224.95)	(127.69)
Interest Recd	3.07	2.86
Proceeds from borrowings	(31.96)	1,295.31
Repayment of borrowings	(913.45)	—
Reissue of forfeitures of shares	1,718.32	
Dividend Paid	(52.37)	(43.20)
Dividend Tax Paid	(8.50)	(6.64)
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES (C)	<u>490.16</u>	<u>1,120.64</u>
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	<u>(373.51)</u>	<u>804.89</u>
Cash and cash equivalents at the beginning of the year	896.34	91.45
Cash and cash equivalents at the end of the year	522.83	896.34

SIGNIFICANT ACCOUNTING POLICIES

The Accompanying notes are an internal part of the financial statements.

As per our report of even date

For RASHMI AGARWAL

Chartered Accountants

RASHMI AGARWAL

Proprietor

For and on behalf on Board of Directors

JAIPRAKASH AGARWAL

Managing Director

MAHENDRA AGARWAL

Director

LALIT AGARWAL

Director

RAKESH BHALLA

CFO & Company Secretary

Place : Mumbai
Date: 30/05/2013

CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF THE AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of AGARWAL INDUSTRIAL CORPORATION LIMITED

We have audited the attached consolidated Balance sheet of Agarwal Industrial Corporation Limited (the Company) and its subsidiary (the company and its subsidiary constitute (the Group) as at 31st March, 2013, there lated consolidated Profit and Loss account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principle sused and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of one subsidiary included in the consolidated financial statements, which constitute total assets of ` 146.57 Lacs as at 31 March 2013, total revenue of ` 401.66 Lacs, net profit of ` 5.13 Lacs and net cash flows amounting to ` 1.60 Lacs For the year ended. This financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on there port of such other auditors.

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21-Consolidated Financial Statements as notified under sub-section 3C of Section 211 of the Companies Act, 1956.

Based on our Audit and on consideration of reports of other audit or on separate financial statements and on the other financial information of the component of the group as referred to above, and to the best of our information and according to the explanation given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2013;
- b) In case of the consolidated Profit & Loss Account, of the profit of the group for the year ended on that date; and
- c) In the case of the consolidated Cash flow statement, of the cash flow of the Group for the year ended on that date.

Place : Mumbai
Date : 30/05/2013

For RASHMI AGRAWAL
Chartered Accountants

RASHMI AGRAWAL
Proprietor
M.B. No.104517

AGARWAL INDUSTRIAL CORPORATION LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(` in Lacs)

	Note No.	As At 31.03.2013	As At 31.03.2012
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	4	551.29	491.40
Reserves & Surplus	5	2859.29	786.08
		<u>3410.58</u>	<u>1,277.48</u>
NON - CURRENT LIABILITIES			
Long term Borrowings	6	510.66	1,758.79
Deferred Tax Liability	7	130.94	132.08
Long Term Provisions	8	7.66	5.58
		<u>649.26</u>	<u>1,896.46</u>
CURRENT LIABILITIES			
Short Term Borrowings	9	1,829.86	1,555.87
Trade Payables	10	293.76	685.51
Other Current Liabilities	11	80.72	60.28
Short Term Provisions	12	288.67	141.97
		<u>2,493.01</u>	<u>2,443.64</u>
TOTAL		<u>6,552.85</u>	<u>5,617.58</u>
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS			
Tangible Assets	13	2,500.50	2,072.75
Intangible Assets	13	226.30	226.30
Capital Work-in-Progress	13	17.95	5.31
		<u>2,744.75</u>	<u>2,304.35</u>
Non Current Investments	14	0.05	0.05
Long Term Loans & Advances	15	94.13	115.59
		<u>2838.93</u>	<u>2420.00</u>
CURRENT ASSETS,			
Inventories	16	502.74	858.97
Trade Receivable	17	1,737.97	1,284.42
Cash & Bank Balances	18	524.43	898.60
Short Term Loans & Advances	19	944.57	151.76
Other Current Assets	20	4.21	3.84
		<u>3,713.92</u>	<u>3,197.58</u>
TOTAL		<u>6,552.85</u>	<u>5,617.58</u>

