



# AGARWAL INDUSTRIAL CORPORATION LIMITED

Petrochemicals (Manufacturers & Traders of Bitumen & Bituminous Products) • Logistics for Bitumen & LPG • Wind Mills.

CIN NO.: L99999MH1995PLC084618

September 05, 2019

To,

<b>BSE Limited</b> Corporate Relationship Department P.J. Towers, Dalal Street, Mumbai - 400 001 Scrip Code - 531921	<b>National Stock Exchange of India Limited</b> 'Exchange Plaza' C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Symbol: AGARIND; Series: EQ
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**Sub: Submission of Twenty Fifth Annual Report – F.Y. 2018-19 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Dear Sir/Madam,**

We are pleased to attach herewith, Twenty Fifth Annual Report – F.Y. 2018-19 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which has been dispatched to all the Members of the Company today i.e. September 05, 2019, in accordance with the provisions of the Companies Act, 2013 (as amended) and the Rules made thereunder and the SEBI (LODR), Regulations 2015.

This is for your kind information and records.

Thanking You,

**For Agarwal Industrial Corporation Limited**

**Lucinda D'souza**  
Company Secretary



Encl: a/a

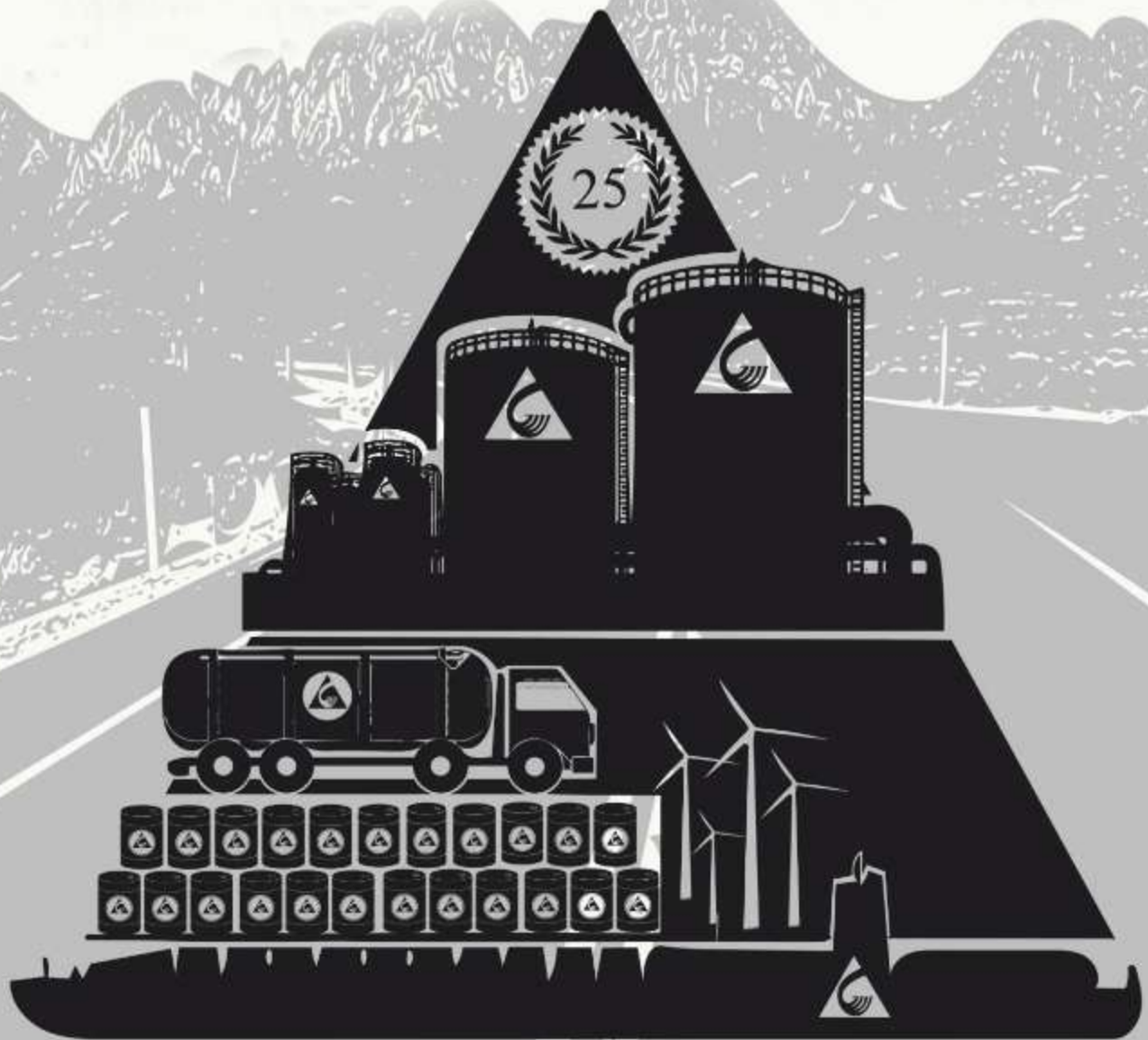
Registered Office : "Eastern Court", 201/202, Plot No.12, V.N. Purav Marg, S. T. Road, Chembur, Mumbai - 400 071.

• Tel: +91-22-25291149/50. • Fax: + 91-22-25291147. • E-mail : contact@aicltd.in

• Website : www.aicltd.in



# AGARWAL INDUSTRIAL CORPORATION LIMITED



## TWENTY FIFTH ANNUAL REPORT 2018-2019

*We Value Relationships.....*



**TWENTY FIVE YEARS OF GLORY**



## AGARWAL INDUSTRIAL CORPORATION LIMITED

(CIN : L99999MH1995PLC084618)

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## TWENTY FIFTH ANNUAL REPORT 2018-2019

### BOARD OF DIRECTORS

Mr. Jaiprakash Agarwal  
Managing Director

Mr. Ramchandra Agarwal  
Whole Time Director

Mr. Mahendra Agarwal  
Non Independent, Non Executive Director

Mr. Lalit Agarwal  
Whole Time Director

Mr. Harikrishna Patni  
Independent Director

Mr. Rajkumar Mehta  
Independent Director

Mr. Alok Bharara  
Independent Director

Mr. Jaswant D. Sharma  
Independent Director

Mrs. Priti Lodha  
Independent Woman Director

### CHIEF FINANCIAL OFFICER

Mr. Vipin Agarwal

### COMPANY SECRETARY

Ms. Lucinda D'souza  
(w.e.f. December 17, 2018)

### REGISTERED OFFICE

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

### STATUTORY AUDITORS

M/s Ladha Singhal & Associates,  
Chartered Accountants,  
202, Metro Avenue, Parera Hill Road,  
Off. Andheri Kurla Road,  
Near WEH Metro Station,  
Andheri East, Mumbai – 400 099.

### WHOLLY OWNED SUBSIDIARY COMPANIES

Bituminex Cochin Pvt. Ltd., Kochi (India)  
AICL OVERSEAS – FZ LLC (Overseas)

### PLANTS

#### Belgaum

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

#### Hyderabad

Survey No. 196/P, Elikatta Village,  
Shad Nagar-Pargi Road,  
Farooq Nagar Mandal,  
Telangana - 509216.

#### Taloja

Plot No. 37, New Chemical Zone,  
Near PCI, MIDC, Taloja, Dist.Raigad,  
Maharashtra.

#### Baroda

Plot No. 49, Ranoli Industrial Area,  
GIDC, Ranoli,  
Vadodra, Gujrat.

#### Bulk Bitumen Storage Facilities

Karwar, Karnataka  
Haldia Port  
Dighi Port  
Hazira Port, Gujarat  
Kakinada Port, Hyderabad

#### Work Shop

Shahapur, Asangaon, (Maharashtra)

#### Wind Mills

Dhulia, Maharashtra; Jaisalmer, Rajasthan

#### BANKERS

Kotak Mahindra Bank      Citi Bank N.A.  
IDFC First Bank Ltd      HDFC Bank Ltd

#### REGISTRAR & SHARE TRANSFER AGENT

Universal Capital Securities Pvt Ltd.  
21, Shakil Niwas, Opp. Satya Saibaba Temple,  
Mahakali, Caves Road, Andheri (E),  
Mumbai – 400093  
Telephone Nos: +91-22-28207203-05/2825 7641  
Fax No.: +91-22-28207207;  
Contact Person: Mr. Ravindra Utekar  
(w.e.f. June 30, 2018)

#### CORPORATE IDENTITY NUMBER (CIN)

L99999MH1995PLC084618

#### BSE SCRIP ID AND CODE

ID –AGARIND      Code – 531921

#### NATIONAL STOCK EXCHANGE LTD

Scrip ID and Code  
Symbol – AGARIND  
Series – EQ



AGARWAL GROUP

## AGARWAL INDUSTRIAL CORPORATION LIMITED

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

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

**CIN:** L99999MH1995PLC084618

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Agarwal Industrial Corporation Limited will be held on Monday, September 30, 2019 at 10.30 A.M. at Hotel Stars Parade, Lower Hall, Swami Jairamdas Building, Near Basant Park, Chembur, Mumbai - 400 071, to transact the following business:

#### ORDINARY BUSINESS

**1. To receive, consider and adopt:**

- (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 along with the Reports of the Board of Directors and Independent Auditors thereon: and
- (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 along with the Report of the Independent Auditors thereon.

**2. To declare Dividend on Equity Shares for the Financial Year 2018-19.**

**3. To appoint a Director in place of Mr. Mahendra Agarwal (DIN- 01366495), who retires by rotation, and being eligible, offers himself for re- appointment.**

**4. To Appoint Statutory Auditors for the Second Term:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the members of the Company hereby appoint M/s Latha Singhal & Associates, Chartered Accountants, 202, Metro Avenue, Parera Hill Road, Near WEH Metro Station, Off. Andheri Kurla Road, Andheri East, Mumbai – 400 099, as the Auditors of the Company for the second term of five years (*who were appointed for initial term of five years from the conclusion of Twentieth Annual General Meeting till the conclusion of the Twenty Fifth Annual General Meeting*), to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirtieth Annual General Meeting to be held in the year 2024 (subject to ratification of their appointment at every AGM) at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

#### SPECIAL BUSINESS

**5. Re-appointment of Mr. Jaiprakash Agarwal as Managing Director of the Company**

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

**“RESOLVED THAT** pursuance to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment (s) thereof, for the time being in force) and in terms of Article 98 of the Articles of Association of the Company, and as recommended by the Nomination & Remuneration Committee of the Board and as approved by the Board of Directors in its meeting held on March 30, 2019, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Jaiprakash Agarwal (DIN - 01379868) as the Managing Director of the Company for 3 (Three) Years Term w.e.f. April 01, 2019 till March 31, 2022 (both days inclusive) on terms and conditions as set out under item No. 5 in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.”

“**RESOLVED FURTHER THAT** the Board of Directors 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.”

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

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment (s) thereof, for the time being in force) and in terms of Article 98 of the Articles of Association of the Company, and as recommended by the Nomination & Remuneration Committee of the Board and as approved by the Board of Directors in its meeting held on March 30, 2019, consent of the members of the Company be and is hereby is accorded for the re-appointment of Mr. Lalit Agarwal (DIN - 01335107) as the Whole Time Director of the Company for 3 (Three) Years Term w.e.f. April 01, 2019 till March 31, 2022 (both days inclusive) on terms and conditions as set out under item No. 6 of the Explanatory Statement annexed to the Notice convening this Annual General Meeting.”

“**RESOLVED FURTHER THAT** the Board of Directors 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.”

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

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment (s) thereof, for the time being in force) and in terms of Article 98 of the Articles of Association of the Company, and as recommended by the Nomination & Remuneration Committee of the Board and as approved by the Board of Directors in its meeting held on March 30, 2019, consent of the members of the Company be and is hereby is accorded for the re-appointment of Mr. Ramchandra Agarwal (DIN - 02064854) as the Whole Time Director of the Company for 3 (Three) Years Term w.e.f. April 01, 2019 till March 31, 2022 (both days inclusive) on terms and conditions as set out under item No. 7 of the Explanatory Statement annexed to the Notice convening this Annual General Meeting.”

“**RESOLVED FURTHER THAT** the Board of Directors 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.”

**8. Re-appointment of Mr. Rajkumar Mehta as an Independent Director of the Company for the Second Term**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Rajkumar Mehta (DIN - 01729041), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby appointed as a non-executive Independent Director of the Company with effect from September 30, 2019 up to September 29, 2024 (both days inclusive).”

“**RESOLVED FURTHER THAT** the Board of Directors 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. Re-appointment of Mr. Harikrishna Patni as an Independent Director of the Company for the Second Term**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Harikrishna Patni (DIN - 01316552), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 30, 2019 up to September 29, 2024 (both days inclusive).”

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

**10. Re- Appointment of Mr. Alok Bharara as an Independent Director of the Company for the Second Term**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Alok Bharara (DIN - 02720802), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 30, 2019 up to September 29, 2024 (both days inclusive).”

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

**11. Re-Appointment of Mrs. Priti Lodha as an Independent Director of the Company for the Second Term**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mrs. Priti Lodha (DIN - 02182233), an Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 30, 2019 up to September 29, 2024 (both days inclusive).”

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

**12. Related Party Transactions For F. Y. 2019-20**

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

“**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further pursuant to the approval of Board of Directors and the Audit Committee with regard to omnibus approval for Related Party Transactions on annual basis for the financial year 2019-20 obtained in their respective meetings held on May 30, 2019, the consent of the Company be and is hereby accorded for omnibus approval for entering into contracts and/or arrangements with the related parties on annual basis for the financial year 2019-20, as defined under the said Act and the Rules made thereunder, as amended, as set out under item No.12 of the Explanatory Statement annexed to this Notice.”

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

**13. Appointment of Cost Auditors For F. Y. 2019-20**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time (including any statutory modification(s) or re-enactments thereof, for the time being in force), Mr. Vinayak Kulkarni, Cost Accountant (Membership No - 28559), the Cost Auditor appointed by the Board of Directors of the Company and the Audit Committee of the Board in their respective meetings held on August 14, 2019 to conduct the audit of cost records of the Company for relevant segments for the financial year ending March 31, 2020, the consent of members be and is hereby accorded to the appointment of Mr. Vinayak Kulkarni as the Cost Auditor as stated herein above and further be paid the remuneration as set out under item No. 13 of the Explanatory Statement annexed to the Notice convening this meeting.”





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

**By Order of the Board of Directors**

**Place:** Mumbai  
**Dated:** August 31, 2019

Lucinda D'souza  
Company Secretary

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

**NOTES:**

- 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, TO BE VALID AND EFFECTIVE, SHOULD 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.**
- A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10%, of the total share capital of the Company carrying Voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member. A proxy form for the Annual General Meeting is enclosed. Members / proxies should bring the attendance slips duly filled in and Photo Id Proof for attending the meeting.
- Members/proxies/ authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
- An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to Special Business to be transacted at the Meeting is annexed hereto.
- 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.
- In terms of Section 152 of the Companies Act, 2013, Mr. Mahendra Agarwal (DIN- 01366495) retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company on the recommend of the Nomination and Remuneration Committee has recommended his reappointment on retirement by rotation. A brief resume of Mr. Mahendra Agarwal is provided herewith, as stipulated under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Share Transfer Books and the Register of Members shall remain closed from September 24, 2019 to September 30, 2019, both days inclusive.**
- The Board of Directors have recommended a dividend of ₹ 1.80 per Equity Share of the Face Value of ₹ 10/- each fully paid-up for the Financial Year ended March 31, 2019. If declared at the Annual General Meeting, the same will be paid to the shareholders, whose names are on the Register of Members as on September 23, 2019 (Cut – off Date) and shall be paid in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, as amended.**
- The Company’s Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are:**  
**Universal Capital Securities Pvt. Ltd.**  
**(Formerly known as Mondkar Computers Pvt. Ltd.)**  
T: +91 (22) 2820 7203-05 / 2825 7641 F: +91 22 2820 7207 E: info@uniseq.in; W: www.uniseq.in  
21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 93.

10. **Members are requested to:**
- a. intimate to the depository participant, changes if any, in their registered addresses/ bank account details/ email ids/ mandates/ nominations/ power of attorney/ contact numbers, if the shares are held in dematerialized form.
  - b. intimate to the Company's RTA, at the address given in point no. 9, changes if any, registered addresses/ bank account details/ email ids/ mandates/ nominations/ power of attorney/ contact numbers, if the shares are held in physical form (having share certificates)
  - c. consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
  - d. dematerialize their Physical Shares to Electronic Form (Demat) to eliminate all risks associated with Physical Shares.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form who have not done so are requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / RTA.
12. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
13. In view of the circular issued by SEBI, the National Electronic Clearing Services (NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of NECS, Members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. Any changes in such bank mandate must be advised only to the Depository Participant of the Members.
14. The Notice of the Annual General Meeting along with the **Twenty Fifth Annual Report 2018-19** is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories unless any member has requested for a physical copy of the same. To support "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with the Company/Depositories. Members who have not registered their e-mail addresses, physical copy is being sent by permitted mode. Members may also note that the Annual Report will be available on the Company's website [www.aicltd.in](http://www.aicltd.in)
15. As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he / she may submit the same in Form No. SH-14. Members holding shares in physical form are requested to submit the forms to the Company. Members holding shares in electronic form must submit the forms to their respective Depository Participants. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management.
16. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to submit details to the Company and Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
17. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote.
18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 6.00 p.m) on all working days except Sundays and holidays, up to and including the date of the Annual General Meeting of the Company.
19. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ('the Act'), and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.

## 20. Voting through Electronic Means

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

### The instructions for remote e-voting are as under:

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

- (i) The voting period begins on **September 27, 2019 (9.00 a.m IST) and ends on September 29, 2019 (5.00 p.m IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date viz September 23, 2019 (record date)** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter viz. **September 29, 2019 (5.00 p.m IST)**.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote,

provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Agarwal Industrial Corporation Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and remote e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**(B) In case of Members receiving the physical copy of the Notice of the Meeting (for Members whose email addresses are not registered with the Company/ Depositories):**

Please follow all steps from Sr. No. (i) to Sr. No. (xvii) of (A) above to cast vote.

**(C) Other Instructions:**

- (i) **The e-voting period begins on September 27, 2019 (9.00 AM IST) and ends on September 29, 2019 (5.00 PM IST)**
- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under Help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (iii) The voting rights of the Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the **Cut Off Date viz September 23, 2019 (Record Date)**. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Once the vote on a Resolution is cast by the Member, he/ she shall not be allowed to change it subsequently or cast the vote again.
- (iv) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may cast their vote by remote e-voting or through Poll at the Meeting. However, if you are already registered with CDSL for remote e-voting then you can use existing user ID and password for casting your vote. If you forget your password you can reset your password by using Forgot Password option available on [www.evotingindia.com](http://www.evotingindia.com).
- (v) Mr. P. M. Vala, Practicing Company Secretary (FCS- 5193, CP- 4237) has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the remote e-voting and the voting process in a fair and transparent manner.
- (vi) The Scrutinizer shall immediately after the conclusion of the voting period, first count the votes at the meeting, thereafter unblock the votes through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall prepare, not later than two days of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or any person authorised by the Chairman in writing, who shall countersign the same.
- (vii) The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again at the Meeting.
- (viii) A Member can opt for only one mode of voting i.e. either through remote e-voting or by Poll. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Poll shall be treated as invalid. Facility of voting through either electronic voting system or Poll, shall also be available at the Meeting. Members holding shares as on **Cut Off Date viz September 23, 2019 ( Record Date)** and attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting.
- (ix) The Chairman or the person authorized by him in writing, shall forthwith on receipt of the consolidated Scrutinizer's Report declare the Results of the voting within 48 hours of the conclusion of the Annual General Meeting. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.aicld.in](http://www.aicld.in) and on the website of CDSL immediately after the results are declared by the Chairman of the meeting. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India where the shares of the Company are listed.
- (x) **Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date Of the AGM i.e. September 30, 2019.**

#### Explanatory Statement

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

As required by Section 102 of the Companies Act, 2013 (Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 13 of the accompanying Notice.

#### **ITEM No. 5 TO APPROVE RE-APPOINTMENT OF MR. JAIPRAKASH AGARWAL AS MANAGING DIRECTOR OF THE COMPANY.**

Mr. Jaiprakash Agarwal, is a Promoter Director and he was re-appointed as the Managing Director of the Company for a period of 3 years with effect from April 01, 2016 to March 31, 2019 by the members of the Company in the Annual General Meeting of the Company held on September 22, 2016. Mr. Agarwal's existing term expired on March 31, 2019. Considering Mr. Agarwal's invaluable contribution to the growth and development of the Company since its inception, the Board of Directors of the Company in its meeting held on March 30, 2019, on the recommendations of the Nomination & Remuneration Committee, has re-appointed Mr. Agarwal as the Managing Director of the Company for period of 3 Years w.e.f. April 01, 2019 till March 31, 2022 on the terms and conditions as detailed below, *subject to the approval of the members of the Company with requisite majority.*

Mr Agarwal has to his credit 39 plus years of profound business experience. Being a visionary and a forward looking entrepreneur, Mr. Agarwal with his commercial acumen and business skills has successfully turned the Company from a single logistic Company to a well diversified Company having ventured into the businesses of trading and manufacturing of Bitumen and Bituminous products and Wind Power projects in addition to the existing logistics business. A valuable contributor to the development and success of the Company, Mr. Agarwal is a seasoned businessman of repute. Considering Mr. Agarwal's invaluable contribution to the growth and development of the Company since its inception,

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

- a) Designation : Managing Director  
 b) Tenure of Appointment : 3 Years Period w.e.f. April 01, 2019 till March 31, 2022  
 c) Salary : As follows:

F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
Upto maximum ₹ 4,50,000 per month	Upto maximum ₹ 5,50,000 per month	Upto maximum ₹ 6,50,000 per month
Within the overall limits, the remuneration as may be mutually agreed to by the Board of Directors and Mr. Jaiprakash Agarwal as deem fit and proper.		

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

None of the Directors / Key Managerial Personnel or their relatives of the Company except Mr. Jaiprakash Agarwal himself along with Mr. Lalit Agarwal, Mr. Ramchandra Agarwal & Mr. Mahendra Agarwal being brothers along with Mr. Vipin Agarwal (CFO) being nephew of Mr. Jaiprakash Agarwal, are deemed to be concerned or interested in the Special Resolution mentioned at item no 5 of the Notice.

The Board of Directors accordingly recommends the **Special Resolution** as set out at item no 5 of the Notice for approval of the members

**ITEM NO 6. TO APPROVE RE – APPOINTMENT OF MR. LALIT AGARWAL AS WHOLE TIME DIRECTOR OF THE COMPANY.**

Mr. Lalit Agarwal is a Promoter Director and he was appointed as the Whole Time Director of the Company for a period of 3 years with effect from April 01, 2016 to March 31, 2019 by the members of the Company in the Annual General Meeting of the Company held on September 22, 2016 in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time. Mr. Agarwal's existing term expired on March 31, 2019. Considering his profound credentials, the Board of Directors of the Company in its meeting held on March 30, 2019, on the recommendations of the Nomination & Remuneration Committee, has re-appointed Mr. Agarwal as the Whole Time Director of the Company for period of 3 Years w.e.f. April 01, 2019 till March 31, 2022 on the terms and conditions as detailed below, *subject to the approval of the members of the Company with requisite majority.*

Mr. Lalit Agarwal, well known as "Bitumen King" is a result driven, self motivated and a resourceful Whole Time Director of the Company who has accredited with nearly 31 years of industrial and services sectors experience. Mr. Agarwal is known for his proven ability to develop and strengthen management teams and at the same time exercising his cost cutting edge over others in order to maximize Company profitability and efficiency. Mr. Lalit Agarwal is the President of Bulk Bitumen Transporters Association and is highly respected and well recognized personality in his industry circle.

Under his valuable guidance and direction, the Company achieved many milestones and is now a well diversified Company. It was Mr. Agarwal's vision that the Company incorporated a Wholly Owned Subsidiary (WOS) in UAE – AICL OVERSEAS FZ-LLC" which is presently into the business of operating and chartering of ship/vessel and already owns a Specialized Bitumen Tanker known as "Bitumen Princess".

Besides being undisputed leader of the Agarwal Group and Agarwal Industrial Corporation Limited in particular, Mr. Agarwal's re-appointment as Whole Time Director of the Company for fresh term of 3 years as detailed below, is highly recommended to the members for approval.

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

- a] Designation : Whole Time Director  
 b] Tenure of Appointment : 3 Years Period w.e.f. April 01, 2019 till March 31, 2022  
 c] Salary : As follows:

F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
Upto maximum ₹ 4,00,000 per month	Upto maximum ₹ 5,00,000 per month	Upto maximum ₹ 6,00,000 per month
Within the overall limits, the remuneration as may be mutually agreed to by the Board of Directors and Mr. Lalit Agarwal as deem fit and proper.		

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

None of the Directors / Key Managerial Personnel or their relatives of the Company except Mr. Lalit Agarwal himself and Mr. Jaiprakash Agarwal, Mr. Ramchandra Agarwal & Mr. Mahendra Agarwal being brothers along with Mr. Vipin Agarwal (CFO) being the nephew of Mr. Lalit Agarwal, are deemed to be concerned or interested in the Special Resolution mentioned at item no 6 of the Notice.

The Board of Directors accordingly recommends the **Special Resolution** as set out at item no 6 of the Notice for approval of the members

**ITEM NO 7. TO APPROVE RE – APPOINTMENT OF MR. RAMCHANDRA AGARWAL AS WHOLE TIME DIRECTOR OF THE COMPANY.**

Mr. Ramchandra Agarwal is a Promoter Director and he was appointed as the Whole Time Director of the Company for a period of 3 years with effect from April 01, 2016 to March 31, 2019 by the members of the Company in the Annual General Meeting of the Company held on September 22, 2016 and later on, in compliance with the relevant provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time, the terms of appointment of Mr. Agarwal were partially modified to the extent of making his appointment subject to retirement by Rotation in the Annual General Meeting of the Company held on September 29, 2018. Mr. Agarwal's existing term expired on March 31, 2019. Board of Directors of the Company in the meeting held on March 30, 2019 on the recommendations of the Nomination & Remuneration Committee, has re-appointed Mr. Agarwal as the Whole Time Director of the Company for period of 3 Years w.e.f. April 01, 2019 till March 31, 2022 on the terms and conditions as detailed below, *subject to the approval of the members of the Company with requisite majority.*

Mr. Agarwal has to his credit nearly 40 years of service sector and industrial sector experience and is known for his proven leadership skills. Under his able guidance, the Company expanded its logistics business many fold and the trend continues. Mr. Agarwal gives a lot of value to human resources of the Company and ensures maintaining high motivational levels at all ranks and files. Considering his vast experience and valuable contribution to the Company's progress, the Board of Directors of the Company on the recommendations of the Nomination & Remuneration Committee, re-appointed Mr. Agarwal as the Whole Time Director of the Company for period of 3 Years w.e.f. April 01, 2019 till March 31, 2022 on the terms and conditions as detailed below.

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

- a] Designation : Whole Time Director  
 b] Tenure of Appointment : 3 Years Term w.e.f April 01, 2019 till March 31, 2022  
 c] Salary : As follows

F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
Upto maximum ₹ 4,00,000 per month	Upto maximum ₹ 5,00,000 per month	Upto maximum ₹ 6,00,000 per month
Within the overall limits, the remuneration as may be mutually agreed to by the Board of Directors and Mr. Ramchandra Agarwal as deem fit and proper.		

- d] Perquisites : As per Section IV of Schedule V of the Companies Act, 2013 and rules made thereunder.
- e] Retiring by Rotation : In terms of Article 98 of the Articles Association of the Company, Mr. Ramchandra Agarwal will be liable to retire by rotation.
- F] Legal Frame Work. : (i) Sections 196,197 & 198 of the Companies Act, 2013 and rules made there under,  
(ii) Part I & Section II of Part II of Schedule V of the Companies Act, 2013 and rules made thereunder.

None of the Directors / Key Managerial Personnel or their relatives of the Company except Mr. Ramchandra Agarwal, himself and Mr. Jaiprakash Agarwal, Mr. Lalit Agarwal & Mr. Mahendra Agarwal being brothers along with Mr. Vipin Agarwal (CFO) being the nephew of Mr. Ramchandra Agarwal, are deemed to be concerned or interested in the Special Resolution mentioned at item no 7 of the Notice.

The Board of Directors accordingly recommends the **Special Resolution** as set out at item no 7 of the Notice for approval of the members

**ITEM NO 8 to ITEM NO 11 : Re-Appointment of Mr. Rajkumar Mehta, Mr. Harikrishna Patni, Mr. Alok Bharara and Mrs. Priti Lodha as Independent Directors of the Company for the Second Term of 5 Years.**

The Company had, pursuant to the provisions of erstwhile Clause 49 of the Listing Agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered into with the Stock Exchanges and Section 149 of the Companies Act, 2013 ("the Act"), had appointed Mr. Rajkumar Mehta, Mr. Harikrishna Patni, Mr. Alok Bharara, Mr. Jaswant D. Sharma and Mrs. Priti Lodha as Independent Directors w.e.f. September 30, 2014 for a term of five (5) years.

The Nomination and Remuneration Committee has again recommended the re-appointment of these directors viz Mr. Rajkumar Mehta, Mr. Harikrishna Patni, Mr. Alok Bharara and Mrs. Priti Lodha for *second term* from September 30, 2019 upto September 29, 2024, considering their vast industry experience and long association with the Company and the Board of Directors also approved their re-appointment as recommended by the Nomination & Remuneration Committee as stated herein above.

However the Board of Directors has decided not to re-appoint Mr. Jaswant D. Sharma, an Independent Director for second term due to his prolonged sickness and illness.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act"), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. The Board of Directors of the Company presently comprises eight directors out of which, four are Non-Executive Independent Directors of the Company.

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

Keeping in view of the experience and expertise of the above referred directors and the contribution made by them to the Company, the Board of Directors considers it desirable that their continued association would be of immense benefit to the company and hence the company should continue to avail their services and accordingly recommends the Resolutions as Mr. Rajkumar Mehta, Mr. Harikrishna Patni, Mr. Alok Bharara and Mrs. Priti Lodha, being appointee Directors are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

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

The Board commends the Ordinary Resolutions as set out at Item Nos. 8 to 11 of the Notice for approval by the members.

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

**Mr. Rajkumar Mehta** is an Arts Graduate from Delhi University and has a career spanning over 32 years in Logistics and Transportation related business.

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



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

**Mrs. Priti Lodha**, is a Post Graduate in Commerce and is experienced banker for the last 31 years. She has handled various corporate clients and is well versed with financial needs of an enterprise.

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

**ITEM NO 12. Related Party Transactions for F.Y. 2019-20**

As per Section 188 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further pursuant to the approval of Board of Directors and the Audit Committee with regard to omnibus approval for related party transactions on annual basis for the financial year 2019-20, in their respective meetings held on May 30, 2019, the consent of the Company is required for omnibus approval for entering into contract or arrangement with the related parties already in existence and which are proposed to be entered into by the Company on annual basis for the financial year 2019-20, as set out here under :

**i) Names of the Related Parties and Description of relationship**

Subsidiary (100 %)	Bituminex Cochin Pvt Ltd. (BCPL) AICL Ovearseas FZ-LLC
Key Management Personnel	Mr. Jaiprakash Agarwal (Managing Director) Mr. Lalit Agarwal (Whole Time Director) Mr. Ramchandra Agarwal (Whole Time Director) Mr. Vipin Agarwal (Chief Financial Officer) Ms. Lucinda D'souza (Company Secretary)
Relatives of KMP	Mr. Nilesh Agarwal Mr. Mukul Agarwal Mr. Virel Agarwal
Concerns in which Directors are interested	<b>ANZ Transporters</b> Mr. Ramchandra Agarwal, Mr. Lalit Agarwal, Mr. Mahendra Agarwal. (Partners – Brothers)
	<b>Agarwal Gas Carriers</b> Mr. Jaiprakash Agarwal, Mr. Kishan Agarwal, Mr. Jugal Kishore Agarwal. (Partners – Brothers)
	<b>Agarwal Translink P Ltd</b> (Directors: Mr. Jaiprakash Agarwal, Mr. Mahendra Agarwal, Mr. Kishan Agarwal) – Brothers
	<b>Agarwal Motor Repairs</b> Mr. Jaiprakash Agarwal (Proprietor)
	<b>Balaji Tyres</b> Mr. Shaliesh Agarwal (Proprietor)
	<b>Shree Balaji Engineering Work</b> Mr. Shaliesh Agarwal (Proprietor)

**Twenty Fifth Annual Report  
2018-2019**

Omnibus Approval for Related Party Transactions as approved by the Board of Directors and Audit Committee in their respective meetings held on May 30, 2019 for the F.Y 2019-20:

(₹ in Lakhs)

<b>Nature of Transaction</b>	<b>Subsidiary (Amount not Exceeding Consolidated)</b>	<b>KMPs &amp; Relatives of KMPs (Amount not exceeding Consolidated)</b>	<b>Concerns in which KMP &amp; their Relatives are interested Amount not exceeding Consolidated)</b>	<b>Total for F.Y. 2019-20</b>
<b>Remuneration</b> Mr. Jaiprakash Agarwal, Mr. Lalit Agarwal, Mr. Ramchandra Agarwal Mr. Vipin Agarwal, Ms. Lucinda D'souza Relatives of KMPs	-	375	-	375
<b>Sub-Contract Payment</b> ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd	-	-	1500	1500
<b>Sub-Contract Receipt</b> ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd Agarwal Motor Repairs	-	-	1500	1500
<b>Labour Charges from</b> ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd	-	-	75	75
<b>Sales of Spare Parts &amp; Oil</b> ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd	-	-	100	100
<b>Purchase – HSD, Tyres &amp; other Stores and Consumables</b> ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd Balaji Tyres Shree Balaji Engineering Work	-	-	1000	1000
<b>Rent Payable</b> Mr. Jaiprakash Agarwal Mr. Lalit Agarwal	-	45	-	45
<b>Loan to 100% Subsidiary</b> Bituminex Cochin Pvt Ltd AICL Overseas FZ – LLC	5200	-	-	5200
<b>Bitumen Purchase From BCPL</b>	200	-	-	200
<b>Bitumen Sale to BCPL</b>	500	-	-	500

Note: Individuals limits of related parties and their relatives as approved by the Board have been submitted to the Audit Committee and the same have also been approved by the Audit Committee.

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

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

### ITEM NO 13. TO APPROVE APPOINTMENT OF COST AUDITORS FOR F.Y. 2019-20.

The Board, on the recommendations of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors, Mr. Vinayak Kulkarni, Cost Accountant (Membership No - 28559) at a remuneration (Cost Audit Fee) of ₹ 75,000 (consolidated) plus taxes, as applicable, to conduct the audit of the cost records of the Company for relevant business segments of the Company covered under The Companies (Cost Records and Audit) Amendment Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force) for the Financial Year 2019-20. Section 148 of the Companies Act, 2013 read with the relevant rules mentioned herein above, require ratification of the remuneration payable to the Cost Auditors by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at item No. 13 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2020.

None of the Directors or Key Managerial Personnel or their relatives, are in any way directly or indirectly concerned or interested, in the resolution.

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

#### ANNEXURE TO THE NOTICE

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

##### 1. General Information

###### a] Nature of Industry

The Company is engaged into businesses of trading and manufacturing of Petrochemicals (Bitumen and Bituminous Products), Transportation of Bitumen and LPG and Windmills.

###### b] Date or expected date of commencement of commercial production

The Company has four plants located at Belgaum, Hyderabad, Taloja and Baroda for manufacturing of Bituminous & Allied Products, which started commercial production in September 2010, January 2013, December 2004, July 2007 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, 2019, the Company's Turnover was ₹ 52943.64 Lakhs as against ₹ 41258.37 Lacs during the corresponding previous year and the Net Profit after Taxes was ₹ 1321.36 Lakhs as against ₹ 1020.21 Lakhs during the corresponding previous year. The Net worth of the Company enhanced to ₹ 13294.54 Lakhs during the Financial Year ended March 31, 2019 as against ₹ 12155.10 Lakhs during the corresponding previous year.

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

(₹ in Lakhs)

Particulars	F.Y 2018-19 (Audited)*	F.Y 2017-18 (Audited)	F.Y 2016-17 (Audited)
Gross Income	52943.64	41258.37	29842.95
Profit Before Tax	1993.18	1455.61	1415.35
Profit After Tax	1321.36	1020.21	892.89
Net Worth	13294.54	12155.10	10473.43
<b>Dividend Per Share of FV of ₹ 10</b>	<b>₹ 1.80</b>	<b>₹ 1.50</b>	<b>₹ 1.50</b>

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

(Amounts for the F.Y. 2017-18 & 2018-19 are as per IND AS which are applicable w.e.f 01/04/2017, while amounts for F.Y. 2016-17 are as per Accounting Standards, hence not comparable)

- e] **Export performance and net foreign exchange collaborations:** Not Applicable
- f] **Foreign investments or collaborations, if any.** : Except equity shares of the Company held by NRIs, there is no foreign investment/ collaboration in the Company.

## II. Information about the Appointees

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

#### a] Background details :

Mr. Jaiprakash Agarwal, aged 61 years, is the Promoter Director and is presently occupying the position of Managing Director of the Company. A Commerce Graduate from the Rajasthan University, Mr. Agarwal has to his credit 39 plus years of profound business experience. Being a visionary and a forward looking entrepreneur, Mr. Agarwal with his commercial acumen and business skills has successfully turned the Company from a single logistic company to a well diversified company having ventured into the businesses of 'trading and manufacturing of Bitumen and Bituminous products and Wind Power projects in addition to the existing logistics business. A valuable contributor to the development and success of the Company, since its inception, Mr. Agarwal is a seasoned businessman of repute and looks after key managerial functions of the Company including Wind Mill operations and the logistic business of the Company.

#### b] Past remuneration

During the F.Y.s ended March 31, 2019 and March 31, 2018, Mr Jaiprakash Agarwal was paid a total remuneration of ₹ 42 Lakhs and ₹ 33 Lakhs respectively per year.

#### c] Recognition or awards

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

#### d] Job Profile and his suitability

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

#### e] Remuneration Proposed

The terms of remuneration proposed are detailed in the relative Resolution No.5 of the Notice and the corresponding item No. 5 of the Explanatory Statement.

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

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

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

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

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

#### a] Background details :

Mr. Lalit Agarwal, aged 50 years is the Promoter Director and is presently the Whole Time Director of the Company. Mr. Lalit Agarwal is a Post Graduate in Commerce from the University of Jodhpur. After completing his post graduation in 1989, Mr. Agarwal joined his family transportation business and learnt the ropes of transportation industry. Mr. Lalit Agarwal is well known as "Bitumen King" is a result driven, self motivated and a resourceful Whole Time Director of the Company who has accredited with nearly 31 years of industrial and services sectors experience. Mr. Agarwal is

known for his proven ability to develop and strengthen management teams and at the same time exercising his cost cutting edge over others in order to maximize Company profitability and efficiency. Mr. Lalit Agarwal is the President of Bulk Bitumen Transporters Association and is highly respected and well recognized personality in his industry circle.

Under his valuable guidance and direction, the Company achieved many milestones and is now a well diversified Company.

**b] Past remuneration**

During the F.Ys ended March 31, 2019 and March 31, 2018, Mr. Agarwal was paid a total remuneration of ₹ 28.80 Lakhs & ₹ 36 Lakhs respectively per year.

**c] Recognition or awards**

Mr. Agarwal is the President of Bulk Bitumen Transporters Association and is a well known name in the Transportation and Bitumen Industry.

**d] Job Profile and his suitability**

Several years of related industry experience coupled with excellent managerial skills, Mr. Agarwal is perfectly suitable to the job profile as the Whole Time Director of the Company.

**e] Remuneration Proposed**

The terms of remuneration proposed are detailed in the relative Resolution No. 6 of the Notice and the corresponding Item No. 6 of the Explanatory Statement.

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

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

**g] Part I & Section II of Part II of Schedule V of the Companies Act, 2013 and rules made thereunder.**

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

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

**a] Background details :**

Mr. Ramchandra Agarwal, aged 62 years is the Promoter Director and is presently the Whole Time Director of the Company. Mr. Agarwal holds a Graduate Degree in Commerce. After completing his post graduation in 1976, Mr. Agarwal joined his family transportation business. Mr. Agarwal has to his credit nearly 40 years of service sector and industrial sector experience and is known for his proven leadership skills. Under his able guidance, the Company expanded its logistics business many fold and the trend continues. Mr. Agarwal gives a lot of value to human resources of the Company and ensures maintaining high motivational levels at all ranks and files.