SIGNIFICANT ACCOUNTING POLICIES

3

The Accompanying notes are an internal part of the financial statements.
As per our report of even date

For RASHMI AGARWAL
Chartered Accountants

RASHMI AGARWAL
Proprietor

Place : Mumbai
Date: 30/05/2013

For and on behalf on Board of Directors

JAIPRAKASH AGARWAL
Managing Director

MAHENDRA AGARWAL
Director

LALIT AGARWAL
Director

RAKESH BHALLA
CFO & Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

(` in Lacs)

	NOTE NO.	Year Ended 31.03.2013	Year Ended 31.03.2012
INCOME			
Revenue from Operations	21	12,074.71	8,151.82
Other Income	22	48.18	93.83
TOTAL INCOME		12,122.89	8,245.66
EXPENSES			
Cost of Material Consumed	23	8,096.92	5,894.00
Change in Inventories of Finished Goods, Stock-in-Process & Stock-in-Trade	24	407.74	(782.19)
Employee Benefit Expenses	25	167.98	142.94
Production Exp	26	97.75	14.98
Finance costs	27	235.25	138.68
Depriciation & Amortisation Expenses		397.34	335.15
Other Expenses	28	2,204.59	2212.77
TOTAL EXPENSES		11,607.58	7,956.32
PROFIT BEFORE TAXATION		515.31	289.34
TAX EXPENSES			
Current Tax		102.10	59.43
Mat Credit		73.40	—
Deferred Tax (Credit)		(1.14)	(2.09)
PROFIT FOR THE YEAR		340.95	232.00
EARNINGS PER SHARE (EPS)			
- Basic & Diluted (`)		7.81	5.67
- Nominal Value per share (`)		10.00	10.00

SIGNIFICANT ACCOUNTING POLICIES

The Accompanying notes are an internal part of the financial statements.
As per our report of even date

3

For RASHMI AGARWAL
Chartered Accountants

RASHMI AGARWAL
Proprietor

For and on behalf on Board of Directors

JAIPRAKASH AGARWAL
Managing Director

MAHENDRA AGARWAL
Director

LALIT AGARWAL
Director

RAKESH BHALLA
CFO & Company Secretary

Place : Mumbai
Date: 30/05/2013

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE "1"

BACKGROUND :

The Consolidated Financial Statement comprise the financial statements of Agarwal Industrial Corporation Ltd ("The Company") and its subsidiaries hereinafter referred to as 'The Group'. The Group is principally engaged in Logistics, Manufacturing of Bituminous Products, Import & Export of Bituminous and Bituminous products, Trading of Petroleum products and other similar activities.

NOTE "2"

BASIS OF PREPARATION :

- a) The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Financial statements have been prepared under the historical cost conversion on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- b) The Consolidated financial statements of the Group have been consolidated on a line-by-line basis by adding together the book values of subsidiary companies like items of assets, liabilities, income & expenses, after eliminating intra-group balances and the unrealized profits/ losses on intra-group transactions as per Accounting Standard 21 (AS 21) "Consolidated Financial Statement". The results of subsidiaries are included from the date of acquisition of a controlling interest. The Excess/shortfall of cost to the Company of its investments in the subsidiary companies is recognized in the financial Statement as goodwill, capital reserve, as the case may be. Goodwill on consolidation is tested for impairment at every reporting date.

NOTE "3"

SIGNIFICANT ACCOUNTING POLICIES :

The Significant accounting policies are as follows :

a) Change in Accounting Policy

During the year ended March 31, 2013, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation & presentation of its financial statements. The Adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of Financial statements. However, it has significant impact on presentation and disclosure made in the Financial Statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Use of Estimate

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

c) Tangible Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation, amortization & impairment losses if any. Cost comprises the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

d) Intangible Fixed Assets

Goodwill is recognize as intangible assets in terms of Accounting Standard -26 "Intangible Assets" based on materiality. Goodwill purchased is not amortized & tested for Impairment purposes every year.

e) **Depreciation & Amortization**

Depreciation on Tangible Fixed Assets are provided using straight line method based on estimated useful life or on the basis of depreciation rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

f) **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 recognized as an expenses in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

g) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

h) **Investments**

(i) Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.