**b] Past remuneration**

During the F.Y.s ended March 31, 2019 and March 31, 2018, Mr. Agarwal was paid a total remuneration of ₹ 36.00 Lakhs and ₹ 28.80 Lakhs per year.

**c] Recognition or awards**

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

**d] Job Profile and his suitability**

Several years of related industry experience coupled with excellent managerial skills, Mr. Agarwal is perfectly suitable to the job profile as the Whole Time Director of the Company.

**e] Remuneration Proposed**

The terms of remuneration proposed are detailed in the relative Resolution No. 7 of the Notice and the corresponding item No. 7 Explanatory Statement.

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

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

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

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

**(ANNEXURE TO NOTICE DATED AUGUST 31, 2019)**

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

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

Name of the Director	Mr. Jaiprakash Agarwal	Mr. Lalit Agarwal	Mr. Ramchandra Agarwal	Mr. Mahendra Agarwal	Mr. Rajkumar Mehta	Mr. Alok Bharara	Mr. Harikrishna Patni	Mrs. Priti Lodha
Date of Birth	02.07.1958	12.09.1968	17.09.1956	05.07.1963	04.08.1951	04.06.1961	23.07.1971	31.05.1961
Date of Re-appointment (Proposed)	30.03.2019	30.03.2019	30.03.2019	30.09.2019	30.09.2019	30.09.2019	30.09.2019	30.09.2019
Qualifications	B. Com	M. Com	B. Com	B. Com	Bachelor of Arts	B. Com	Civil Engineering (2nd Year )	B.Sc. M.Com
Expertise.	Management, Finance & Operations	Management, Finance, Marketing & Corporate Affairs	Management, Operations & Human Resources	Finance & Operation	Technical	Finance	Sales	Accounts, Finance
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	Nil	Biuminex Cochin Pvt. Ltd.	Nil	Nil	R.K. Bulk Movers Private Ltd.	- Sita Premises Ltd. - Eknoor Tyres Private Limited	Nil	Nil
Memberships/Chairmanships of committees across all companies	Chairperson: Corporate Social Responsibility Committee of Agarwal Industrial Corporation Ltd	Member: Corporate Social Responsibility Committee of Agarwal Industrial Corporation Ltd	Nil	Member: Audit Committee	Member: Audit Committee, Nomination and Remuneration Committee, Stakeholders Committee, Risk Management Committee	Chairman of Audit Committee, and Member of Nomination and Remuneration Committee, Stakeholders Committee, Risk Management Committee	Chairman: Stakeholders Relations Committee, Member of Nomination and Remuneration Committee,	Nil
Number of Meetings attended during the year	8	8	8	8	9*	9*	9*	7*
Shareholding of Non-executive Directors	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Nil	Nil	Nil	Nil
Relationships between Directors inter-se	Brothers	Brothers	Brothers	Brothers	No Relationship	No Relationship	No Relationship	No Relationship

\*Includes Exclusive meeting of the Independent Directors held on March 30 2019.

By Order of the Board of Directors

Place: Mumbai  
Dated: August 31, 2019

Lucinda D'souza  
Company Secretary

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

**DIRECTORS' REPORT**

**TO THE MEMBERS**

The Directors have pleasure in presenting the **Twenty Fifth Annual Report** of the Company together with its Audited Statement of Profit and Loss for the **Financial Year ended March 31, 2019** and the Balance Sheet as on that date:

**FINANCIAL RESULTS**

(₹ in Lakhs)

Particulars	Standalone	
	2018-19	2017-18
Financial Year	Audited	Audited
<b>Total Revenue</b>	52,943.64	41,258.37
Profit before Depreciation, Finance Costs and Tax	3,748.39	3,138.09
Less: Depreciation	832.79	827.43
Less: Finance Costs	922.41	855.04
<b>Profit before Tax</b>	<b>1,993.19</b>	<b>1455.62</b>
Less: Provision for Tax		
(a) Current Tax	<b>614.00</b>	<b>331.75</b>
(b) Deferred Tax (Assets)/ Liability	57.82	103.65
(c) Short Provision for Tax for earlier years	-	-
<b>Profit after Tax</b>	1,321.36	1,020.22
<b>Other Comprehensive (Income)/ Loss</b>	<b>3.59</b>	<b>(0.28)</b>
<b>Total Comprehensive Income For The Year</b>	<b>1,324.95</b>	<b>1,019.93</b>
Dividend Paid	<b>153.88</b>	<b>152.38</b>
Tax on Dividend Paid	31.63	31.02
Balance carried to Other Equity	<b>1,139.44</b>	<b>836.53</b>

**RESULTS OF OPERATIONS**

The total Revenue of the Company for the Financial Year ended March 31, 2019, was ₹ 52,943.64 Lakhs as compared previous year's total Revenue of ₹ 41,258.37 Lakhs thus indicating an impressive increase of 28.32% over the previous year. Further, Profit before Tax and Profit after Tax were ₹ 1,933.19 Lakhs and ₹ 1,321.36 Lakhs respectively during the year under review as against ₹ 1,455.62 Lakhs and ₹ 1,020.22 Lakhs in the corresponding previous year.

**STATE OF AFFAIRS & BUSINESS OVERVIEW**

Your Company is well segmented Company as it is engaged in varied business of (i) manufacturing and trading of Bitumen & value added Bituminous Products and has bulk bitumen storage facilities at Karwar, Haldia, Kakinada, Dighi and Hazira Gujarat. (ii) has large fleet of specialized Bulk Bitumen & LPG Tankers (Logistics) (iii) generates power through wind mills situated in Jaiselmer and Dhulia and last but not the least has an Authorized workshop of Ashok Leyland at Shahapur, Maharashtra. The state of affairs of the Company and the Business Scenario continuous to be very good and the future seems to be more brighter.

For more details, please refer to the Chapter on Management Discussion and Analysis for industry and business scenario.

**DIVIDEND**

Your Directors have recommended a dividend of ₹ 1.80 per equity share of the face value of ₹ 10/- each for the financial year ended March 31, 2019. The dividend distribution is subject to approval of the members of the Company at the ensuing Annual General Meeting.

**TRANSFER OF ORDINARY (EQUITY) SHARES OF THE COMPANY AND UNPAID / UNCLAIMED DIVIDEND FOR SEVEN CONSECUTIVE YEARS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the period under Report, the Company has transferred 16591 Ordinary Equity Shares of the face value of ₹ 10/- each fully paid-up and transferred unpaid / unclaimed dividend for seven consecutive years amounting to ₹ 2,03,046/- to the Investor Education and Protection Fund (IEPF).



## AMOUNT TO BE CARRIED TO OTHER EQUITY

The Company has transferred ₹ 1,139.44 Lakhs to the Other Equity for the F.Y. March 31, 2019 after appropriating ₹ 153.88 Lakhs towards dividend paid for the F.Y. ended March 31, 2019 and ₹ 31.02 Lakhs towards dividend tax paid thereon.

## CAPITAL EXPENDITURE

As at March 31, 2019, the Capital Expenditure during the year under review amounted to ₹ 386.06 Lakhs including Work in Progress (WIP) amounted to ₹ 52.41 Lakhs.

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Results have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016. The Company has adopted Ind AS from April 01, 2017 for the first time and accordingly these financial results are Ind AS 101 (First Time Adoption of Indian Accounting Standards) compliant.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

### Wholly Owned Subsidiary Company in UAE

During the year under report, the Company incorporated its Wholly Owned Indian Subsidiary (W.O.S) in UAE under the name "AICL OVERSEAS FZ-LLC" in Ras Al Khaimah Economic Zone (RAKEZ) in United Arab Emirates (UAE) for undertaking various ship/vessel /ocean related activities, importing, trading and re-exporting of goods. The Board is happy to state that "AICL OVERSEAS FZ-LLC" has already acquired its first vessel – "*Bitumen Princess*" which delightedly commenced commercial operations in May 2019.

### Wholly Owned Subsidiary Company in India

Bituminox Cochin Pvt Ltd (BCPL), is the first Wholly Owned Indian Subsidiary (W.O.S) acquired in India during the year 2010-11 and since then doing steady business of manufacturing and trading of bitumen and bituminous products.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's Subsidiary in Form AOC-1 is attached to the financial statements of the Company. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary are available on the website of the Company: [www.aicld.in](http://www.aicld.in). There are no joint ventures or associate companies as defined under the Companies Act, 2013 and Rules made thereunder, as amended.

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

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the Report except as stated hereinafter. (i) It may be recalled that in the previous Report, we had mentioned that Panvel Municipal Corporation (PMC) had raised LBT demand on erstwhile merged Company, Agarwal Petrochem Private Limited for the period Jan-Jun 2017, which in line with others Petitioners, had filed a Writ Petition in the Hon'ble Bombay High Court. The Hon'ble Court on other similar petitions has ordered interim relief to petitioners and directed the PMC not to initiate any coercive action against the petitioners till the further orders. Accordingly, Company too, while referring the said interim relief has requested PMC not to initiate any coercive action against the Company. Nevertheless, despite the fact that the matter is sub-judice, the Company has already submitted LBT Return for ₹ 14,11,042/- for the period January –March 2017 and the Company has already paid ₹ 2,82,205/- to PMC under protest even though no assessment order has yet been passed by PMC so far and coercing the Company to file more documents with regard to period under reference. ii) In continuation of details given in the previous Director' Report, wherein it was stated that the Company would file three Appeals with the Customs, Excise & Service Tax Appellate Tribunal at Hyderabad against three Orders dated 29.06.2018, passed by the Commissioner (Appeals), Customs, Central Excise and Service Tax, Guntur, whereby setting aside all three Orders-in-Original passed by the Asst. Commissioner of Customs, Kakinada as stated in the previous Director' Report, it is submitted that your Company has filed three respective Appeals with the Customs, Excise & Service Tax Appellate Tribunal at Hyderabad but no communication from the Tribunal has been received so far in this regard (iii) In continuation of details given in the previous Director' Report, wherein it was stated that the Company would file an Appeal with the Customs, Excise & Service Tax Appellate Tribunal, Mumbai against the Order dated 29/06/2018 passed by the Commissioner of Central Tax (Appeals- I), in the erstwhile merged Company, Agarwal Petrochem Private Limited, whereby he upheld the Order-in-Original dated 19.01.2017 passed by the Asstt. Commissioner, Service Tax-I in the said merged Company, it is submitted that your Company has filed an Appeal with the Customs, Excise & Service Tax Appellate Tribunal, Mumbai but no communication from the Tribunal has been received so far in this regard.

### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

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

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

### **AUDIT COMMITTEE**

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

During the year under Report, the Board of Directors in its meeting held on August 14, 2019, appointed Mr. Alok Bharara, an Independent Director as Chairman of the Audit Committee and the reconstituted Audit Committee is as follows:

Mr. Alok Bharara	- Independent Director – Chairman
Mr. Rajkumar Mehta	- Independent Director
Mr. Mahendra Agarwal	- Non Independent – Non Executive Director
Mr. Jaswant Sharma	- Independent Director

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013, (“THE ACT”)**

Particulars of loans given, investments made and securities provided are mentioned in the financial statement under Note 3, 6, 10 and 13 of the said statement. Your Company has not provided any guarantee or given security in connection with loan to any other body corporate or person.

### **RISK MANAGEMENT**

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

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

#### Re-appointments of Mr. Jaiprakash Agarwal, Managing Director, Mr. Lalit Agarwal, Mr. Whole Time Director and Mr. Ramchandra Agarwal, Whole Time Director:

Mr. Jaiprakash Agarwal, Mr. Lalit Agarwal and Mr. Ramchandra Agarwal, Promoter Directors and were re-appointed as the Managing Director and Whole Time Directors of the Company respectively for a period of 3 years with effect from April 01, 2016 to March 31, 2019 by the members of the Company in the Annual General Meeting of the Company held on September 22, 2016. The existing term expired on March 31, 2019. Considering the invaluable contribution to the growth and development of the Company since its inception, the Board of Directors of the Company on the recommendations of the Nomination & Remuneration Committee, has re-appointed Mr. Jaiprakash Agarwal as the Managing Director, Mr. Lalit Agarwal as the Whole Time Director and Mr. Ramchandra Agarwal as the Whole Time Director of the Company for period of 3 Years w.e.f. April 01, 2019 till March 31, 2022 in their respective meetings held on March 30, 2019, subject to the approval of the members in the ensuing AGM. For further details kindly refer to the explanatory statement annexed to the Notice convening the Annual General Meeting 2018 -19.

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Re-appointments of Independent Directors for the Second Term:

Mr. Jaswant D. Sharma, Mr. Rajkumar Mehta, Mr. Alok Bharara, Mr. Harikrishna Patni and Mrs. Priti Lodha were appointed as Independent Directors by the Members of the Company at the Twentieth Annual General Meeting held in the year 2014, for a term of 5 years (First Term). The current term of these Independent Directors is expiring on September 30, 2019. Considering their valuable contribution in the continued growth of the Company, the Board of Directors proposes to re-appoint them for a second term w.e.f. September 30, 2019 up to September 29, 2024 *except Mr. Jaswant D. Sharma whose re-appointment for second term was not considered due to his prolonged serious ill health.*

*For further details in this regard, kindly refer to the explanatory statement annexed to the Notice convening the Annual General Meeting 2018-19.*

During the year under Report, Mr. Rakesh Bhalla, Vice President – Legal and Company Secretary / Compliance Officer of the Company resigned from the services on personal grounds and was relieved from duties w.e.f. December 17, 2018. The Board of Directors placed on record its appreciation for his dedicated services during his tenure of services in the Company.

Ms. Lucinda D'souza was appointed Company Secretary and Compliance Officer of the Company w.e.f. December 17, 2018.

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

Mr. Jaiprakash Agarwal - Managing Director

Mr. Lalit Agarwal - Whole Time Director

Mr. Ramchandra Agarwal - Whole Time Director

Mr. Vipin Agarwal - Chief Financial Officer

Ms. Lucinda D'souza- Company Secretary (w.e.f. December 17, 2018)

**DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

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

**BOARD MEETINGS**

During the year under review, 9 (Nine) Board Meetings were held (including the exclusive meeting of Independent Directors) and the intervening gap between the meetings did not exceed the period prescribed under the Act, the details of which are given in the Corporate Governance Report. Besides, the Board of Directors also passed a resolution by circulation dated September 23, 2018 which was duly incorporated in the Board Minutes of the Company.

**BOARD EFFECTIVENESS**

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

**A. Board Evaluation**

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

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

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

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

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

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015. Independence: A Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independence' as laid down in the Act and Regulation 16(1)(b) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

*Additional Positive Attributes:*

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

**C. Remuneration Policy**

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

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

- Independent Directors (ID) and Non-Independent Non-Executive Directors (NINED) may be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members.

*(Presently, all Independent Directors and one Non-Independent Non-Executive Director have voluntarily foregone sitting fee for attending Board and Committee Meetings.)*

- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives.
- Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession. It may be noted that the Independent Directors of the Company have voluntarily foregone remuneration of any type and kind including sitting fee and accordingly no payment is made to them in this regard. Remuneration for Managing Director (MD)/ Executive Directors (ED)/ Key Managerial Personnel (KMP)/ rest of the Employees
- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.

- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. It is affirmed that the remuneration paid to Managing Director, Whole Time Directors and KMP is as per the Remuneration Policy of the Company. Presently no remuneration or sitting fee, of whatsoever kind and nature, is paid to any Independent Director.

#### **PROTECTION OF WOMEN AT WORKPLACE**

The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This has been widely disseminated. There were no cases of sexual harassment received by the Company during the F.Y. 2018-19. Mrs Harshada Patil is the External Member of the Internal Complaints Committee.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

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

#### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the year under review.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS**

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

#### **STATUTORY AUDITORS**

At the ensuing Twenty Fifth Annual General Meeting of the Company, the Members will be requested to re-appoint M/s Latha Singhal & Associates, Chartered Accountants, Mumbai as the Auditors of the Company for a second term of five (5) years to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirtieth Annual General Meeting to be held in the 2024 such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and they are not disqualified for re-appointment.

The notes on financial statement referred to in the Auditors' Report are self explanatory and do not call for any further comments.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### **EXTRACT OF ANNUAL RETURN**

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

#### **SECRETARIAL AUDIT**

The Board of Directors of your Company has appointed Mr. P. M. Vala, Practicing Company Secretary (Membership No. FCS - 5193, CP No.- 4237) to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report in Form No. MR-3 for the financial year ended March 31, 2019 is annexed herewith as **ANNEXURE - II**.

Secretarial Auditors' observations: The report does not contain any qualifications, reservation or adverse remarks subject to the following - *Statement on Investor Complaints for the Period from 01.10.2018 to 31.12.2018 December' 2018 Quarter pursuant to Regulation 13 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was filed by the Company on 22nd January' 2019 as against the due date of 21st January' 2019 (One day delay) and the Company had paid the penalties of ₹1180/- to BSE and NSE respectively in this regard.*

**Board's Response:** The Board states that due to sudden system failure the online submission of the Investor Complaints Report for December 2018 Quarter was delayed by one day.

#### **COST AUDITOR**

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), Mr. Vinayak Kulkarni, Cost Accountant (Membership No - 28559), the Board of Directors of the Company and the Audit Committee of the Board in their respective meetings held on August 14, 2019 has recommended to appoint Mr. Vinayak Kulkarni, Cost Accountant (Membership No - 28559) as Cost Auditor of the Company to conduct the audit of cost records of the Company for relevant segments for the financial year ending March 31, 2020 and accordingly, the consent of members be and is hereby sought for the appointment of Mr. Vinayak Kulkarni as the Cost Auditor as stated herein above as per details in item no. 13 of the Explanatory Statement annexed to the Notice convening this meeting.

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

As required under Section 134(3)(M) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, during the financial year ended March 31, 2019 is given as below :

**(A) Conservation of Energy:**

As stated in the Director's Report of previous financial year, conservation of energy is an ongoing process and in this regard, your Company ensures optimal use of energy, avoid wastages and attempts to conserve energy as best as possible. However, no significant investments were made in this regard during the year under review.

**(B) Technology Absorption:**

As mentioned in the previous Report, your Company continues to adopt technology absorption techniques which are effective and have been successfully carried out for many years now. In its endeavor to improve constantly, your Company ensures regular monitoring and reviewing of the existing technology and always attempts if the same can be modified, upgraded or improved upon for increased and better operations. However, no specific research and development activities were carried out during the year under review.

**(C) Foreign Exchange Earnings and Outgo:**

	(₹ in Lakhs)
Particulars	F.Y. 2018-19
Earnings	NIL
Outgo	30072.02

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

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

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

**FIXED DEPOSITS**

The Company did not accept any Fixed Deposits from the public and no fixed deposits were outstanding or unclaimed as on March 31, 2019.

**STATUS OF UNCLAIMED/ UNPAID DIVIDEND AMOUNTS**

The status of unclaimed/ unpaid Dividend amounts as on March 31, 2019: ₹ 15.10 Lakhs

**BORROWINGS AND DEBT SERVICING**

During the year under review, your Company has met all its obligations towards repayment of principal and interest on loans availed.

**LISTING OF SHARES**

The equity shares of your Company have been listed on the BSE Limited and the National Stock Exchange of India Limited. The listing fees for the year 2019-20 have been duly paid.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state and confirm that:

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and that there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profits of the Company for the year ended on that date;

- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the accounts for the financial year ended March 31, 2019 on a 'going concern' basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively;
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

#### **CORPORATE GOVERNANCE**

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

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

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

#### **RELATED PARTY TRANSACTIONS**

All related party transactions entered during the F. Y. 2018-19 were approved by the Board of Directors and the Audit Committee and were also consented by the members in the Annual General Meeting of the Company held on September 29, 2018 in accordance with Section 188 of the Companies Act, 2013 and Rules made thereunder (as amended) and as per earlier Listing Agreements and subsequently on the basis of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of related party transactions entered during the F. Y. 2018-19 are placed under **ANNEXURE –VI** as per Form AOC-2 attached with this Board Report. The Policy on materiality of related party transactions may be accessed on the Company's website- [www.aicltd.in](http://www.aicltd.in)

#### **CORPORATE SOCIAL RESPONSIBILITY**

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

The details of the various projects and programs which can be undertaken by the Company as a part of its CSR Policy framework is available on its website [www.aicltd.in](http://www.aicltd.in)

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

#### **ACKNOWLEDGEMENT**

Your Directors place on record their deep sense of appreciation for the contribution made by employees towards the success and growth of your Company. Your Directors also thank all the shareholders, investors, customers, vendors, bankers, business partners, government and regulatory authorities for their continued co-operation and support.

**On behalf of the Board of Directors**

**Jaiprakash Agarwal**  
Managing Director

**Date:** August 31, 2019

**Place:** Mumbai

#### **Registered Office:**

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

**ANNEXURE I  
Form No. MGT- 9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	: L99999MH1995PLC084618
ii) Registration Date	: January 13, 1995
iii) Name of the Company	: Agarwal Industrial Corporation Limited
iv) Category	: Company Limited by Shares
v) Sub-Category of the Company	: Indian Non- Government Company
vi) Address of the Registered Office	: Eastern Court, Unit No. 201-202, Plot No. 12, V.N. Purav Marg, S. T. Road, Chembur, Mumbai 400 071
vii) Whether listed company	: Yes
viii) Name, Address and Contact details of Registrar and Transfer Agent, if any Registrar & Share Transfer Agent (w.e.f. June 30, 2018)	: Universal Capital Securities Pvt Ltd. (SEBI REG. NO. INR000004082) CIN NO – U74200MH1991PTC062536 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400093 Tel No. : +91 (22) 28207203-05 / 2825 7641 Fax No. : +91(22)28207207; W:www.unisec.in; E-mail:info@unisec.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Petroleum Bitumen	19209	88.02
2	Transportation	60231	11.55

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held	Applicable Section
1	Bituminex Cochin Pvt.Ltd. (Building No: II, 1, 2, 3, Ambalamugal, P.O. Ernakulam, Kerala- 682302)	U10300KL1980PTC003141	Subsidiary	100 %	2(87)
2	AICL Overseas FZ - LLC (T1-FF-3C, RAKEZ Amenity Center, Al Hamra Industrial Zone -FZ RAK, United Arab Emirates)	00000047002075	Subsidiary	100 %	2(87)

(\*One Equity Share held by Sh. Lalit Agarwal as Nominee of the Agarwal Industrial Corporation Limited, Holding Company and to further comply with the requirement of minimum two members in a private limited company)



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

##### I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on 01.04.2018)				No. of Shares held at the end of the year (i.e. as on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	6086392	-	6086392	59.33	6086391	-	6086391	59.33	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):-</b>	<b>6086392</b>	<b>-</b>	<b>6086392</b>	<b>59.33</b>	<b>6086391</b>	<b>-</b>	<b>6086391</b>	<b>59.33</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter / Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>6086392</b>	<b>-</b>	<b>6086392</b>	<b>59.33</b>	<b>6086391</b>	<b>-</b>	<b>6086391</b>	<b>59.33</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investors	4000	-	4000	0.04	4000	-	4000	0.04	-
<b>Sub-total (B)(1):-</b>	<b>4000</b>	<b>-</b>	<b>4000</b>	<b>0.04</b>	<b>4000</b>	<b>-</b>	<b>4000</b>	<b>0.04</b>	<b>-</b>

<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	2274472	-	2274472	22.17	1713219	-	1713219	16.70	-5.46
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	738027	54305	792332	7.72	767147	5505	772652	7.53	-1.70
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	273570	13500	287070	2.79	683057	5000	688057	6.70	-0.17
<b>c) Others (specify)</b>									
i) NRI & OCB	271714	-	271714	2.65	425272	-	425272	4.15	-1.50
ii) Clearing Members	40247	-	40247	0.39	34177	-	34177	0.33	-0.06
iii) LLP/ Partnership Firm	402750	-	402750	3.92	402529	-	402529	3.92	0.00
iv) HUF	99770	-	99770	0.97	115859	-	115859	1.13	0.16
v) IEPF Suspense A/c	-	-	-	-	16591	-	16591	0.16	0.16
<b>Sub-total (B)(2):-</b>	<b>4100550</b>	<b>67805</b>	<b>4168355</b>	<b>40.63</b>	<b>4157851</b>	<b>10505</b>	<b>4168356</b>	<b>40.63</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>4104550</b>	<b>67805</b>	<b>4172355</b>	<b>40.67</b>	<b>4161851</b>	<b>10505</b>	<b>4172356</b>	<b>40.67</b>	<b>0.00</b>
<b>Total (A) + (B)</b>	<b>10190942</b>	<b>67805</b>	<b>10158747</b>	<b>100</b>	<b>10190942</b>	<b>10505</b>	<b>10258747</b>	<b>100</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs Public</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>10190942</b>	<b>67805</b>	<b>10258747</b>	<b>100</b>	<b>10248242</b>	<b>10505</b>	<b>10258747</b>	<b>100</b>	<b>0.00</b>

**II) Shareholding of Promoters**

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on 01.04.2018)			No. of Shares held at the end of the year (i.e. as on 31.03.2019)			% Change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Jaiprakash Agarwal	641850	6.26	0.00	641850	6.26	0.00	0.00
2.	Ramchandra Agarwal	532525	5.19	0.00	532525	5.19	0.00	0.00
3.	Kishan Agarwal	498225	4.86	0.00	498225	4.86	0.00	0.00
4.	Mahendra Agarwal	491100	4.79	0.00	491100	4.79	0.00	0.00
5.	Usha Agarwal	458283	4.47	0.00	458283	4.47	0.00	0.00
6.	Lalit Agarwal	400625	3.91	0.00	400625	3.91	0.00	0.00
7.	Jugal Kishore Agarwal	395000	3.85	0.00	395000	3.85	0.00	0.00
8.	Rekha Agarwal	296114	2.89	0.00	296114	2.89	0.00	0.00
9.	Nilesh Agarwal	279650	2.73	0.00	279650	2.73	0.00	0.00
10.	Padma Agarwal	244105	2.38	0.00	244105	2.38	0.00	0.00
11.	Sushila Agarwal	240100	2.34	0.00	240100	2.34	0.00	0.00
12.	Shailesh Agarwal	231300	2.25	0.00	231300	2.25	0.00	0.00

13.	Uma Agarwal	223600	2.18	0.00	223600	2.18	0.00	0.00
14.	Vipin Agarwal	168975	1.65	0.00	168975	1.65	0.00	0.00
15.	Jaiprakash Rahulkumar HUF	135875	1.32	0.00	135875	1.32	0.00	0.00
16.	Sudha Agarwal	132040	1.29	0.00	132040	1.29	0.00	0.00
17.	Ramchandra Agarwal HUF	125000	1.22	0.00	124999	1.21	0.00	-0.01
18.	Mangilal Agarwal HUF	101300	0.99	0.00	101300	0.99	0.00	0.00
19.	Mukul Agarwal	76900	0.75	0.00	76900	0.75	0.00	0.00
20.	Kishan Agarwal HUF	71500	0.70	0.00	71500	0.70	0.00	0.00
21.	Lalit Agarwal HUF	71500	0.70	0.00	71500	0.70	0.00	0.00
22.	Virel Agarwal	66300	0.65	0.00	66300	0.65	0.00	0.00
23.	Pooja Agarwal	53850	0.52	0.00	53850	0.52	0.00	0.00
24.	Yash Agarwal	48400	0.47	0.00	48400	0.47	0.00	0.00
25.	Lakshya Agarwal	47900	0.47	0.00	47900	0.47	0.00	0.00
26.	Mahendra Agarwal HUF	25000	0.24	0.00	25000	0.24	0.00	0.00
27.	Jugalkishore Agarwal HUF	19000	0.19	0.00	19000	0.19	0.00	0.00
28.	Sanchi Agarwal	4500	0.04	0.00	4500	0.04	0.00	0.00
29.	Namrata Agarwal	3375	0.03	0.00	3375	0.03	0.00	0.00
30.	Aayushi Agarwal	2500	0.02	0.00	2500	0.02	0.00	0.00

**iii) Change in promoters' shareholding (specify if there is no change)**

There is no change in promoters' shareholding except that out of the total shareholding of Mr. Ramchandra Agarwal HUF of 125000 Equity Shares of the face value of ₹ 10/- fully paid, one equity share of the face value of ₹ 10/- fully paid up was inadvertently sold by the Depository Participant (DP), which was later on bought by the DP and as on date, the total shareholding of Mr. Ramchandra Agarwal HUF is 125000 Equity Shares of the face value of ₹ 10/- fully paid up. (Same as at the beginning of the financial year)

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

Sr. No.	Name	No of Shares at on (01-04-18) / end of the year (31-03-19)		Date	Increase/ Decrease in Share	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company			No of Shares	% of total shares of the Company
1.	GARNET INTERNATIONAL LIMITED	1383540	13.49	07-09-2018	-31000	1352540	13.18
				16-11-2018	-2218	1350322	13.16
				30-11-2018	-20000	1330322	12.97
				01-02-2019	450	1330772	12.97
				08-02-2019	2750	1333522	13.00
				15-02-2019	4814	1338336	13.05
				22-02-2019	19591	1357927	13.24
				01-03-2019	494	1358421	13.24
				08-03-2019	-76799	1281622	12.49
				15-03-2019	-12657	1268965	12.37
				22-03-2019	-2443	1266522	12.35
				30-03-2019	-125000	1141522	11.13
				31-03-2019	0	1141522	11.13

2.	AAVYANA ADVISORS LLP	400000	3.90	31-03-2019	0	4,00,000	3.90
3.	ASHIT MEHTA	214316	2.09	15-06-2018	16874	231190	2.25
				22-06-2018	20645	251835	2.45
				20-07-2018	-4900	246935	2.41
				02-11-2018	43976	290911	2.84
				09-11-2018	1	290912	2.84
				16-11-2018	1	290913	2.84
				31-12-2018	8	290921	2.84
				18-01-2019	14	290935	2.84
				31-03-2019	0	290935	2.84
4.	NISHU FINLEASE PRIVATE LIMITED	51250	0.50	18-01-2019	4550	55800	0.54
				30-03-2019	128500	184300	1.80
				31-03-2019	0	184300	1.80
5.	HEM CHAND JAIN	100000	0.97	31-03-2019	0	1,00,000	0.97
6.	DECENT FINANCIAL SERVICES PVT LTD	63,000	0.61	10-08-2018	1185	64185	0.63
				31-03-2019	0	64185	0.63
7.	FERRO TECH INDIA PRIVATE LIMITED	20114	0.20	08-03-2019	34000	54114	0.53
				31-03-2019	0	54114	0.53
8.	CHARU RATHI	49,239	0.48	30-06-2018	-1563	47676	0.46
				31-03-2019	0	47676	0.46
9.	SANDEEP MALOO	41723	0.41	31-03-2019	0	41,723	0.41
10.	BHAGCHAND MAHESHWARI	45260	0.44	29-09-2018	-4200	41060	0.40
				05-10-2018	-950	40110	0.39
				01-02-2019	1405	41515	0.40
				31-03-2019	0	41515	0.40

Note: The above mentioned details regarding Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) are based upon the top ten shareholders during financial year 2018-19 derived from the Benpos received from Depositories & furnished to us by the Registrar & Share Transfer Agent of the Company)

(v) **Shareholding of Directors and Key Managerial Personnel:**

Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Jaiprakash Agarwal</b>				
At the beginning of the year	641850	6.26	641850	6.26
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/sweat equity etc):	Nil	Nil	Nil	Nil
<b>At the end of the year</b>	<b>641850</b>	<b>6.26</b>	<b>641850</b>	<b>6.26</b>

<b>Ramchandra Agarwal</b>				
At the beginning of the year	532525	5.19	532525	5.19
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/sweat equity etc):	Nil	Nil	Nil	Nil
<b>At the end of the year</b>	<b>532525</b>	<b>5.19</b>	<b>532525</b>	<b>5.19</b>
<b>Mahendra Agarwal</b>				
At the beginning of the year	491100	4.79	491100	4.79
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/sweat equity etc):	Nil	Nil	Nil	Nil
<b>At the end of the year</b>	<b>491100</b>	<b>4.79</b>	<b>491100</b>	<b>4.79</b>
<b>Lalit Agarwal</b>				
At the beginning of the year	400625	3.91	400625	3.91
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/sweat equity etc):	Nil	Nil	Nil	Nil
<b>At the end of the year</b>	<b>400625</b>	<b>3.91</b>	<b>400625</b>	<b>3.91</b>
<b>Vipin Agarwal</b>				
At the beginning of the year	168975	1.65	168975	1.65
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/sweat equity etc):	Nil	Nil	Nil	Nil
<b>At the end of the year</b>	<b>168975</b>	<b>1.65</b>	<b>168975</b>	<b>1.65</b>

## VI. INDEBTEDNESS

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

(₹ in Lacs)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9568.32	Nil	Nil	9568.32
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	-	Nil	Nil	-
<b>Total (i+ii+iii)</b>	<b>9568.32</b>	<b>Nil</b>	<b>Nil</b>	<b>9568.32</b>
Change in Indebtedness during the financial year*				
Addition	-	Nil	Nil	-
Reduction	1902.91*	Nil	Nil	1902.91*
<b>Net Change</b>	<b>1902.91</b>	<b>Nil</b>	<b>Nil</b>	<b>1902.91</b>
Indebtedness at the end of the financial year				
i) Principal Amount	7665.41	Nil	Nil	7665.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>7665.41</b>	<b>Nil</b>	<b>Nil</b>	<b>7665.41</b>

\*Change in Indebtedness has been calculated after considering total additions and total repayments during the year under report. (Net Effect)

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

( ₹ in Lacs )

Sr. No.	Particulars of Remuneration	Jaiprakash Agarwal	Ramchandra Agarwal	Lalit Agarwal
1)	Gross Salary:-			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	42.00	36.00	36.00
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	Nil	Nil	Nil
2)	Stock Options	Nil	Nil	Nil
3)	Sweat Equity	Nil	Nil	Nil
4)	Commission paid - as % of Profit	Nil	Nil	Nil
5)	Others	Nil	Nil	Nil
	<b>Total</b>	<b>42.00</b>	<b>36.00</b>	<b>36.00</b>

**Remuneration to other Directors:**

**Independent Directors : NIL**

Sl. no.	Particulars of Remuneration	Total Amount
		NIL

**Non- Executive Directors : NIL**

Sl. no.	Particulars of Remuneration	Total Amount
		NIL

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

( ₹ in Lacs )

Sr. no.	Particulars of Remuneration	Vipin Agarwal	Lucinda D'souza*
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	14.40	1.34
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2	<b>Stock Option</b>		
	Sweat Equity	NIL	NIL
	Commission		
	- as % of Profit		
	- Others, specify		
	Others		
	<b>Total</b>	<b>14.40</b>	<b>1.34</b>

\*(w.e.f. December 17, 2018)

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act / SEBI LODR 2015 Reg. 13	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b> (Penalty / Punishment / Compounding)					
<b>B. DIRECTORS</b> (Penalty / Punishment / Compounding)					
<b>C. OTHER OFFICERS IN DEFAULT</b> (Penalty / Punishment / Compounding)			NIL		

Statement on Investor Complaints for December 2018 Quarter pursuant to Reg. 13(3) of the SEBI (LODR) Regulations, 2015 was filed by the Company on 22/01/2019 as against the due date of 21/01/2019 (One day delay) and the Company had paid the penalties of ₹1180/- to BSE and NSE respectively in this regard.

**ANNEXURE II**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH' 2019**

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

To,  
The Members  
**Agarwal Industrial Corporation Limited**  
CIN : L99999MH1995PLC084618  
Eastern Court, Unit No. 201-202  
Plot No.12, V. N. Purav Marg, S. T. Road,  
Chembur, Mumbai - 400 071

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Agarwal Industrial Corporation Limited (CIN : L99999MH1995PLC084618)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March' 2019 ("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on **31<sup>st</sup> March' 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **(Not Applicable to the Company during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not Applicable to the Company during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **(Not Applicable to the Company during the Audit Period)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not Applicable to the Company during the Audit Period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, - **(Not Applicable to the Company during the Audit Period);** and

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company;
- (a) Petroleum Act, 1934 and Rules made thereunder;
  - (b) Carriage by Road Act, 2007
  - (c) Motor Vehicles Act, 1988
  - (d) Electricity Act, 2003

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited ('NSE') and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

*Statement on Investor Complaints for the Period from 01.10.2018 to 31.12.2018 December' 2018 Quarter pursuant to Regulation 13 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was filed by the Company on 22<sup>nd</sup> January' 2019 as against the due date of 21<sup>st</sup> January' 2019 (One day delay) and the Company had paid the penalties of ₹1180/- to BSE and NSE respectively in this regard.*

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Woman Director.

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

All decisions at Board Meetings and Committee Meetings were carried with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as may be, while the dissenting members' views, if any, were captured and recorded as part of the minutes.

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

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

- *During the year under review, the Company has altered its main Object clause by adding new clause in the Memorandum of Association and aligned its format in line with the provisions of the Companies Act, 2013 and Rules made there under, as amended from time to time.*
- *During the year, the Company promoted its Wholly Owned Indian Subsidiary (W.O.S) under the name "AICL OVERSEAS FZ-LLC" in Ras Al Khaimah Economic Zone (RAKEZ) in United Arab Emirates (UAE).*

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

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

Place : **Thane**  
Date : **28<sup>th</sup> August' 2019**

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





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## Annexure A to Secretarial Audit Report

To,  
The Members  
**Agarwal Industrial Corporation Limited**  
CIN : L99999MH1995PLC084618  
Eastern Court, Unit No.201-202  
Plot No.12, V. N. Purav Marg, S. T. Road,  
Chembur, Mumbai - 400 071

My Secretarial Audit Report for the financial year **31<sup>st</sup> March' 2019** is to be read along with this letter.

### Management Responsibility

1. It is the responsibility of the Management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

### Auditor's Responsibility

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to me. I believe that the processes and practices I followed, provides a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

### Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

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

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

Place : **Thane**  
Date : **28<sup>th</sup> August' 2019**

**ANNEXURE – III**

**THIS REPORT FORMS PART OF DIRECTORS' REPORT**

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19 & percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year 2018-19.

Sr. No.	Name of the Director	Designation	ratio of the remuneration of each Director to the median remuneration of the employees	percentage increase in remuneration
1.	Mr. Jaiprakash Agarwal	Managing Director	17.65	3.90
2.	Mr. Ramchandra Agarwal	Whole Time Director	15.13	3.12
3.	Mr. Lalit Agarwal	Whole Time Director	15.13	3.12
4.	Mr. Vipin Agarwal	Chief Financial Officer	-	-
5.	Ms. Lucinda D'souza	Company Secretary	-	0.51

2. the median remuneration of employees of the Company in the Financial year 2018-19 is ₹ 2.38 lacs  
- Percentage decreased in the median remuneration of all employees in the Financial Year 2018-19 is 9.73%
3. Number of permanent employees on the rolls of the Company as on March 31, 2019:32
4. Average percentile increase already made in salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial Remuneration:  
Average decrease in remuneration for Employees other than Managerial Personnel is 6.94 % and Average increase for Managerial Personnel Remuneration is 25.83 %.
5. Affirmation that the remuneration is as per the Remuneration Policy of the Company  
It is confirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of the Company.

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**ANNEXURE – IV**  
**REPORT ON CORPORATE GOVERNANCE**

**Philosophy on Code of Corporate Governance**

Your Company's philosophy on code of Corporate Governance is summarized as under:

**“The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.”**

As you are aware that Corporate Governance signifies blend of laws, rules, regulations, guidelines, procedures and profound corporate practices which ensure attainment of the highest standards of accountability and equity in all facets of its operations and its accurate and timely disclosures to its shareholders regarding its financial and operational state of affairs. Over the years, your Company has practiced such good governance practices which have not only enjoyed with provisions investors respect and trust but also build up strong inter and intra relationships across all segments of its ever flourishing business and ensures that it would continue to do so in the years to come.