(ii) Current Investments are stated at lower of cost and fair value.

i) **Inventories**

Inventories are valued at cost or net realizable value, whichever is lower.

j) **Foreign Currency**

Transactions in foreign currencies are recorded at the exchange rates notified by CBEC or at the exchange rate under related forward exchange contracts. The realized exchange gains/ losses are recognized in the Profit & Loss account. All foreign currency current assets and liabilities are translated in rupees at the rates prevailing on the date of balance sheet.

k) **Employee benefits**

Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. Post employment benefits are recognized as an expense in the Profit and loss account for the year in which the employee has rendered services. Long Term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services.

l) **Revenue Recognition**

Sale of goods :

Sales are recognized when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discounts, rebates, sales taxes and excise duties.

Interest:

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

m) **Taxation**

Provision for current income tax is made in accordance with Local laws. Deferred Tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference.

n) **Revenue :**

Domestic Sales is Exclusive of Excise duty & Vat.

AGARWAL INDUSTRIAL CORPORATION LIMITED

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities & Contingent Assets are neither recognized nor disclosed in the financial statements.

p) Segment Reporting

The Company's operations relate to the business segments namely transportation, service centre, Power Generation by Windmill and Manufacturing of Bitumens & Bituminous Products. These business segments represents primary basis of information set out in the financial statements. In accordance with the Accounting Standard 17 on Segment Reporting issued by the ICAI, the segment information for the year ended March 31,2013 is as follows: Segment assets include all operating assets used by a segment and consist primarily of debtors, current assets and fixed assets net of provisions and allowances. Segment liabilities include all operating liabilities and consist principally of creditors and other payables.

Particulars	Transportation	Windmill	Petrochemicals (Bituminous Products)	(` IN LACS)
				Total
Revenue				
Segment Revenue	2,650.98	145.16	9278.57	12,074.71
Result				
Segment Results	243.77	62.17	161.09	467.13
Operating Profit	243.77	62.17	161.09	467.13
Other Income	47.37	—	0.81	48.18
Net Profit Before Tax	291.24	62.17	161.90	515.31
Taxation	—	—	—	174.36
Net Profit	—	—	—	340.95
Other Information				
Segment Assets	2,458.06	651.41	2,580.76	5,690.24
Total Assets	2,458.06	651.41	2,580.76	5,690.24
Segment Liabilities	2,139.59	60.07	2,213.10	4,412.76
Total Liabilities	2,139.59	60.07	2,213.10	4,412.76
Capital Employed	318.47	591.34	367.66	1,277.48

q) Earning per Share :

The computation of earning per share is set out below.

	except per share data		(` IN LACS)
	Financial Year 2012-2013	Financial Year 2011-2012	
Basic and Diluted weighted average no. of equity share outstanding (nos.)			4,092,800
(1) Basic	5512900		
(2) Diluted	4364883		
Net Profit / (Loss)	340.95		232.00
Earning Per Share			
(1) Basic	6.18		5.67
(2) Diluted	7.81		
Nominal Value Per Share	10.00		10.00

r) **RELATED PARTIES DISCLOSURES:**

I RELATED PARTIES

A Key Management Personnel

Mr.Jaiprakash Agarwal , Managing Director

B Relatives of the Key Management Personnel

Mr.Lalit Agarwal

Mr.Ramchandra Agarwal

Mr.Mahendra Agarwal

II TRANSACTIONS WITH RELATED PARTIES

(` in Lacs)