**The Board of Directors:**

1. The Board of Directors comprises Executive, Non-Executive as well as Independent Directors in accordance of the Companies Act 2013 and the rules made thereunder and is in conformity with SEBI (LODR) Regulations, 2015. Presently, the Board of Directors comprises of total 9 (Nine) Directors out of which 3 (Three) are Executive, Non-Independent Directors and 1 (One) is Non-Executive, Non-Independent Director, and 5 (Five)\* are Independent Directors of which one is a Woman Director. The Directors possess experience in fields as varied as finance, marketing, production, imports and logistics industry. The skill and knowledge of the Directors have proved to be of immense value to the Company. The details of Directors seeking re-appointment have been attached along with the Notice of the Annual General Meeting (AGM).

*Mr. Jaiprakash Agarwal, Managing Director and Mr. Lalit Agarwal & Mr. Ramchandra Agarwal, both Whole Time Directors were re-appointed by the Board of Directors on the recommendations of the Nomination and Remuneration Committee for a term of 3 (Three Years) w.e.f. April 01, 2019, subject to consent of members of the Company at the ensuing AGM.*

*\*The existing first term of 5 (Five) Independent Directors is coming to an end on September 29, 2019 and therefore, the Board of Directors has proposed to re-appoint 4 (Four) Independent Directors viz Mr. Rajkumar Mehta, Mr. Alok Bharara, Mr. Harikrishna Patni and Mrs. Priti Lodha for second term of 5 (Five) years with effect from September 30, 2019, subject to consent of members of the Company at the ensuing AGM. The re-appointment of Mr. Jaswant D. Sharma for the second term has not been considered by the Board due to his continued prolong sickness and ill health.*

*(For further details, please refer to Notice of the AGM and Explanatory Statement)*

2. “Independent Directors” do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiary which may affect the independence of the Director. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of SEBI (LODR) Regulation, 2015 and Section 149 of the Companies Act 2013.
3. During the year under review, the Board of Directors of the Company met Nine (9) times (including Exclusive Meeting of Independent Directors) and the period between any two meetings did not exceed 120 days. The Board Meeting dates were: May 30, 2018, August 14, 2018, August 30, 2018, October 10, 2018, November 05, 2018, December 17, 2018, February 14, 2019, March 30, 2019, and an Independent Directors Meeting held on March 30, 2019. A detailed explanation, in the form of a table illustrating the above matters is given on page no. 42 for ready reference.
4. None of the Directors are related to each other, except Mr. Jaiprakash Agarwal, Mr. Ramchandra Agarwal, Mr. Mahendra Agarwal and Mr. Lalit Agarwal who are related to each other, being brothers.
5. During the year, a separate meeting of Independent Directors was held inter-alia to review the performance of Non-Independent Directors and the Board as a whole. The process for evaluation of Board performance, Non-Independent and Non-Executive Directors is detailed in the Board's Report.
6. The Company has put in place a programme to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of the familiarization programme are disclosed on the Company's website: [www.aic ltd.in](http://www.aic ltd.in).
7. The Non-Executive Director and Independent Directors have voluntarily decided not to take any sitting fee or remuneration of whatsoever kind and nature.

8. The Company has adopted a Code of Conduct for all its Directors, Key Managerial Personnel and Senior Management Personnel. All Non-Executive Directors and Independent Directors have affirmed compliance with the said Code for the financial year ended March 31, 2019. All Senior Management of the Company have affirmed compliance with the Company Code of Conduct. The Code of Conduct is also displayed on the Company's website. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

#### **Committees of the Board**

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

##### **1) Audit Committee:**

As at March 31, 2019 till August 14, 2019, the Company's Audit Committee comprised of three Independent Directors, viz. Mr. Jaswant D, Sharma, (Chairman), Mr. Rajkumar Mehta, Mr. Alok Bharara and one Non- Independent, non executive Director, Mr. Mahendra Agarwal. *However, due to prolonged sickness of Mr. Jasawnt D. Sharma, an Independent Director, Mr. Alok Bharara, an Independent Director, was appointed as Chairman of Audit Committee and the Audit Committee was reconstituted as under by the Board in its meeting held on August 14, 2019.*

The reconstituted Audit Committee is as follows:

Mr. Alok Bharara – Independent Director – Chairman

Mr. Rajkumar Mehta - Independent Director

Mr. Mahendra Agarwal - Non Independent – Non Executive Director.

Mr. Jaswant Sharma - Independent Director

Each Member of the Committee has the relevant experience in the field of finance, banking and accounting. The Committee has, inter alia, the following terms of reference:

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

- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- xv. Discussion with internal auditors of any significant findings and follow up there on.
- xvi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xvii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- xviii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xix. To review the functioning of the Whistle Blower mechanism.
- xx. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

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

## 2) Nomination and Remuneration Committee:

The Company has a Nomination and Remuneration Committee (NRC) which is now a mandatory requirement as per Regulation 29 of the SEBI (LODR) Regulation, 2015, and also under the Companies Act, 2013. The Committee consists of 3 (Three) Independent Directors. In addition to the Chairman, Mr. Jaswant D. Sharma, who is an Independent Director, the Committee comprises Mr. Harikrishna Patni, Mr. Rajkumar Mehta and Mr. Alok Bharara. The broad terms of reference of the Committee inter alia, include the following:

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

Details of Directors, Remuneration, Directorship and Meetings of Board & Committees during the F.Y. 2018-19												
Names	Category	Remuneration paid			No. of outside Directorships as at March 31, 2019		No. of outside Committee Positions Held		No of Board Meetings Attended	No. of Audit Committee Meetings attended	No. of NRC Committee Meetings attended	Attendance at the last AGM
		Salary & Perks 2018-19	Sitting Fees 2018-19	Commission 2018-19	Indian	Foreign	As Member	As Chairman				
		₹ in Lacs										
Jaiprakash Agarwal	Managing Director	42.00	Nil	Nil	1	Nil	-	-	8	-	-	No
Ramchandra Agarwal	Director	36.00	Nil	Nil	1	Nil	-	-	8	-	-	Yes
Lalit Agarwal	Director	36.00	Nil	Nil	2	Nil	-	-	8	-	-	Yes
Mahendra Agarwal	Director	Nil	Nil	Nil	1	Nil	-	-	8	5	-	Yes
Jaswant D. Sharma	Director	Nil	Nil	Nil	Nil	Nil	-	-	9*	5	2	Yes
Harikrishna Patni	Director	Nil	Nil	Nil	Nil	Nil	-	-	9*	-	2	No
Rajkumar Mehta	Director	Nil	Nil	Nil	1	Nil	-	-	9*	5	2	Yes
Alok Bharara	Director	Nil	Nil	Nil	2	Nil	-	-	9*	5	2	Yes
Priti Lodha	Woman Director	Nil	Nil	Nil	Nil	Nil	-	-	7*	-	-	No

\*Includes Exclusive meeting of the Independent Directors held on March 30 2019.

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

During the year, the Committee met Twice, the details of attendance which are on page no. 42.

**Remuneration Policy:**

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

Pursuant to the provisions of Clause (h) of Part C of Schedule V of the Listing Regulations, the list of core skills/ expertise/competencies identified by the Board as required in the context of its business and sector for it to function effectively and those actually available with the Board are mentioned herein below:

Sr. No.	Core skills/expertise/competencies	Availability with the Board
1.	Entrepreneurship	Yes
2.	Business Management	Yes
3.	Strategy Planning	Yes
4.	Community Welfare	Yes
5.	Financial Planning and Financial Modeling	Yes
6.	Legal and Compliance Management	Yes
7.	General Administration	Yes
8.	Procurement and Planning	Yes
9.	Accounting and Financial Management	Yes
10.	Operations Management	Yes

**NOTE:**

*During the financial year under review, all Independent Directors (ID) and Non-Independent Non-Executive Director (NINED) have voluntarily decided not to receive any sitting fee for the Board/Committee meeting attended during the financial year 2018-19.*

### 3. Stakeholders' Relationship Committee:

The Company's Stakeholders' Relationship Committee comprises of Mr. Harikrishna Patni, (Chairman), Mr. Jaswant D, Sharma, Mr. Rajkumar Mehta and, Mr. Alok Bharara, all Independent Directors The scope of the Stakeholders' Relationship Committee includes reporting of the status of shareholders The brief terms of reference of the Committee include resolving grievances of all the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. The Committee met twelve (12) times during the period under review.

### 4. Other Committees:

#### i. Corporate Social Responsibility (CSR) Committee:

Since the provisions of Section 135 of the Companies Act, 2013 are applicable to the Company,

hence in accordance with the provisions of said section, the Company has constituted a CSR Committee comprising of Mr. Jaiprakash Agarwal, Managing Director, Mr. Lalit Agarwal, Whole Time Director and Mr. Jaswant D. Sharma, Independent Director. The broad terms of reference of the CSR Committee are as under:

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

#### ii. Risk Management Committee:

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

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

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

#### Details on General Meetings:

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

Location	Date	Time	Special Resolutions passed
Hotel Stars Parade, Lower Hall, SwamiJairamdas Building, Near Basant Park, Chembur, Mumbai – 400 071	September 29, 2018	10.30 A.M.	- Related Party Transactions.
Hotel Stars Parade, Lower Hall, SwamiJairamdas Building, Near Basant Park, Chembur, Mumbai – 400 071	September 30, 2017	10.30 A.M.	- Related party transactions.

Hotel Stars Parade, Lower Hall, SwamiJairamdas Building, Near Basant Park, Chembur, Mumbai – 400 071	September 22, 2016	11.00 A.M.	<ul style="list-style-type: none"> <li>- Increase in Authorised Capital of the Company.</li> <li>- Amendment of Memorandum and Articles of Association of the Company.</li> <li>- Allotment of warrants, convertible into Equity Shares to persons belonging to Public Category of the Company on Preferential Basis.</li> <li>- Re-appointment of Mr. Jaiprakash Agarwal as Managing Director of the Company.</li> <li>- Re-appointment of Mr. Lalit Agarwal as the Whole Time Director of the Company.</li> <li>- Re-appointment of Mr. Ramchandra Agarwal as the whole Time Director of the Company.</li> <li>- Related party transactions.</li> </ul>
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- All Special Resolutions passed in the previous three Annual General Meetings of the Company were passed with requisite majority.
- Two Extra-Ordinary General Meetings were held during the last three years.
- Seven Special Resolutions were passed by Postal Ballot.
- *A Court Convened Meeting (CCM) of the Shareholders of the Company was conducted on June 13, 2016, in accordance with the directions of the Hon'ble High Court of Judicature at Bombay for approval of the Scheme of Amalgamation of Agarwal Petrochem Private Limited and Agarwal Industrial Corporation Limited. The said Scheme was approved by the shareholders through e-voting, postal ballot and through poll at the said CCM with requisite majority.*

#### Disclosures

- i. All related party transactions entered during the F. Y. 2018-19 were approved by the Board of Directors and the Audit Committee and were also consented by the members in the Annual General Meeting of the Company held on September 29, 2018 in accordance with Section 188 of the Companies Act, 2013 and Rules made thereunder (as amended) and as per earlier Listing Agreements and subsequently on the basis of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of related party transactions entered during the F. Y. 2018-19 are placed under Form AOC-2 mentioned herewith.
- ii. There were no materially significant transactions with Related Parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Ind AS 24 has been made in the notes to the Financial Statements.
- iii. The Board of Directors receive, from time to time, disclosures relating to financial and commercial transactions from Key Managerial Personnel of the Company, where they and / or their relatives have personal interest.
- iv. The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India / Statutory Authorities on all matters relating to capital markets, during the last 3 years.
- v. In accordance with requirement of the Companies Act as well as the SEBI Listing Regulations, the Company has adopted the Whistle Blower Policy pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest by approaching the Chairman of the Audit Committee. The policy has been disclosed on the website of the Company under <http://www.aicld.in>
- vi. The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and Designated Employees of the Company.
- vii. Pursuant to the provisions of Regulation 17(8) of SEBI (LODR) Regulations, 2015, the Managing Director and CFO have issued a certificate to the Board, for the year ended March 31, 2019.



- viii. Pursuant to the SEBI Circular No. CIR/CFD/ CMD1/ 27/2019 dated February 08, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s. P. M. Vala & Associates, Practicing Company Secretaries: confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2019.
- ix. A certificate confirming the compliance of the conditions of corporate governance by the Company as required under Schedule V (E) of the Listing Regulations obtained from M/s. Laddha Singhal & Associates, Chartered Accountants is annexed hereto and forms an integral part of this Report.
- x. A certificate pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continue as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority obtained from M/s. P. M. Vala & Associates, Practicing Company Secretaries is annexed hereto and forms an integral part of this Report.

### **Subsidiary Companies**

#### Overseas Wholly Owned Subsidiary (W.O.S)

During the year under report, the Company incorporated its Wholly Owned Subsidiary (W.O.S) in UAE under the name "AICL OVERSEAS FZ-LLC" in Ras Al Khaimah Economic Zone (RAKEZ) in United Arab Emirates (U.A.E) for undertaking various ship/vessel /ocean related activities, importing, trading and re-exporting of goods. The Board is happy to state that "AICL OVERSEAS" acquired its first vessel – "**Bitumen Princess**" which delightedly commenced commercial operations in May 2019,

#### Wholly Owned Subsidiary (W.O.S) in India

Bituminex Cochin Pvt Ltd (BCPL), is the first Wholly Owned Indian Subsidiary (W.O.S) acquired in India Company in the year 2010 and since then doing steady business of manufacturing and trading of bitumen and bituminous products.

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

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

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

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

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

### **Means of Communication**

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

### **BSE Listing Centre**

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

### **NSE Electronic Application Processing System (NEAPS)**

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

### **Extensive Business Reporting Language (XBRL)**

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

### **Ministry of Corporate Affairs (MCA)**

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

### **SEBI Complaints Redress System (SCORES)**

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

### **Annual Report**

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

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years

During the financial year 2018-19, the Statement of Investor Complaints for December 31, 2018 Quarter pursuant to the Regulation 13 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were filed by the Company on January 22, 2019 as against the due date of January 21, 2019 (one day delay) and the Company has paid the fines of Rs 1180/- each to BSE and NSE in this regard.

### **Fees for all services paid to the Statutory Auditors and all entities in the network firm of the Statutory Auditors**

A total fee of ₹ 4,25,000/- (Rupees Four Lakhs and Twenty Five Thousand Only), on a consolidated basis, was paid by the Company to M/s. Laddha Singhal & Associates, Statutory Auditors and all entities in the network firm of which they are part.

### **Disclosure of Accounting Treatment**

The Company has prepared the audited financial statements for the financial year 2018-19 in accordance with Indian Accounting Standards (IND AS) to comply with the Accounting Standards as specified under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.

### **Disclosure As Per Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013**

The Company is committed to provide a healthy environment to all its employees and has zero tolerance for sexual harassment at workplace. In order to prohibit, prevent and redress complaints of sexual harassment at workplace, it has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. The Company has not received any complaint of sexual harassment during the financial year 2018-19.

### **General Shareholders Information**

#### **Annual General Meeting**

Date and Time	: <b>September 30, 2019 at 10.30 A.M.</b>
Venue	: Hotel Stars Parade Lower Hall, Swami Jairamdas Building, Near Basant Park, Chembur, Mumbai – 400 071
Registered Office	: Eastern Court, Unit- 201-202, Plot No. 12, V. N. PuravMarg, S. T. Road, Chembur, Mumbai – 400071
Telephone No.	: 022-25251149/50 Fax: 022-25291147
Website	: <a href="http://www.aicltd.in">www.aicltd.in</a>
E mail	: <a href="mailto:contact@aicltd.in">contact@aicltd.in</a>
Book Closure	: <b>September 24, 2019 to September 30, 2019 (Both days inclusive)</b>

## Financial Calendar

Financial reporting for:

- Quarter ending June 30, 2019 : On or before August 14, 2019
- Quarter ending September 30, 2019 : On or before November 14, 2019
- Quarter ending December 31, 2019 : On or before February 14, 2020
- Quarter ending March 31, 2019 : On or before May30, 2020

## Listing

Ordinary Shares	: BSE Limited National Stock Exchange of India Limited
Compulsorily Convertible Debentures	: N.A.
Global Depository Receipt	: N.A.
Share Transfer Agent	: <b>Universal Capital Securities Pvt Ltd.(w.e.f. June 30, 2018)</b> (SEBI REG. NO. INR000004082) CIN NO – U74200MH1991PTC062536 21, ShakilNiwas, Opp. SatyaSaibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400093 Tel No. : +91 (22) 28207203-05 / 2825 7641 FaxNo.:+91(22)28207207; Website: <a href="http://www.unisec.in">www.unisec.in</a> ;E-mail: <a href="mailto:info@unisec.in">info@unisec.in</a>
Share Transfer System	: All shares have been transferred and returned within 15 days from the date of lodgment, provided the necessary documents were in order.

The Company has paid annual listing fees to the Stock Exchanges in respect of the financial year 2018-2019.

## Stock Codes

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

## Market Price Data: High, Low during each month in the financial year 2018-19

Months	BSE High	BSE Low	No. of Shares traded	NSE High	NSE Low	No. of Shares traded
April'18	357.95	316.00	15324	360.00	315.00	27948
May' 18	320.00	235.00	19390	324.00	231.10	59344
June' 18	325.00	232.40	17989	324.90	218.00	284857
July' 18	319.00	253.05	11578	330.00	255.05	61114
August' 18	364.00	273.50	13113	360.00	272.25	62389
September' 18	299.00	208.00	16068	295.35	203.15	113471
October' 18	248.90	176.05	5709	299.85	180.00	96169
November' 18	204.00	170.00	3876	214.95	168.15	53655
December' 18	238.90	172.50	23410	238.60	160.60	82994
January' 19	209.75	155.35	5368	211.80	156.40	49902
February' 19	195.00	151.00	4325	199.00	145.50	136786
March' 19	198.75	152.55	70240	185.25	151.75	26927

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nse-india.com](http://www.nse-india.com)

**Agarwal Industrial Corporation Limited - Distribution of Shareholding as on March 31, 2019**

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	6086391	59.32
Resident Individuals	1460709	14.24
Financial Institutions / Banks	-	-
Foreign Institutional Investors	-	-
Corporate Bodies	1713219	16.70
Clearing Members	34177	0.33
Foreign Portfolio Investors	4000	0.04
Insurance Companies	-	-
Mutual Funds / UTI	-	-
IEPF Suspense A/c	16591	0.16
LLP/Partnership Firm	402529	3.92
HUF	115859	1.13
Non-Resident Indian	425272	4.16

**Distribution of Equity Shareholding of Agarwal Industrial Corporation Limited as on March 31, 2019**

No. of Shares held	Total Members	Total Shares	Total % to Paid Up Share Capital
Upto5000	1985	193929	1.890
5,001- 10,000	161	125270	1.221
10,001- 20,000	97	142040	1.385
20,001- 30,000	47	120035	1.170
30,001 - 40,000	30	109244	1.065
40,001 - 50,000	17	78699	0.767
50,001 - 1,00,000	30	233854	2.280
1,00,001 and above	78	9255676	90.222
<b>Total</b>	<b>2445</b>	<b>10258747</b>	<b>100.00</b>

**Reconciliation of Share Capital Audit**

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

**Report on Corporate Governance**

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

**Dematerialisation of Shares & Liquidity**

As at the end of March 31, 2019, shares comprising approximately 99.90 % of the Company's Equity Share Capital have been dematerialised.

Status on Dematerialised shares ( **Equity ISIN No. INE204E01012**)

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**Shares held through Percentage of Holding**

NSDL	23.25%
CDSL	76.65 %
Physical	0.10 %
<b>Total</b>	<b>100.00 %</b>

**Investor Correspondence**

For any queries, investors are requested to get in touch with the Company's Registrar & Transfer Agent at **Universal Capital Securities Pvt. Ltd.**, 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 93. A dedicated e-mail Id. [info@unisec.in](mailto:info@unisec.in) has been set up for investor complaints.

As Managing Director of Agarwal Industrial Corporation Limited and as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Jaiprakash Agarwal, hereby declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Business Conduct and Ethics of the Company for the Financial Year 2018-19.

**For Agarwal Industrial Corporation Limited**

**Jaiprakash Agarwal**  
**Managing Director**

**Place:** Mumbai

**Date:** August 31, 2019

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ANNEXURE - V

MANAGEMENT DISCUSSION AND ANALYSIS

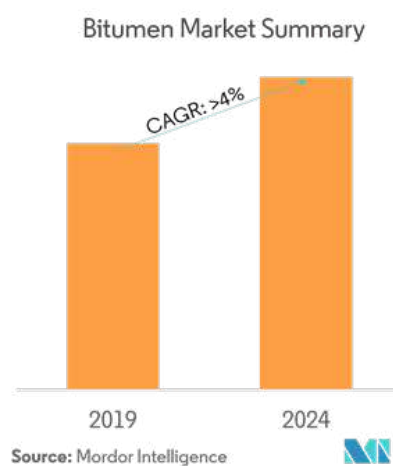
Disclosures given in this Annexure - Management Discussion and Analysis' (MD&A) are meant to ensure that there is transparency in Company's financial performance. They enable our investors to evaluate the company and make informed investment decisions. Financial statements alone are not sufficient to judge a company's current performance and predict the future performance. The ordinary investor needs narrative explanations to have a better understanding of the performance and the environment in which the firm operates. MD&A fulfills this objective. It gives the investor an opportunity to look at the company through the eyes of management by providing both a short and long-term analysis of the business of the company.

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

**INDUSTRY SCENARIO**

**BITUMEN MARKET - GROWTH, TRENDS, AND FORECAST (2019 – 2024)**

The market is segmented by Product Type (Paving Grade, Hard Grade, Oxidized Grade, Bitumen Emulsions, Polymer Modified Bitumen, and Other Product Types), Application (Road Construction, Waterproofing, Adhesives, and Other Applications), and Geography.



(Study Period: 2016-2024 ,Base Year:2018 ,Fastest Growing Market: Asia Pacific, Largest Market:Asia Pacific)

**Market Overview**

The bitumen market is anticipated to register a CAGR of more than 4% during the forecast period, 2019-2024. Bitumen is widely used as a binding organic material, made from the by-products of refined crude oil. Bitumen is used in road construction, as it is easy to produce, reusable, non-toxic, and a strong binder.

- Increasing road construction and repair activities and demand from commercial and domestic building constructions are augmenting the growth of the market studied.
- Increasing environmental concerns are likely to hinder the market's growth.
- Robust growth in construction activities in the Asia-Pacific region is projected to act as an opportunity for the market in future.

<b>Product Type</b>	Paving Grade Hard Grade Oxidized Grade Bitumen Emulsions Polymer Modified Bitumen Other Product Types
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<b>Application</b>	Road Construction Waterproofing Adhesives Other Applications
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<b>Geography</b>	<u>Asia-Pacific</u>	China India Japan South Korea ASEAN Countries Rest of Asia-Pacific
	<u>North America</u>	United States Canada Mexico
	<u>Europe</u>	Germany United Kingdom Italy France Russia Rest of Europe
	<u>South America</u>	Brazil Argentina Rest of South America
	<u>Middle East &amp; Africa</u>	Saudi Arabia South Africa Rest of Middle East & Africa

## PROMINENT MARKET TRENDS

### *Increasing Demand Due to Increasing Road Construction Activities*

- The majority of bitumen consumed is processed into asphalt for road construction. Asphalt is a mixture of rock aggregates and bitumen. Bitumen serves as a binding agent and thus, is responsible for the stability of asphalt. Depending on the type of bitumen or composition of the mixture used, asphalt roads can be made suitable for regions with different climatic conditions or various levels of operational demands. Asphalt is also used for airport runways, parking decks, and working areas in ports.
- Roadways is one of the key sectors that determines a country's economic growth. Roads, airport runways, and parking decks are essential services that drive the economic activity by channelizing trade and mobility. Massive investments are required that help in modernization and maintenance of these systems.
- Globally, the infrastructure sector is experiencing stable growth, as a result of increasing government spending to promote

local infrastructure. In keeping pace with the growing economic activity and shifting demographic trends, spending on infrastructure activities is largely driven by developing economies in comparison to developed economies

- In developing economies in Asia-Pacific, infrastructure activities are expected to increase significantly, especially in the transportation sector, owing to increasing urbanization and shifting focus toward the developing secondary sector in these countries. Furthermore, increasing economic prosperity is driving the infrastructure financing toward consumer sectors, including transportation and manufacturing, which provide and distribute raw materials for consumer goods.
- India, in its 2018 budget, allotted INR 21,453.42 crore out of INR 71,000 crore budgetary allocation to the Highways Ministry for works under this Ministry. It includes expenditure on development of National Highways, including projects relating to expressways, two-laning of highways, under the National Highways Development Project, six-laning of crowded stretches of the Golden Quadrilateral, a special program for the development of road connectivity in Naxal affected areas, development of Vijayawada—Ranchi road, and for providing last mile connectivity.
- As these sectors have potential to fetch larger investments in near future, the governments of developing economies (such as China and India, among others) are taking initiatives by floating tenders reflecting opportunities in building infrastructure, essential for the growth of a specific sector. Furthermore, the emergence of megacities in both, emerging and developed markets, which reflects the shifting economic and demographic trends, may create enormous need for new infrastructure.
- All the aforementioned factors are expected to drive the global market during the forecast period.

#### **The Asia-Pacific Region is Expected to Dominate the Market**

- The Asia-Pacific region is expected to experience robust bitumen growth, owing to the industrial and infrastructural activities in countries, like China and India.
- China is the largest economy, in terms of GDP. The country's annual growth of GDP was 6.6% in 2018, and it is expected to increase by 6.3% in 2019. The growth in the country remains high, but is gradually diminishing, as the population is aging and the economy is rebalancing from investment to consumption, manufacturing to services, and external to internal demand.
- The China Railway Corporation (CRC) announced its plans to construct 6,800 km of new railway lines, including 3,200 km of high-speed rail, which represents a 40% increase of new tracks compared to those in 2018.
- The government has also approved the construction of urban and inter-city rail projects worth USD 127.26 billion (CNY 860 billion) in several cities, including Shanghai and Wuhan.
- Similarly, India is expected to have a requirement of investment worth USD 777.73 billion in infrastructure by 2022, to have sustainable development in the country.
- In 2018, the infrastructure sector in India witnessed private equity and venture capital investments worth USD 1.97 billion. The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport.
- Such factors are projected to drive the market in the Asia-Pacific region.

*(Source : Mordor Intelligence)*

### **OUR OPERATIONS – BUSINESS SEGMENTS**

#### **MANUFACTURING OF BITUMEN & BITUMINOUS PRODUCTS**

The Company is a leading manufacturers and importers of Bitumen & Bituminous products and our plants are located at Belgaum, Hyderabad, Talaja, Baroda and Cochin (Company's WOS). We manufacture and trade quality products like Paving grade Bitumen, Industrial Grade Bitumen, Bitumen Emulsions, Modified Bitumen, Bitumen Coat, Bitumen Paints, Bitumen Insulation material etc which are known for their quality and standard. Our profound background of being in the logistics business (transportation of Bitumen & LPG) has been a key factor to foray into this segment. Your Company has excellent professional relations with all major road contractors in India due to Company's ethical, transparent and good governance policies. Company's plants are located at Belgaum, Talaja, Hyderabad and Baroda.

#### **BULK BITUMEN STORAGE FACILITIES**

Your Company has excellent Bulk Bitumen Storage facilities to effectively handle and market bitumen imports at Karwar, Belgaum, Hyderabad, Haldia, West Bengal Dighi, Maharashtra, Hazira Gujarat and Kakinada.



### **BULK BITUMEN TRANSPORTATION**

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

### **BULK LPG TRANSPORTATION**

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

### **POWER GENERATION THROUGH WIND MILLS**

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

### **AUTHORIZED SERVICE CENTRE OF ASHOK LEYLAND**

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

### **FINANCIAL PERFORMANCE AND OPERATIONS**

Major indicators of your Company's financial performance for the year ended March 31, 2019 are presented in the accompanying Audited Financial Statements. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016. The Company has adopted Ind AS from April 01, 2017 for the first time and accordingly these financial results are Ind AS 101 (First Time Adoption of Indian Accounting Standards) compliant.

### **RESULTS OF OPERATIONS**

The total Revenue of the Company for the Financial Year ended March 31, 2019, was ₹ 52,943.64 Lakhs as compared previous year's total Revenue of ₹ 41,258.37 Lakhs thus indicating an impressive increase of 28.32% over the previous year. Further, Profit before Tax and Profit after Tax were ₹ 1993.19 Lakhs and ₹ 1321.36 Lakhs respectively during the year under review as against ₹ 1455.62 Lakhs and ₹ 1020.22 Lakhs in the corresponding previous year.

### **DIVIDEND**

Your Directors have recommended a dividend of ₹ 1.80 on per equity share of the face value of ₹ 10 each for the Financial Year ended March 31, 2019, subject to declaration of the members at the ensuing Annual General Meeting of your Company.

### **SHARE CAPITAL**

During the year under review, there was no change in the Share capital of the Company.

However, during the year under review, 4,00,000 Warrants fully convertible, having an exercise price of ₹ 345/- per warrant which were allotted in public category on March 23, 2017 under Chapter VII of the SEBI( ICDR) Regulations, 2009 as amended, were lapsed/ cancelled on September 22, 2018 by operation of law and were consequently forfeited on September 22, 2018.

### **AMOUNT TO BE CARRIED TO OTHER EQUITY**

The Company has transferred ₹ 1,139.44 Lakhs to the Other Equity for the F.Y. March 31, 2019 after appropriating ₹ 153.88 Lakhs towards dividend paid for the F.Y. ended March 31, 2018 and ₹ 31.02 Lakhs towards dividend tax paid thereon.

## **CAPITAL EXPENDITURE**

As at March 31, 2019, the Capital Expenditure during the year under review amounted to ₹ 386.06 Lakhs including Work in Progress (WIP) amounted to ₹ 52.41 Lakhs.

## **SEGMENT WISE / PRODUCT WISE PERFORMANCE**

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Audited Consolidated Financial Results for the F.Y ended March 31, 2019 which incorporate audited financial results of Agarwal Industrial Corporation Limited ("The Parent") and its Wholly Owned Subsidiary Company – *Bituminex Cochin Private Limited* ("The Indian Subsidiary") and are forming part of this Annual Report have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016. The Company has adopted Ind AS from April 01, 2017 for the first time and accordingly these financial results are Ind AS 101 (First Time Adoption of Indian Accounting Standards) compliant.

## **OUR STRENGTHS**

- Promoters with profound Industry Experience of over 34 years.
- Well diversified Company: Manufacturing & Trading of Bitumen and other value added products; Transportation of Bulk Bitumen & LPG; Power Generation through Wind Mills.
- Bulk Bitumen Storage facilities near ports for effective and optimum handling of bitumen imports.
- Consistently Dividend Paying Company
- Bitumen manufacturing is our finest forward integration and is an extension of our parent business i.e. Bitumen Bulk Transportation.
- Strong Suppliers & Client relationship continuing for past many years.
- Comprehensive consolidated financial Strength through Wholly Owned Subsidiary Company incorporated in UAE under the name "AICL OVERSEAS FZ-LLC" in Ras Al Khaimah Economic Zone (RAKEZ) in United Arab Emirates (UAE) for undertaking various ship/vessel /ocean related activities, importing, trading and re-exporting of goods has already acquired its first vessel – "**Bitumen Princess**" which delightedly commenced commercial operations in May 2019.
- Cost Advantages through bulk imports .
- Being amongst the largest fleet operators of specialized Bitumen and LPG Tankers in the country adds to customer comfort and ensures supply reliability.
- Market share gain over the years, spurred by superior product quality and increased customer satisfaction though no identified identical business peer.
- Majority of our manufacturing facilities are ISO Certified.
- All major capex from capital infusion and internal accruals so far thus improving bottom line through saving financial costs.
- Benefits of Listed Company - Capital appreciation, liquidity and transparency of operations.
- Geographically well located Company in different parts of the country.
- Last but not the least, enhancement of consolidated financial strength through existing wholly owned Indian subsidiary and by incorporating new wholly owned subsidiary overseas. For details, please refer to relevant sections of Directors' Report.

## **OUR CHALLENGES**

- Imports – Shipments at Right time, Right Pricing, Quality Material.
- Pricing – Competition with other players in the Industry.

- Continuous development of Infrastructure Sector.
- Timely payment to our clients from the related government authorities.
- Cost reduction/ cost minimization through consistent guidance and motivational efforts. at all levels of operations

#### **OUR OPPORTUNITIES**

- Directly related to Infrastructure projects which are under Govt's priority agenda.
- Endless opportunities for expansion of Bitumen Products as road construction within the ambit of infrastructural growth.
- Tremendous scope for developing Value Added Products with potential of higher margins.
- Huge deficit in bitumen indigenous supply and demand leaving tremendous scope for imports
- Huge deficit in power demand and power supply leaving tremendous scope for expansion of Wind Power Mills
- Having own manufacturing plants and bulk imports minimize dependency on oil companies.

#### **OUR THREATS**

There are no major business / industry threats before us as ours is a well diversified and fundamentally strong Company with clear vision for future growth and prosperity and is under priority infrastructure sector. However, there are some factors which are beyond the control of the Company viz impact due to fluctuations in the economy caused by changes in global and domestic economies, competition in the industry, changes in government policies and regulations, fluctuations in interest rates etc which are common to all sectors, so we are no exception. Nevertheless, your Company ensures all safeguards to combat any such eventuality .to the best of its ability and vast industry experience.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has in place an adequate system of internal controls, with documented procedures covering all corporate functions. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations. The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them.

#### **MANPOWER**

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

#### **PROTECTION OF WOMEN AT WORK PLACE**

The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This has been widely disseminated.

There were no cases of sexual harassment received by the Company in 2018-19.

#### **SAFETY, HEALTH AND DEVELOPMENT**

Safety, health and development of human resources is our paramount objective and your Company actively pursues measures to sustain and improve the same on regular basis..

#### **MANAGEMENT INFORMATION SYSTEMS (MIS)**

Effective Management Information Systems are core to any successful business and your Company is supported and empowered by installing updated and advanced MISs to be in forefront of this competitive industry.

**ANNEXURE VI  
FORM NO. AOC -2**

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

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

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

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

\* (please refer to annexure A attached herewith)

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

Sr. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	----As per Annexure-A enclosed *----
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Date of approval by the Board	
	Amount paid as advances, if any	

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

₹ in Lakhs

NAME	NATURE OF RELATION	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	F.Y. 2018-19
Mr. Jaiprakash Agarwal	Managing Director	Three Years w.e.f. 01.04.2016	Remuneration	42.00
Mr. Ramchandra Agarwal	Whole Time Director	Three Years w.e.f. 01.04.2016	Remuneration	36.00
Mr. Lalit Agarwal	Whole Time Director	Three Years w.e.f. 01.04.2016	Remuneration	36.00
Mr. Lalit Agarwal	Whole Time Director	Three Years w.e.f. 01.04.2016	Rent	9.00
Mr. Jaiprakash Agarwal	Managing Director	Three Years w.e.f. 01.04.2016	Rent	7.32
Mr. Vipin Agarwal	Chief Financial Officer	Year to Year Basis	Remuneration	14.40
Mr. Rakesh Bhalla #	V.P. – Legal & Company Secretary	Year to Year Basis	Remuneration	9.54
Ms. Lucinda D'souza \$	Company Secretary	Year to Year Basis	Remuneration	1.34
Mr. Nilesh Agarwal	Relatives of KMP	Year to Year Basis	Salary	12.00
Mr. Mukul Agarwal	Relatives of KMP	Year to Year Basis	Salary	6.00
Mr. Virel Agarwal	Relatives of KMP	Year to Year Basis	Salary	1.50
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Transportation paid	333.67
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Transportation Recd	37.09
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Labour charges Recd	7.89
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Spare Parts & Oil	15.89
Agarwal Gas Carriers	Firm in which Directors are Partners	Year to Year Basis	Transportation paid	138.47
Agarwal Gas Carriers	Firm in which Directors are Partners	Year to Year Basis	Transportation Recd	357.77
Agarwal Gas Carriers	Firm in which Directors are Partners	Year to Year Basis	Labour charges Recd	7.71
Agarwal Gas Carriers	Firm in which Directors are Partners	Year to Year Basis	Spare Parts & Oil	19.81
Agarwal Translink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Transportation paid	275.94
Agarwal Translink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Transportation Recd	361.27
Agarwal Translink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Labour charges Recd	5.04
Agarwal Translink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Spare Parts & Oil	8.45
Agarwal Translink P. Ltd	Company in which Directors are Directors	Year to Year Basis	HSD/OIL	575.87
Agarwal Motor Repairs	Proprietorship	Year to Year Basis	Transportation Recd	113.83
Balaji Tyres	Proprietorship	Year to Year Basis	Purchase of Tyres	145.18
Shree Balaji Engineering Work	Proprietorship	Year to Year Basis	Stores & Consumable	6.77
Bituminex Cochin Pvt Ltd	100% Subsidiary	Year to Year Basis	Sale of Material to Subsidiary	86.29
Bituminex Cochin Pvt Ltd	100% Subsidiary	No fixed duration	Loan Given & Outstanding	21.00

# Resigned w.e.f December 17, 2018

\$ Appointed w.e.f December 17, 2018

**MANAGING DIRECTOR / CFO CERTIFICATE**

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

1. We have reviewed financial statements and the cash flow statement of Agarwal Industrial Corporation Ltd for the year ended March 31, 2019 and to the best of our knowledge and belief:
  - i. These statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such controls.
4. We have indicated to the Auditors and the Audit Committee
  - i. that there are no significant changes in internal control over financial reporting during the year;
  - ii. that there are no significant changes in accounting policies during the year; and
  - iii. that there are no instances of significant fraud of which we have become aware.

**(Vipin Agarwal)  
Chief Financial Officer**

**(Jaiprakash Agarwal)  
Managing Director**

**Place:** Mumbai  
**Date:** August 31, 2019

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**AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

**To,  
The Members,  
Agarwal Industrial Corporation Ltd**

We have examined the compliance of the conditions of Corporate Governance by Agarwal Industrial Corporation Ltd. for the financial year ended March 31, 2019, as stipulated in Regulation 34 & Schedule V of SEBI LODR Regulations, 2015.

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

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

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

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

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

**Place:** Mumbai  
**Date:** August 31, 2019

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**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members,  
**Agarwal Industrial Corporation Limited**  
CIN :L99999MH1995PLC084618  
Eastern Court, Unit No. 201-202  
Plot No.12, V. N. Purav Marg, S. T. Road,  
Chembur, Mumbai - 400 071

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Agarwal Industrial Corporation Ltd.** (CIN: L99999MH1995PLC084618) and having Registered Office Eastern Court, Unit No. 201-202, Plot No.12, V. N. Purav Marg, S. T. Road, Chembur, Mumbai - 400 071 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment (Current Term)
1	Jai Prakash Agarwal (Managing Director)	01379868	September 22, 2016
2	Ram Chandra Agarwal (Whole Time Director)	02064854	September 29, 2018
3	Lalit Agarwal (Whole Time Director)	01335107	September 22, 2016
4	Mahendra Agarwal (Non Independent, Non Executive)	01366495	September 30, 2017
5	Jaswant Deshraj Sharma (Independent Director)	01670988	September 30, 2014
6	Rajkumar Moolraj Mehta (Independent Director)	01729041	September 30, 2014
7	Hari Krishna Rameshchandra Patni (Independent Director)	01316552	September 30, 2014
8	Alok Bharara (Independent Director)	02720802	September 30, 2014
9	Priti Anil Lodha (Independent Director)	02182233	September 30, 2014

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

**Place: Thane**  
**Date: 28th August'2019**

**ANNEXURE VII  
ANNUAL REPORT ON CSR ACTIVITIES**

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

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

The CSR Policy broadly outlines the Company's responsibility as a corporate citizen and lays down the parameters, guidelines and mechanism for undertaking activities for welfare & sustainable development of the community at large for common good. The vital elements of CSR is the continuing commitment by business to ethical principles, protection of human rights, care for the environment while improving the quality of life of all the stakeholders including the local community and society at large.

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

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

2. The Composition of the CSR Committee:

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

3. Average net profit of the Company for last three financial years: ₹ 1281.51 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 25.62 Lakhs to be spent in the F. Y. 2019-20.