Name	Nature of Transactions	Relations	2012-13	2011-12
ShriJaiprakashAgarwal	Remuneration	Managing Director	21.00	21.00
ShriRamchandraAgarwal	Remuneration	Director	9.00	9.00
ShriLalitAgarwal	Remuneration	Director	9.00	9.00
ShriNileshAgarwal	Salary	Cousin of Directors	8.40	8.40
ShriVipinAgarwal	Salary	Cousin of Directors	8.40	8.40
Smt. Pooja V. Agarwal	Salary	Daughter-in-law of Directors Brother	8.40	8.40
Smt. SudhaAgarwal	Salary	Wife of Directors Brother	8.40	8.40
Agarwal Gas Carriers	Sub-Contract Payment	Firm in which Directors Are partners	54.51	—
ANZ Transporters	Sub-Contract Payment	Firm in which Directors are partners	139.39	4.33
AgarwalTranslink P. Ltd	Sub-Contract Payment	Co. in which Directors Are Directors	64.38	1.91
Agarwal Petrochem P. Ltd.	Sub-Contract Payment	Co. in which Directors Are Directors	4.93	—
Agarwal Petrochem P. Ltd.	Bitumen Purchase	Co. in which Directors Are Directors	80.83	130.02
Agarwal Petrochem P. Ltd.	Bitumen Sales	Co.in which Directors Are Directors	674.90	309.72
ShriLalitAgarwal	Rent	Director	1.50	

s) Managerial Remuneration under section 198 of the Companies Act, 1956.

	2012-2013	2011-2012
Remuneration to Managing Director	2,100,000.00	21,00,000.00
Remuneration to Director	22,05,000.00	23,65,000.00
TOTAL	43,05,000.00	44,65,000.00

t) Remuneration to Auditors

	2012-2013	2011-2012
Audit Fees	1,31,000.00	1,30,000.00
Tax Audit Fees	63,000.00	62,000.00
Certification Work	10,000.00	15,000.00
Service Tax	20,394.00	16,995.00
Out of Pocket Expenses	4606.00	18,005.00
	2,29,000.00	2,42,000.00

u) Previous year figures have been regrouped whenever necessary.

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTE "4"		(` in lacs)
SHARE CAPITAL		
AUTHORISED		
60,00,000 Equity Share of ` 10/- Each	600.00	600.00
ISSUED		
55,12,900 Equity Share of ` 10/- Each	551.29	551.29
SUBSCRIBED & PAID UP		
55,12,900 Equity Share of ` 10/- Each fully paid-up	551.29	409.28
Add : Forfeited Shares	—	82.12
	551.29	491.40

Reconciliation of shares outstanding at the Beginning and at the end of the reporting period :

	2012-13		2011-12	
	No.'s	` in lacs	No.'s	` in lacs
Equity Shares outstanding at the beginning of the period	4,092,800.00	409.28	4,092,800.00	409.28
Issued During the year (Re-issue of forfeited shares)	1,420,100.00	142.01	—	—
Equity Shares outstanding at the end of the period	5,512,900.00	551.29	4,092,800.00	409.28

NOTE "5"

RESERVES & SURPLUS

a) Share Premium	1658.43	—
b) Other Reserves		
Opening Balance - Capital Investment Subsidy	0.76	0.76
- Investment Allowance Reserve	0.62	0.62
Closing Balance	1.38	1.38
c) Surplus/ (Deficit) in Statement of Profit & Loss		
Balance Beginning of the year	784.70	552.70
Profit for the year	340.95	232.00
	1,125.65	784.70
Less : Appropriations		
Dividend on Equity Shares	52.37	—
Dividend Distribution Tax	8.50	—
	60.87	—
Mat Credit	1,064.78 134.70	784.70
Balance at end of the year	2859.29	786.08

NOTE "6"

LONG TERM BORROWINGS

SECURED BORROWINGS

Term Loans -		
From Banks		
a) Against. Windmills	—	60.07
(Secured by first Mortgage and charge on all the immovable and movable assets, present and future of the company and personal guarantee of prompter directors)		
b) Against. Vehicles	510.66	785.27
(Secured by hypothecation of vehicle and are repayable in equated monthly installments over the tenure of the loan)		
	510.66	845.34

UNSECURED BORROWINGS	(` in lacs)
Loans from Related Parties	913.45
Repayable after the end of one year but before the end of 3 years, as mutually agreed).	—
	913.45
	510.66
	1758.79

NOTE "7"

DEFERRED TAX PROVISION

Deferred tax liability

Tax Effect of Items constituting deferred tax liability

On Difference between book Balance and tax balance of Fixed Assest

130.94 137.88

130.94 137.88

Tax Effect of Items constituting deferred tax assets

Disallowances under section 40a(i), 43 B of the Income Tax Act,1961

0.09

Unabsorbed depreciation carried forward

1.61

Brought forward business losses

4.09

5.80

130.94 132.08

NOTE "8"

LONG TERM PROVISION

Provision for Income Tax (Net of Advance Tax)

7.66 5.58

7.66 5.58

CURRENT LIABILITIES

NOTE "9"

SHORT TERM BORROWINGS

SECURED BORROWINGS

From Banks

Working Capital Facilities

(Secured against Hypothecation of Raw Material & Finished Goods & Secured by Mortgage and Charge on all the movable assets of the company & immovable Property of Sister Concern and personal gurantee of the Directors)

1,829.87 1555.87

1,829.87 1555.87

NOTE "10"

TRADE PAYABLES

Trade Payables

Acceptances

Other than Acceptances

0.55 —

Due to small & micro units

Others

293.75 685.51

293.75 685.51

NOTE "13" FIXED ASSETS

Notes Forming Part of the Financial Statements

(in lacs)

Sr. No.	Description	GROSS BLOCK (AT COST)		DEPRECIATION & AMORTIZATION		NET BLOCK			
		As At 31.03.2012	Add during the year	Ded. during the year	As at 31.03.2012	For the year	Deduction & adjustment for the year	As at 31.03.2013	As at 31.03.2012
TANGIBLE ASSETS									
1	Commercial vehicals and tanks (LPG, Bitumen & Propane Tankers)	2,352.96	251.57	-	2,604.54	310.01	1,316.62	977.91	1,036.34
2	Furniture & Fixtures.	9.93	2.01	-	11.94	0.65	3.37	7.92	6.56
3	Computers & Printers	13.13	0.84	-	13.96	1.58	10.41	1.97	2.72
4	Office & Other Equipments	44.06	25.92	-	70.00	3.88	6.83	59.30	37.23
5	Other Vehicles	109.55	48.27	(15.09)	142.73	10.01	39.91	98.60	69.64
6	Wind Mill	1,119.89	-	-	1,119.89	59.13	488.48	592.28	651.41
7	Plot	13.67	30.18	-	43.85	-	-	43.85	13.67
8	Workshop	29.82	-	-	29.82	0.59	1.84	27.39	27.97
9	Land	38.11	11.85	-	49.96	-	-	49.96	38.11
10	Hydraulic Mobile Floor Crane	0.42	-	-	0.42	0.02	0.07	0.33	0.35
11	Plant & Machinery	121.59	434.28	-	555.87	9.31	19.00	527.56	102.59
12	Bonwell	0.52	2.62	-	3.13	0.03	0.04	0.29	0.33
13	Platina	0.41	-	-	0.41	0.04	0.08	0.29	0.33
14	Factory Land	38.70	1.09	-	39.79	-	-	-	-
15	Factory Building	58.48	19.42	-	77.91	2.10	6.53	69.27	51.95
TOTAL TANGIBLE ASSETS		3,951.23	828.04	(15.09)	4,764.20	397.34	1,873.18	2,500.47	2,078.05
Goodwill		226.30	-	-	226.30	-	-	226.30	226.30
Total Intangible Assets		226.30	-	-	226.30	-	-	226.30	226.30
WORK-IN-PROGRESS									
Factory Shed		-	10.41	-	10.41	-	-	10.41	10.41
AC at New office		-	7.54	-	7.52	-	-	7.57	7.57
PREVIOUS YEAR		4,177.53	846.00	(15.09)	4,762.14	397.34	1,873.18	2,744.75	2,304.35
		3,876.20	319.08	(17.75)	4,177.53	335.15	1,555.78	2,304.45	2,320.42