5. Details of CSR spent during the financial year 2017-18:

a. Total amount to be spent for the financial year: ₹ 21.51 Lakhs

b. Amount unspent: ₹ 5.52 Lakhs

c. Manner in which the amount spent during the financial year is detailed below:



**(DURING FINANCIAL YEAR : 2018 – 19)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Eradication of hunger (Mid day meal to school children)& Food Distribution at schools and cultural programmes	Education/ School& Social welfare	Jodhpur & Taloja	4,00,000	2,50,985	3,84,875	Direct Expenses.
2.	Setting up homes and hostels for women	Setting of Girls Hostel Project	Jodhpur	2,00,000	1,00,000	NIL	MBM Engineering Collage Alumni Association
3.	Social / Welfare Projects	Health care and sanitation (setting of Air purifier (4 nos) for infants & Water purifier (12 nos) in public places for the poor and marginalized section of the society making available safe drinking water, helping by giving medicines, and cultural and social welfare programmes (Malnutrition & Food)	Jodhpur, Taloja & Mumbai	7,51,000	6,27,450	9,73,950	Lav Kush Sansthan and Directly
4.	Health Care	To improve the quality of life of HIV Positive People.	Jodhpur	4,00,000	3,00,000	8,62,000	Jodhpur Network of Positive People
5.	Orphanage/ Old age homes/ Destitute persons	Promoting education and healthcare of orphan children	Jodhpur	3,00,000	3,00,000	8,32,100	Bal Basera Welfare Charitable Trust
6.	Differently abled	To help the differently disabled people (deaf and mute)	Jodhpur	1,00,000	21,000	Nil	Jodhpur Badhir Kalyan Samiti
	<b>TOTAL</b>			<b>21,51,000</b>	<b>15,99,435</b>	<b>30,52,925</b>	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: *Lack of availability of the authenticated and genuine channels to disburse funds and availability of focused projects and despite of our maximum efforts, despite having sufficient funds and desire to serve the deprived section of the society, we couldn't spent the designated amount.*

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

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

Date: Mumbai  
Place: August 31, 2019

**Jaiprakash Agarwal**  
Managing Director and Chairman of CSR Committee

**Results of Operations for the year ended March 31, 2019**
**Consolidated Financial Results**

The following table sets forth financial information of the Company for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	2018-19	2017-18
<b>Total Revenue</b>	<b>53,222.78</b>	<b>41,512.68</b>
Profit before Depreciation, Finance Costs and Tax	3,784.30	3,155.52
Less: Depreciation	836.31	831.79
Less: Finance Costs	922.43	858.42
<b>Profit before Tax &amp; Exceptional Item</b>	<b>2,025.56</b>	<b>1,465.31</b>
Less: Exceptional Items	Nil	Nil
<b>Profit/(Loss) before Tax</b>	<b>2,025.56</b>	<b>1,465.31</b>
Less: Tax Expense	681.03	437.62
<b>Profit/ (Loss) for the year</b>	<b>1,344.53</b>	<b>1,027.68</b>
Other Comprehensive Income - Loss	3.59	0.28
<b>Total Comprehensive Income for the year</b>	<b>1,348.12</b>	<b>1,027.40</b>
<b>Out of Total Comprehensive Income above</b>		
<b>(a) Profit for the year attributable to:</b>		
(i) Owners of the parent	1,344.53	1,027.69
(ii) Non-controlling interests	-	-
<b>(b) Other comprehensive income - Loss attributable to:</b>		
(i) Owners of the parent	3.59	0.28
(ii) Non-controlling interests	-	-
<b>(c) Total comprehensive income attributable to:</b>		
(i) Owners of the parent	1,348.12	1,027.40
(ii) Non-controlling interests	-	-



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of **Agarwal Industrial Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the Statement of cash flows for the year then ended and, notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and its cash flows for the year ended on that date.

### Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined that there are no key audit matters to communicate in our report.

### Information other than the financial statements and auditors' report thereon

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Management's Responsibility for the Standalone Financial Statements

9. The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
  - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other Legal and Regulatory Requirements**

16. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in note no. 33 of its standalone financial statements;
    - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
    - iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Ajay Singhal**  
(Partner)  
M. No. 104451  
Place: Mumbai  
Dated: 30<sup>th</sup> May 2019

**Annexure A to Independent Auditor's Report**

Referred to as 'Annexure A' in paragraph 17 of the Independent Auditors' Report of even date to the members of **Agarwal Industrial Corporation Limited** on the standalone financial statements for the year ended on 31<sup>st</sup> March, 2019, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year under a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and the explanation given to us and the records examined by us, we report that the title deeds of immovable properties are held in the name of the Company as at the Balance Sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted interest free unsecured loan to one body corporate being wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) In respect of aforesaid loan granted, the terms and condition under which such loans are granted are not prejudicial to the interest of the company.
  - (b) In respect of aforesaid interest free term loan granted to wholly owned subsidiary by the company, there is no schedule of repayment of principle and the same have been repaid when demanded by the Company.
  - (c) There are no overdue amounts for more than ninety days or more in respect of the loan granted to the body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information given to us, the company has not accepted deposits and hence, compliance with the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of Company's products/ services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing with appropriate authorities applicable undisputed statutory dues including employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax or cess were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, details of employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax or cess which have not been deposited as on 31<sup>st</sup> March, 2019 on account of any dispute are as given below:



Name of Statute	Nature of the dues	Unpaid disputed Amount (in Lacs)	Period for which the amount relates	Forum where dispute is pending
The Karnataka Tax on Entry of Goods Act, 1979	Tax on Entry of Goods Demand	15.49	April 2012 to March 2016	CESAT Appellate Tribunal
Custom Act	Penalty under the Custom Act	6.48	April 2013 to March 2014	CESAT Appellate Tribunal
The Income Tax Act, 1961	Income Tax Demand	20.25	A.Y. 2003-04	Rectification pending before Assessing Officer
The Income Tax Act, 1961	Income Tax Demand	17.50	A.Y. 2004-05	Rectification pending before Assessing Officer
The Income Tax Act, 1961	Assessment Dues	4.97	A.Y. 2008-09	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Assessment Dues	23.61	A.Y. 2009-10	--do--
The Income Tax Act, 1961	Assessment Dues	24.89	A.Y. 2010-11	--do--
The Income Tax Act, 1961	Assessment Dues	37.56	A.Y. 2011-12	--do--
The Income Tax Act, 1961	Assessment Dues	35.43	A.Y. 2013-14	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	Assessment Dues	22.39	A.Y. 2014-15	--do--
The Income Tax Act, 1961	Income Tax Demand	147.19	A.Y. 2016-17	Rectification pending before Assessing Officer
Central Excise Act	Excise Duty Demand	6.78	April 2007 to March 2011	CESAT Appellate Tribunal
--do--	--do--	3.02	April 2011 to March 2015	--do--
--do--	Penalty under Central Excise	1.63	April 2011 to March 2015	--do--
Service Tax	Service Tax Demand	26.53	April 2010 to June 2017	Tribunal Service tax (Appeal)
Local Body Tax	LBT Demand	11.29	Jan to March 2017	In response to Writ Petition filed, the Hon. High Court have stayed the Demand.

- (viii) In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to banks or financial institutions. The Company does not have any borrowings from government and has not issued any debentures.
- (ix) The Company has not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year; hence clause 3(ix) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanation give to us and based on our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; hence clause 3(xii) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements in note no 41 as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosure specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence; clause 3(xiv) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or the persons connected to its directors; hence clause 3(xv) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**(Ajay Singhal)**  
Partner  
**M. No. 104451**  
Mumbai, 30<sup>th</sup> May, 2019.

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### **Annexure B to Independent Auditor's Report**

Referred to as 'Annexure B' in paragraph 18(f) of the Independent Auditors' Report of even date to the members of **Agarwal Industrial Corporation Limited** on the standalone financial statements for the year ended on 31<sup>st</sup> March, 2019.

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

1. We have audited the internal financial controls over financial reporting of **Agarwal Industrial Corporation Limited** ("the Company") as on 31<sup>st</sup> March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended and as on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ladha Singhal & Associates**

Chartered Accountants

Firm Registration No.: 120241W

**(Ajay Singhal)**

**Partner**

M. No.: 104451

Place : Mumbai

Dated : 30<sup>th</sup> May, 2019

**BALANCE SHEET AS AT 31ST MARCH, 2019**

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>I. ASSETS</b>			
<b>1. Non - Current Assets</b>			
Property, Plant and Equipment	2	5,436.36	5,905.73
Capital Work-in-Progress		52.42	40.69
<b>Financial assets</b>			
(a) Investments	3	232.55	353.55
(b) Other Financial Assets	4	105.03	92.10
		<b>5,826.35</b>	<b>6,392.07</b>
<b>2. Current Assets</b>			
Inventories	5	2,700.13	3,632.35
<b>Financial assets</b>			
(a) Investments	6	938.09	859.00
(b) Trade Receivable	7	11,300.42	11,267.83
(c) Cash & Cash Equivalents	8	174.38	277.37
(d) Bank Balances Other than (c) above	9	114.30	138.83
(e) Loans	10	38.00	11.55
(f) Other Financial Assets	11	26.57	26.76
Current Tax Assets (net)	12	-	147.49
Other Current Assets	13	1,530.66	997.02
		<b>16,822.57</b>	<b>17,358.20</b>
<b>TOTAL</b>		<b>22,648.92</b>	<b>23,750.27</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	14(A)	1,025.87	1,025.87
(b) Other Equity	14(B)	12,268.68	11,129.23
		<b>13,294.55</b>	<b>12,155.11</b>
<b>2. Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings	15	495.03	1,305.29
Provisions	16	26.96	21.65
Deferred Tax Liability (Net)	31	433.34	373.59
		<b>955.34</b>	<b>1,700.53</b>
<b>3. Current Liabilities</b>			
<b>Financial liabilities</b>			
(a) Borrowing	17	6,278.05	7,102.53
(b) Trade Payables -	18	-	-
(i) total outstanding dues of micro and small enterprises		2.50	1.29
(ii) total outstanding dues of creditors other than micro and small enterprises		676.98	1,362.93
(c) Other Current financial liabilities	19	1,016.19	1,329.30
Other current liabilities	20	384.14	93.08
Short Term Provisions	21	0.48	5.51
Current Tax Liabilities (net)	22	40.69	-
		<b>8,399.03</b>	<b>9,894.63</b>
<b>TOTAL</b>		<b>22,648.92</b>	<b>23,750.27</b>

**Significant Accounting Policies**

The accompanying notes are integral part of these financial statements

As per our report of even date

**For LADHA SINGHAL & ASSOCIATES**

Chartered Accountants

(Firm Regd. No. 120241W)

**FOR & ON BEHALF OF BOARD OF DIRECTORS**
**(JAIPRAKASH AGARWAL)**

Managing Director

(DIN : 01379868)

**(MAHENDRA AGARWAL)**

Director

(DIN : 01366495)

**(AJAY SINGHAL)**
**PARTNER**

M.No. 104451

Place : Mumbai

Date : 30th May 2019

**(LALIT AGARWAL)**
**Whole Time Director**

(DIN : 01335107)

**(VIPIN AGARWAL)**
**Chief Financial Officer**
**(LUCINDA D'SOUZA)**
**Company Secretary**

**Twenty Fifth Annual Report  
2018-2019**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2019**

(₹ in lakhs)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I Revenue from Operations	23	52,868.63	41,157.36
II Other Income	24	75.02	101.01
III <b>Total Revenue (I + II)</b>		<b>52,943.64</b>	<b>41,258.37</b>
IV <b>Expenses</b>			
Cost of Material Consumed	25	12,838.21	6,363.20
Excise Duty		-	14.79
Purchase of Stock in Trade		28,017.39	27,030.49
Change in inventories of Finished goods and Semi finished goods	26	1,300.82	(1,953.40)
Manufacturing, operating and Other Direct Expenses	27	6,112.33	5,747.54
Employee Benefits Expenses	28	472.35	476.20
Finance Cost	29	922.41	855.04
Depreciation and Amortization Expense	2	832.79	827.43
Other Expenses	30	454.15	441.47
<b>Total Expenses</b>		<b>50,950.45</b>	<b>39,802.75</b>
V <b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>1,993.19</b>	<b>1,455.62</b>
VI Exceptional Items / Extraordinary Items		-	-
VII <b>Profit / (Loss) Before Tax (V-VI)</b>		<b>1,993.19</b>	<b>1,455.62</b>
VIII <b>Tax Expense:</b>	31		
(a) Current Tax		614.00	331.75
(b) Deferred Tax (Asset) / Liability		57.83	103.65
(c) Short Provision for Tax for earlier years		-	-
		<b>671.83</b>	<b>435.40</b>
<b>TOTAL OPERATIONS</b>			
IX <b>Profit / (Loss) for the Year (VII - VIII)</b>		<b>1,321.36</b>	<b>1,020.22</b>
X <b>OTHER COMPREHENSIVE INCOME</b>			
A. (i) Items that will not be reclassified to profit & loss - Income / (Exp) Remeasurements of post-employment benefit obligations		5.52	(0.38)
A. (ii) Income tax relating to items that will not be reclassified to profit or loss		(1.93)	0.10
XI <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX-X)</b>		<b>1,324.95</b>	<b>1,019.93</b>
XII <b>Earnings Per Equity Share of ₹10/- each :</b>			
Weighted average no. of shares (Basic & Diluted)		10258747	10177103
(1) Basic Earning Per Share (₹)		12.88	10.02
(2) Diluted Earning Per Share (₹)		12.88	10.02
<b>Significant Accounting Policies</b>	1		
<b>The accompanying notes are integral part of these financial statements</b>			

As per our report of even date

**For LADHA SINGHAL & ASSOCIATES**

Chartered Accountants  
(Firm Regd. No. 120241W)

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

**(JAIPRAKASH AGARWAL)**  
Managing Director  
(DIN : 01379868)

**(MAHENDRA AGARWAL)**  
Director  
(DIN : 01366495)

**(AJAY SINGHAL)**  
PARTNER  
M.No. 104451

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

**(VIPIN AGARWAL)**  
Chief Financial Officer

**(LUCINDA D'SOUZA)**  
Company Secretary

Place : Mumbai  
Date : 30th May 2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	1993.19	1455.62
<b>Adjustments for</b>		
Depreciation	832.79	827.43
Interest & Finance Charges	922.41	821.34
Interest Received	(5.89)	(9.69)
Dividend received	(13.54)	(4.17)
(Profit) / Loss on sale of Mutual Funds	(19.92)	(18.03)
Loss / (Profit) on sale of fixed assets	2.58	(16.19)
Expected credit loss allowance	10.59	(1.00)
Fair valuation impact on Financial Assets	(32.36)	(23.92)
<b>Operating Profit Before Working Capital Adjustments</b>	<b>3689.85</b>	<b>3031.38</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	932.22	(1926.29)
Trade receivables	(43.18)	(779.64)
Other financial assets (Current & Non-Current)	(11.23)	(63.77)
Other assets (Current & Non-Current)	(533.64)	287.66
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(684.74)	1,142.22
Other financial liabilities (Current & Non-Current)	(313.10)	246.45
Other liabilities (Current & Non-Current)	296.86	(630.52)
<b>Cash generated from operations</b>	<b>3333.04</b>	<b>1307.48</b>
Direct Tax Paid (Refund) [Net]	(425.82)	(557.80)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>2907.21</b>	<b>749.69</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets	(386.06)	(1,955.47)
Proceeds from sale of fixed assets	8.34	152.00
Dividend Received	13.54	4.17
Sale of Mutual Fund-Current Investment	1093.67	1034.09
Interest Received	5.89	9.69
Purchase of Mutual Fund-Current Investment	(1,123.92)	(1,217.31)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(388.53)</b>	<b>(1,972.83)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan Repayment	121.00	-
Interest & Finance Charges	(864.58)	(820.08)
Money received against share warrants	-	258.75
Net Increase / (Decrease) in Working Capital Borrowing	(824.48)	1312.32
Repayment of Long Term Borrowings (Net)	(868.09)	472.03
Dividend Paid	(153.88)	(152.38)
Dividend Tax Paid	(31.63)	(31.02)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(2,621.66)</b>	<b>1039.62</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(102.98)</b>	<b>(183.52)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>277.37</b>	<b>460.89</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>174.38</b>	<b>277.37</b>

**NOTES:**
**(1) Net Debt Reconciliations**

(₹ in lakhs)

	As at March 31, 2018	Cash Flows	Other - Borrowing Cost	As at March 31, 2019
Borrowings (Current)	7102.53	(824.48)	-	6278.05
Borrowings ((Non -Current)	1305.29	(868.09)	57.83	495.03
Total	<b>8407.81</b>	<b>(1,692.57)</b>	<b>57.83</b>	<b>6773.08</b>

As per our report of even date

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

Chartered Accountants

(Firm Regd. No. 120241W)

**(JAIPRAKASH AGARWAL)**
**Managing Director**

(DIN : 01379868)

**(MAHENDRA AGARWAL)**
**Director**

(DIN : 01366495)

**(AJAY SINGHAL)**
**PARTNER**

M.No. 104451

Place : Mumbai

Date : 30th May 2019

**(LALIT AGARWAL)**
**Whole Time Director**

(DIN : 01335107)

**(VIPIN AGARWAL)**
**Chief Financial Officer**
**(LUCINDA D'SOUZA)**
**Company Secretary**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019**

**(A) Equity Share Capital**

(₹ in lakhs)

	<b>Amount</b>
<b>Balance as at April 01, 2017</b>	<b>1015.87</b>
Add: Issue of Shares during the year on Conversion of warrants	10.00
<b>Balance as at March 31, 2018</b>	<b>1025.87</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2019</b>	<b>1025.87</b>

**(B) Other Equity**

(₹ in lakhs)

	Reserves and Surplus		Share Forfeiture	Share Warrants	Other Comprehensive income - Employee Benefit Expenses	Total
	Securities premium	Retained Earning				
<b>Balance as at April 01, 2017</b>	4,791.58	4,740.98	82.12	431.25	(1.98)	<b>10,043.95</b>
Issue of Share warrants during the year	-	-	-	258.75	-	258.75
Conversion of warrants into Equity	-	-	-	(345.00)	-	(345.00)
On conversion of warrants during the year	335.00	-	-	-	-	335.00
Profit for the year	-	1,020.22	-	-	-	1,020.22
Other comprehensive income for the year	-	-	-	-	(0.28)	(0.28)
Dividend paid during the year	-	(152.38)	-	-	-	(152.38)
Tax on Dividends	-	(31.02)	-	-	-	(31.02)
<b>Balance as at March 31, 2018</b>	<b>5,126.58</b>	<b>5,577.79</b>	<b>82.12</b>	<b>345.00</b>	<b>(2.26)</b>	<b>11,129.23</b>
Issue of Share warrants during the year	-	-	-	-	-	-
Conversion of warrants into Equity	-	-	-	-	-	-
On conversion of warrants during the year	-	-	-	-	-	-
Profit for the year	-	1,321.36	-	-	-	1,321.36
Other comprehensive income for the year	-	-	-	-	3.59	3.59
Dividend paid during the year	-	(153.88)	-	-	-	(153.88)
Tax on Dividends	-	(31.63)	-	-	-	(31.63)
<b>Balance as at March 31, 2019</b>	<b>5,126.58</b>	<b>6,713.64</b>	<b>82.12</b>	<b>345.00</b>	<b>1.33</b>	<b>12,268.68</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date

**For LADHA SINGHAL & ASSOCIATES**

Chartered Accountants  
(Firm Regd. No. 120241W)

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

**(JAIPRAKASH AGARWAL)**  
Managing Director  
(DIN : 01379868)

**(MAHENDRA AGARWAL)**  
Director  
(DIN : 01366495)

**(AJAY SINGHAL)**  
**PARTNER**

M.No. 104451

Place : Mumbai

Date : 30th May 2019

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

**(VIPIN AGARWAL)**  
Chief Financial Officer

**(LUCINDA D'SOUZA)**  
Company Secretary



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## Notes to the financial statements for the year ended 31st March, 2019

### 1 (A). CORPORATE INFORMATION

The Company, Agarwal Industrial Corporation Ltd was originally incorporated with the name, Bombay Baroda Roadways (India) Limited in the year 1995 as a public limited company under the provisions of the Companies Act, 1956. Subsequently, in the year 2008, the name of company was changed from Bombay Baroda Roadways (India) Limited to Agarwal Industrial Corporation Ltd. The equity shares of the company are listed on the NSE and BSE. The Company is principally engaged in the business activities of manufacturing and trading of Petrochemicals (Bitumen and Bituminous Products), Logistics of Bitumen and Liquefied Petroleum Gas (LPG) and energy generation through Wind Mills.