NOTE "11"	(` in lacs)	
OTHER CURRENT LIABILITIES		
Advances from Customers	38.05	15.37
Unclaimed Dividend	2.19	2.27
Bank Overdrafts	40.12	33.09
Other Payables	0.36	9.55
	80.72	60.28
 NOTE "12"		
SHORT TERM PROVISIONS		
Provision for Tax (Net of Advance Tax)	84.63	0.33
Dividend (including Dividend Distribution Tax)	60.87	—
Others	143.17	141.65
	288.67	141.97
 NOTE "14"		
NON CURRENT INVESTMENTS		
GOVERNMENT AND TRUST SECURITIES (UNQUOTED)		
Investment in Government Security	*	*
* National savings certificates (lying with government authority) ` 5000/- (As at 31st March, 2011 ` 6000)		
 NOTE "15"		
LONG TERM LOANS & ADVANCES (Unsecured, considered good)		
Capital Advances	—	40.44
Security Deposits	53.12	10.94
Other Loans & Advances	41.01	64.21
	94.13	115.59
	94.13	115.59
 CURRENT ASSETS		
NOTE "16"		
INVENTORIES (Valued at lower of Cost or Net Realizable Value)		
Raw Material	39.36	22.95
Finished Goods	419.37	812.02
Stock in Trade (Trading)	0.69	0.65
Stores, Spares & Packing Material	43.32	23.34
	502.74	858.97
 NOTE "17"		
TRADE RECEIVABLES (Unsecured, consider good)		
Outstanding for a period exceeding six months from the date due for payment	0.07	264.45
Others	1737.90	1019.97
	1737.97	1284.42
 NOTE "18"		
CASH & BANK BALANCES CASH & CASH EQUIVALENTS		
Cash on hand	17.43	6.72
<u>Balances with Banks</u>		373.05
In Current Accounts	449.41	
In Fixed Deposites	57.59	518.83
	524.43	898.60

AGARWAL INDUSTRIAL CORPORATION LIMITED

NOTE "19"	(` in lacs)	
SHORT TERM LOANS & ADVANCES		
(Unsecured, consider good)		
Advance recoverable in cash or in kind or for value to be received	127.93	86.84
Advances to Employees	1.38	3.64
Prepaid taxes	0.20	0.21
Mat Credit receivable	61.30	
Mat Credit utilisation	73.40	
Security Deposits	3.18	25.09
Others Advances	677.18	35.98
	<u>944.57</u>	<u>151.76</u>
NOTE "20"		
OTHER CURRENT ASSETS		
Accrued interest on fixed deposite	4.21	3.84
	<u>4.21</u>	<u>3.84</u>
REVENUE		
NOTE "21"		
REVENUE FROM OPERATIONS		
Sales	9245.52	5627.03
Service Centre		
Sales of Spare Parts	36.41	63.68
Labour Charges	21.91	16.78
Transportation & Windmill		
Vehical freight income	2625.71	2307.50
Wind Mill Energy Income	145.16	136.84
	<u>12074.71</u>	<u>8151.82</u>
NOTE "22"		
OTHER INCOME		
Interest Income	3.15	2.99
Dividend	0.61	—
Misc Income	44.42	90.84
	<u>48.18</u>	<u>93.83</u>
NOTE "23"		
COST OF MATERIALS CONSUMED		
Op.stock	23.94	136.80
Add : Purchases	8113.27	5781.13
	8137.21	5917.93
Less : Closing Stock	40.28	23.94
COST OF MATERIAL CONSUMED	<u>8096.93</u>	<u>5894.00</u>
NOTE "24"		
INCREASE/ DECREASE IN INVENTORY		
STOCK IN TRADE		
Opening Stock	827.26	45.07
Less:		
Closing Stock	419.52	827.26
	<u>407.74</u>	<u>(782.19)</u>

NOTE "25"	(` in lacs)	
EMPLOYMENT BENEFIT EXPENSES		
Directors' remuneration	43.05	44.65
Salaries, wages and bonus	111.29	90.94
Staff welfare expenses	13.64	7.35
	167.98	142.94
NOTE "26"		
PRODUCTION EXPENSES		
Production & Incidental Expenses	97.75	14.98
	97.75	14.98
NOTE "27"		
FINANCE COSTS		
Bank commision and charges	23.92	4.38
Interest on Loan		
Windmills	1.82	25.20
Others	209.51	109.09
	235.25	138.68
NOTE "28"		
OTHER EXPENSES		
Vehicle running & maintenance exps.	1584.70	1479.79
Freight Paid	284.07	429.78
Conveyance & Travelling	30.06	24.18
Transportation Charges	26.31	122.90
Vehicle Expenses	4.72	2.88
Rent, Rates & Taxes	148.11	71.19
Power & Fuel Expenses	9.37	7.39
Postage, Telegram and Telephone charges	7.97	6.68
Printing and Stationery Expenses	2.43	1.81
Professional, legal and consultancy charges	11.25	3.71
Repairs & Maintenance charges	17.48	5.49
Office security charges	9.30	6.93
Miscellaneous Expenses	47.11	38.41
Audit Fees	2.62	2.42
Advertisement and publicity expenses	4.43	3.72
Commission & Discount	14.66	5.49
	2204.59	2212.77

SIGNIFICANT ACCOUNTING POLICIES

3

The Accompanying notes are an internal part of the financial statements.
As per our report of even date

For RASHMI AGARWAL
Chartered Accountants

RASHMI AGARWAL
Proprietor

Place : Mumbai
Date: 30/05/2013

For and on behalf on Board of Directors

JAIPRAKASH AGARWAL
Managing Director

MAHENDRA AGARWAL
Director

LALIT AGARWAL
Director

RAKESH BHALLA
CFO & Company Secretary

AGARWAL INDUSTRIAL CORPORATION LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the year ended 31st March, 2013 (` in lacs)	For the yearended 31st March, 2012 (` in lacs)
A. CASH FLOW PROVIDED BY/(USED IN) OPERATING ACTIVITIES :		
PROFIT BEFORE TAX	515.31	289.34
Non-cash Adjustment :		
Depreciation	397.34	335.15
Interest & Finance Charges	234.71	138.68
Dividend Recd	(0.61)	
Interest recd	(3.15)	(2.99)
	628.29	470.84
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	1,143.60	760.18
MOVEMENT IN WORKING CAPITAL :		
Increase/ (decrease) in trade payables	(386.58)	632.14
Increase/ (decrease) in provisions	75.68	98.96
Increase/ (decrease) in other liabilities	70.33	(60.06)
Decrease/ (Increase) in trade receivable	(453.56)	(616.17)
Decrease/ (Increase) in Inventories	356.23	(664.81)
Decrease/ (Increase) in Loans & Advances	(784.36)	(88.61)
Decrease/ (Increase) in other Current Aseets	(0.37)	(1.95)
	(1,122.63)	(700.50)
CASH GENERATED FROM OPERATIONS	20.97	59.68
Income Tax Paid	90.60	59.85
NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES (A)	(69.63)	(0.17)
B. CASH FLOW PROVIDED BY/(USED IN) INVESTING ACTIVITES :		
Purchase of fixed assets including Capital Work-in-progress and capital Advances	(846.02)	(319.08)
Proceeds from sale of Fixed Assets	9.11	19.25
Loan to subsidiary Company	40.00	-
Dividend Received	0.61	-
	(796.30)	(299.83)
NET CASH USED IN INVESTING ACTIVITIES (B)	(796.30)	(299.83)
C. CASH FLOW PROVIDED BY/(USED IN) FINANCING ACTIVITES :		
Interest & Finance Charges	(234.71)	(138.68)
Interest Recd	3.15	2.99
Proceeds from borrowings	(20.68)	1,291.95
Repayment of borrowings	(913.45)	-
Reissue of forfeitures of shares	1,718.32	-
Dividend Paid	(52.37)	(43.20)
Dividend Tax Paid	(8.50)	(6.64)
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES (C)	491.76	1,106.42
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(374.17)	806.42
Cash and cash equivalents at the beginning of the year	898.60	92.18
Cash and cash equivalents at the end of the year	524.43	898.60

SIGNIFICANT ACCOUNTING POLICIES

The Accompanying notes are an internal part of the financial statements.
As per our report of even date

For RASHMI AGARWAL
Chartered Accountants

RASHMI AGARWAL
Proprietor

Place : Mumbai
Date: 30/05/2013

3

For and on behalf on Board of Directors

JAIPRAKASH AGARWAL
Managing Director
MAHENDRA AGARWAL
Director
LALIT AGARWAL
Director
RAKESH BHALLA
CFO & Company Secretary

FINANCIAL INFORMATION OF SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2013

		(IN LACS)
SR.NO.	PARTICULARS	BITUMINEX COCHIN (P) LTD
a).	Paid Up Share Capital	6.20
b).	Reseves & Surplus	(14.12)
c).	Total Assets	146.57
d).	Total Liabilities	146.57
e).	Investments	—
f).	Turnover	401.66
g).	Profit Before Tax	6.35
h).	Provision for Tax	1.22
i).	Profit For the Year	5.13
j).	Proposed Dividend	—

AGARWAL INDUSTRIAL CORPORATION LIMITED

PROXY

Folio No.
* DP ID
* Client ID

I/We of being a member / members of the above named Company hereby appoint of or filling him of as my/our proxy to vote for me/us on my/our behalf at the NINETEENTH ANNUAL GENERAL MEETING of the Company to be held at at Unit No. 12, A-Wing, 1st Floor, Sita Estate, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074 on Monday 30th September, 2013 at 11 A.M. and at adjournment thereof.

Signed this day of 2013.

Signature

Affix
Rupee. 1
Revenue
Stamp

* Applicable in case of shares held in Demat.

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

(TEAR HERE)

AGARWAL INDUSTRIAL CORPORATION LIMITED

ATTENDANCE SLIP

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

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

No. of Shares held

I, hereby record my presence at the Eighteenth Annual General Meeting of the Company at Unit No. 12, A-Wing, 1st Floor, Sita Estate, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074 on Monday 30th September, 2013.

* Applicable in case of shares held in Demat.

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

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

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

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BOARD OF DIRECTORS

Mr. Jaiprakash Agarwal
Managing Director

Mr. Ramchandra Agarwal
Whole Time Director

Mr. Mahendra Agarwal
Director

Mr. Lalit Agarwal
Whole Time Director

Mr. Jawahar D. Patil
Whole Time Director

Mr. Jaswant D. Sharma
Director

Mr. Harikrishna Patni
Director

Mr. Rajkumar Mehta
Director

Mr. Alok Bharara
Director

Mr. R.T. Rajguroo
Director

CFO & COMPANY SECRETARY (COMPLIANCE OFFICER)

Mr. Rakesh Bhalla

REGISTERED OFFICE

Unit No-4, B-Wing,
Sita Estate, Aziz Baug,
Mahul Road, Chembur,
Mumbai - 400074
Tel. No. 022-25541469/25549202
Fax No. 022-25549288
Email id : investors-relations-aicltd.in
Website : www.aicltd.in

AUDITORS

Ms. Rashmi Agarwal
Chartered Accountants

WORKS

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

Hyderabad

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

COST AUDITORS

Mr. Vinayak Kulkarni
Cost Accountant

REGISTRARS & SHARE TRANSFER AGENTS

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

CORPORATE IDENTITY NUMBER (CIN)

L99999MH1995PLC084618

BSE SCRIP ID AND CODE

ID -AGARIND
CODE - 531921

WHOLLY OWNED SUBSIDIARY COMPANY

Bituminex Cochin Pvt. Ltd.
Kerala



AGARWAL INDUSTRIAL CORPORATION LIMITED

CORPORATE VISION

"At AICL, We are committed to serve the National & Community by providing our world class quality products and services under one roof

"We would always strive for improvisation of our products and services through innovation, research and development, integration and diversification on continuous basis..."