### 1 (B). SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Basis of Preparation of Financial Statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

The financial statements of the Company are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- (i) Certain financial assets and liabilities are measured at Fair value (Refer note no. 7 below)
- (ii) Defined benefit employee plan (Refer note no. 13 below)

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in INR, the functional currency of the Company.

#### 2. Use of Estimates and judgments:

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### Critical accounting judgements and key source of estimation uncertainty

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

- (a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Note no. - 13
- (b) Estimation of current tax expenses and payable - Refer note no. - 14

#### 3. Property, plant and equipment (PPE) :

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable

that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

**4. Intangible assets:**

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

**5. Depreciation and Amortization:**

**(a) Property plant and equipment (PPE)**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

**(b) Intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively on the basis of revised estimates.

**6. Investment Properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided based on straight line method using the useful life as specified in schedule II of the Companies Act, 2013.

**7. Financial Instruments:**

**Financial assets - Initial recognition:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

**Subsequent measurement:**

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the group changes its business model for managing financial assets.

**(i) Measured at amortised cost:**

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the Effective Interest Rate method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

**Impairment**

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVTOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

### **Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### **Financial Liabilities**

#### **Initial Recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement** : Financial liabilities measured at amortised cost are subsequently measured at using Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Loans & Borrowings**: After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

**Financial Guarantee Contracts** : Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

#### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### **Derivative financial instruments**

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **8. Fair Value Measurement**

The Company measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability."

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 9. Inventory

Inventories are valued at the lower of cost and net realisable value. Cost is computed on First-in-First-Out (FIFO) basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

## 10. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

## 11. Foreign Currency Transactions:

### a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

### b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

## 12. Revenue Recognition:

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes and amounts collected on behalf of third parties.

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer 's creditworthiness. It is probable that future

economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below."

**Sale of Goods**

Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. In case of export sale, it is usually recognised based on the shipped-on board date as per bill of lading

**Rendering of Services**

Income from services rendered is recognised based on agreements /arrangements with the customers as the service is performed / rendered.

**Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

**Dividend**

Dividend Income is recognized when right to receive the same is established.

**13. Employee Benefits:**

The Company has provides following post-employment plans:

- (a) Defined benefit plans such a gratuity and
- (b) Defined contribution plans such as Provident fund

**a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

- (a) Re-measurement of Actuarial (gains)/losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

**b) Defined-contribution plan:**

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

**14. Taxes on Income:**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**15. Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

**16. Earnings Per Share:**

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**17. Leases:**

**Where the Company is Lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

**Where the Company is Lessor**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

**18. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.



**Notes to the financial statements for the year ended 31st March, 2019**

**Note 2 : (a) Property, Plant & Equipment**

(` In Lakhs)

Particulars	Land	Land - Lease Hold	Commercial Vehicles	Furniture & Fixtures	Computers & Printers	Office Equipments	Electrical Fittings	Borewell	Factory Building	Motor Car & Other Vehicles	Workshop	Plant & Machinery	Laboratory Equipment	Wind Mill	Total
<b>Gross carrying amount</b>															
Balance as at March 31, 2017	139.21	4.59	2,689.54	56.34	7.08	16.99	47.81	2.05	255.72	198.26	25.47	561.10	4.42	711.03	4,719.61
Additions	-	-	1,356.23	-	1.36	3.54	37.37	1.60	57.19	100.22	-	1,164.77	-	-	2,722.27
Disposals	-	-	(139.50)	-	-	-	-	-	-	(3.56)	-	-	-	-	(143.06)
Balance as at March 31, 2018	139.21	4.59	3,906.28	56.34	8.44	20.53	85.18	3.65	312.91	294.92	25.47	1,725.87	4.42	711.03	7,298.82
Additions	-	104.87	221.85	19.54	1.92	3.97	2.46	-	-	-	-	19.73	-	-	374.33
Disposals	-	-	(8.52)	-	-	-	-	-	-	(17.35)	-	-	-	-	(25.87)
Balance as at March 31, 2019	139.21	109.46	4,119.60	75.88	10.36	24.50	87.64	3.65	312.91	277.57	25.47	1,745.60	4.42	711.03	7,647.28
<b>Accumulated depreciation</b>															
Accumulated depreciation as at March 31, 2017	-	-	414.55	7.57	3.19	5.29	6.14	0.85	8.09	26.72	1.08	51.92	0.76	46.74	572.91
Depreciation charge for the year	-	-	623.21	7.53	2.69	5.44	8.67	1.02	9.08	33.95	1.08	87.27	0.76	46.74	827.43
Disposals	-	-	(6.54)	-	-	-	-	-	-	(0.72)	-	-	-	-	(7.25)
Accumulated depreciation as at March 31, 2018	-	-	1,031.22	15.10	5.87	10.73	14.81	1.87	17.17	59.95	2.16	139.19	1.52	93.48	1,393.08
Depreciation charge for the year	-	-	618.83	8.82	2.02	4.07	9.81	0.53	9.90	33.01	1.08	97.27	0.70	46.74	832.79
Disposals	-	-	(5.48)	-	-	-	-	-	-	(9.46)	-	-	-	-	(14.94)
Accumulated depreciation as at March 31, 2019	-	-	1,644.56	23.93	7.89	14.80	24.62	2.41	27.07	83.50	3.24	236.46	2.22	140.23	2,210.93
Net carrying amount as at March 31, 2018	139.21	4.59	2,875.05	41.23	2.57	9.80	70.37	1.77	295.74	234.97	23.31	1,586.68	2.90	617.55	5,905.73
Net carrying amount as at March 31, 2019	139.21	109.46	2,475.04	51.95	2.47	9.70	63.02	1.24	285.84	194.07	22.23	1,509.13	2.20	570.80	5,436.36

**Notes:**

1. Refer note no. 34 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

**(b) Capital work in progress**

(` In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Building	9.42	9.42
Bulk Liquid Storage Terminal	42.99	31.27
<b>Total</b>	<b>52.42</b>	<b>40.69</b>

**Notes to the financial statements for the year ended 31st March, 2019**

**Note 3 : Non-Current Investments**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Trade - Unquoted</b>		
<b>Investment in Equity Shares - At Cost</b>		
6200 (6200) Equity shares of wholly owned subsidiary, M/s Bituminex Cochin Pvt Ltd of ₹ 100/- each, fully paid up	232.50	232.50
<b>Deemed equity investments</b>		
Loan to Wholly Owned Subsidiary - M/s Bituminex Cochin Private Limited	-	121.00
<b>Investment in Government Securities - At Cost</b>		
National Saving Certificate (lying with government authority)	0.05	0.05
<b>TOTAL</b>	<b>232.55</b>	<b>353.55</b>

**Note:**

Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	232.55	353.55

**Note 4 : Other financial assets**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, Considered good</b>		
Security Deposit	105.03	92.10
<b>TOTAL</b>	<b>105.03</b>	<b>92.10</b>

**Note 5 : Inventories**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(Valued at lower of Cost or Net Realizable Value)</b>		
Finished Goods	2,012.10	3,278.04
Semi Finished Goods	124.64	154.80
Raw Material	502.54	169.79
Stores, Spares & Packing Material	60.85	29.73
<b>TOTAL</b>	<b>2,700.13</b>	<b>3,632.35</b>

**Note 6 : Current Investments**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Investment in Mutual Fund</b>		
<b>Fair Value through Profit &amp; loss Account</b>		
<b>Non Trade - Unquoted</b>		
431725.782 (431725.782) units of Reliance Equity Saving fund	55.26	53.49
78343.39 (78343.39) units of SBI Corporate Bond Fund Regular Plan Growth	23.41	21.89
495 (495) units of SBI Premier Liquid Fund Regular Plan Growth	14.43	13.44
242350.803 (242350.803) units of ICICI Prudential Balanced Advantage Fund	85.65	80.24
914899.913 (1348803.396) units of Reliance Gilt Securities Fund	227.17	307.42
Nil (106453.646) units of Frankline India Ultra Short Bond Fund	-	25.72
771680.032 (618454.065) units of ICICI Prudential Equity Arbitrage Fund- Dividend	105.11	92.95
82000 (82000) units of Axis Dynamic Equity fund Growth	8.95	8.49
1575085.315 (755200.46) units of Reliance Arbitrage Advantage Fund	167.37	79.90
Nil (126176.511) units of Reliance Top 200 Fund Growth Plan	-	39.14
Nil (180327.773) units of Reliance Regular Saving Fund Balance Plan	-	96.19
239117.751 units of Reliance Hybrid Bond Fund Growth Plan	104.30	-
5721.441 units of ICICI Prudential Liquid Fund Growth	15.76	-
9700.619 units of ICICI Prudential Money Market Fund Growth	25.11	-
500000 units of ICICI Prudential Manufacture in India Fund Growth	52.65	-
96666.993 units of ICICI Prudential Ultra Short Term Fund - Monthly Dividend	10.32	-
15898.047 (15898.047) units of ICICI Prudential Multi Assets Fund - Growth	42.60	40.12
<b>TOTAL</b>	<b>938.09</b>	<b>859.00</b>

**Note:**

Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	938.09	859.00

**Note 7 : Trade Receivable**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Trade Receivables considered good - Secured</b>	-	-
<b>Trade Receivables considered good - Unsecured</b>	9,471.24	9,028.60
Less: Expected Credit Loss	(54.92)	(44.33)
<b>Trade Receivables which have significant increase in Credit Risk</b>	1,884.11	2,283.56
<b>Trade Receivables - credit impaired</b>	-	-
<b>TOTAL</b>	<b>11,300.42</b>	<b>11,267.83</b>

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**Note 8 : Cash and Cash Equivalents**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash on Hand	60.49	25.72
Balance with Scheduled Banks		
- In Current Accounts	105.74	251.64
Cheques, Drafts on Hand	8.15	-
<b>TOTAL</b>	<b>174.38</b>	<b>277.37</b>

**Note 9 : Bank balances other than cash & cash equivalents**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Balance with banks</b>		
- In Dividend Accounts	13.42	15.11
- In Fixed Deposit Account	100.88	123.72
<b>TOTAL</b>	<b>114.30</b>	<b>138.83</b>

**Note 10 : Loans**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Loans Receivables considered good - Secured</b>	-	-
<b>Loans Receivables considered good - Unsecured</b>		
- To Wholly Owned Subsidiary	21.00	-
- Advances to Staff	17.00	11.55
<b>Loans Receivables which have significant increase in Credit Risk</b>	-	-
<b>Loans Receivables - credit impaired</b>	-	-
<b>TOTAL</b>	<b>38.00</b>	<b>11.55</b>

**Note 11 : Other financial Assets**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Accrued Interest on Fixed Deposit	26.57	26.76
<b>TOTAL</b>	<b>26.57</b>	<b>26.76</b>

**Note 12 : Current tax assets (net)**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance Income Tax and Tax Deducted at Source (Net of Provision)	-	147.49
<b>TOTAL</b>	<b>-</b>	<b>147.49</b>

**Note 13 : Other current assets**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, Considered good</b>		
<b>Other Loan and Advances</b>		
- Advances recoverable in cash or in kind or for value to be received	564.29	612.39
- Advance to Supplier	740.72	12.08
- Prepaid Rent - Fair valuation of leased deposits	8.56	1.71
<b>Balance with Government Authorities</b>		
- Deposit with Custom Authority - Under Appeal	25.53	25.53
- Deposit with Sales Tax Authority - Under Appeal	28.23	62.12
- Income Tax Paid - Under Appeal	109.00	109.00
- Excise Duty Paid - Under Appeal	1.00	1.00
- Service tax Paid - Under Appeal	1.40	1.05
- Input Tax Credit under GST Receivable	33.11	126.45
- VAT Refund Receivable-GVAT	0.14	0.14
- Amount due as refund of Additional Duty of Custom	18.69	45.55
<b>TOTAL</b>	<b>1,530.66</b>	<b>997.02</b>

**Note 14(A) : Share Capital**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Authorised:</b>		
1,30,00,000 (PY 1,30,00,000) Equity Shares of ₹ 10/- each	1,300.00	1,300.00
<b>TOTAL</b>	<b>1,300.00</b>	<b>1,300.00</b>
<b>Issued, Subscribed and Fully Paid up:</b>		
1,02,58,747 (PY 1,02,58,747) Equity Shares of ₹ 10/- each with voting rights, fully paid up	1,025.87	1,025.87
<b>TOTAL</b>	<b>1,025.87</b>	<b>1,025.87</b>

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

	As at 31st March, 2019	As at 31st March, 2018
Number of shares at the beginning of the year	1,02,58,747	1,01,58,747
Add: Issue of Shares during the year on Conversion of warrants	-	1,00,000
Number of shares at the end of the year	<b>1,02,58,747</b>	<b>1,02,58,747</b>

**(ii) Terms/rights attached to Equity Shares**

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

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

Nil

Nil

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

Name of Share Holder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ramchandra Agarwal	5,32,525	5.19	5,32,525	5.19
Jaiprakash Agarwal	6,41,850	6.26	6,41,850	6.26
Garnet International Ltd	11,41,522	11.13	13,83,540	13.49

**Note 14(B) : Other Equity**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Security Premium Amount received (on issue of shares) in excess of the par value has been classified as securities premium	5,126.58	5,126.58
b) Retained Earning These are Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistributed profits for the year	6,713.64	5,577.79
c) Other comprehensive income Other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability	1.33	(2.26)
d) Share Forfeiture Shares allotted being forfeited on account of calls remained unpaid	82.12	82.12
e) Share warrants It is the right to purchase the shares of a stock at a certain price and within a stipulated time period. The same has been lapsed due to non compliance during the year	-	345.00
f) Capital Reserve Amount transferred during the year on account of share warrants that lapsed due to non-compliance being forfeited	345.00	-
<b>TOTAL</b>	<b>12,268.68</b>	<b>11,129.23</b>

**Note 15 : Borrowing - Non - Current**

(₹ in lakhs)

Particulars	Non-Current Portion		Current Portion	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Secured Loans</b>				
<b>Term Loans</b>				
(i) From Bank	495.03	1,310.60	892.34	1,160.51
	<b>495.03</b>	<b>1,310.60</b>	<b>892.34</b>	<b>1,160.51</b>
Less: Uamortised borrowing cost	-	(5.31)	-	-
<b>TOTAL</b>	<b>495.03</b>	<b>1,305.29</b>	<b>892.34</b>	<b>1,160.51</b>

Note:

- Above Loan consisting of Vehicle Loan from Various Banks and Financial Institution.
- Vehicle finance from Banks & FI's is secured against Hypothecation of specific vehicle financed and is repayable in equated monthly installment over the tenure of the loan.

**Note 16 : Provisions - Non Current**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employees Benefit expenses	26.96	21.65
<b>TOTAL</b>	<b>26.96</b>	<b>21.65</b>

**Note 17 : Borrowing - Current**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Secured Loans</b>		
(i) From Bank		
Working Capital Finance	6,278.05	7,102.53
(Secured against Hypothecation of Stock, Books Debts, Current Assets, movable & immovable fixed assets of the Company, immovable property of it's directors and personal gaurantee of some of the Directors)		
<b>TOTAL</b>	<b>6,278.05</b>	<b>7,102.53</b>

**Note 18 : Trade Payables**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Trade Payables:</b>		
<b>Payable for Goods &amp; Services:</b>		
Due to micro and small enterprises*	2.50	1.29
Due to others	676.98	1,362.93
<b>TOTAL</b>	<b>679.48</b>	<b>1,364.22</b>

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2019 and 31 March 2018 :

	Particulars	As at 31st March, 2019	As at 31st March, 2018
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	2.50	1.29
ii)	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note 19 : Other current financial Liabilities**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturity of Long Term Borrowings (Refer Note No 15)	892.34	1,160.51
Payable for Expenses	85.49	92.73
Payable for Capital Goods	17.45	53.46
Unclaimed Dividend	13.41	15.10
Other Liability	7.50	7.50
<b>TOTAL</b>	<b>1,016.19</b>	<b>1,329.30</b>

**Note 20 : Other Current Liabilities**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Remittances	110.98	32.39
Advances From Customer	273.16	60.69
<b>TOTAL</b>	<b>384.14</b>	<b>93.08</b>

**Note 21 : Short Term Provisions**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee benefits	0.48	5.51
<b>TOTAL</b>	<b>0.48</b>	<b>5.51</b>

**Note 22 : Current Tax Liabilities (Net)**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Taxation (Net of Taxes Paid)	40.69	-
<b>TOTAL</b>	<b>40.69</b>	<b>-</b>

**Note 23 : Revenue from Operations**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Sales of goods (including excise duty)	46599.94	35249.18
<b>Sale of Services</b>		
Vehicle Freight Income	6044.10	5755.04
Labour & Processing Charges received	60.33	9.79
<b>Other Operating Revenue</b>		
Sale of Power - Wind mill	164.25	143.35
<b>TOTAL</b>	<b>52,868.63</b>	<b>41,157.36</b>



**Note 24 : Other Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Foreign exchange fluctuation gain	3.31	27.65
Interest received on fixed deposits with banks	5.89	9.69
Miscellaneous Income	33.46	39.75
Gain on Fair valuation of Financial assets	32.36	23.92
<b>TOTAL</b>	<b>75.02</b>	<b>101.01</b>

**Note 25 : Cost of Material Consumed**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Stock	169.79	219.91
Add:- Purchases during the year	13170.96	6313.07
	<b>13340.75</b>	<b>6532.98</b>
Less: - Closing Stock	502.54	169.79
<b>TOTAL</b>	<b>12838.21</b>	<b>6363.20</b>

**Note 26 : Change in inventories of Finished goods and Semi finished goods**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Opening Stock</b>		
Inventory of Finished Goods as at the beginning of the year	3282.77	1293.59
Inventory of Semi Finished Goods as at the beginning of the year	154.80	185.85
<b>Less : Closing Stock</b>		
Inventory of Finished Goods as at the end of the year	2012.10	3278.04
Inventory of Semi Finished Goods as at the end of the year	124.64	154.80
<b>TOTAL</b>	<b>1300.82</b>	<b>(1953.40)</b>

**Note 27 : Manufacturing, Operating and Other Direct Expenses**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Transportation Charges	424.89	456.53
Labour Charges	65.57	60.78
Repairs & Maintenance - Machinery	33.30	34.31
Electricity, Power & Fuel	36.75	45.89
Storage Terminal Rent	416.53	467.50
Heating and Fuel Charges	198.52	156.74
Other Direct Expenses	67.94	66.71
Vehicle Running & Maintenance Expenses	4314.90	3715.57
Freight Paid	517.48	736.48
Wind Mill Expenses	36.46	7.03
<b>TOTAL</b>	<b>6112.33</b>	<b>5747.54</b>

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**Note 28 : Employees Benefits Expenses**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries and Wages	310.02	333.15
Directors Remuneration	114.00	90.60
Contribution towards employees welfare fund	0.63	0.67
Gratuity	5.79	6.06
Staff Welfare	41.90	45.72
<b>TOTAL</b>	<b>472.35</b>	<b>476.20</b>

**Note 29 : Finance Cost**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Paid to Banks	853.70	809.89
Interest Paid to Others	10.88	11.45
Other Borrowing Cost	57.83	33.70
<b>TOTAL</b>	<b>922.41</b>	<b>855.04</b>

**Note 30 : Other Expenses**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>(A) Administrative Expenses</b>		
Rent, Rates & Taxes	49.76	58.88
Payment to Auditors		
- Statutory Audit fees	2.50	2.50
- Tax Audit Fees	1.00	1.00
- Certification Work	0.75	0.75
Insurance	10.36	11.30
Share Transfer Fees	1.51	1.75
Legal & Professional Charges	45.81	46.90
Bank Charges & Commission	8.77	5.41
Electricity Expenses	8.32	7.84
Listing Fees & Custodian Charges	6.85	6.30
Postage and Telephone	11.41	9.99
Security Charges	13.42	15.43
Printing & Stationery	6.22	5.84
Vehicle Expenses	12.63	10.47
Travelling & Conveyance	80.05	70.51
Expected credit loss allowance/ (reversed)	10.59	(1.00)
Repair & Maintenance - Other	8.81	4.69
Repairs to Building	0.20	-
Expenditure on Corporate Social Responsibility	25.71	21.51
Miscellaneous Expenses	43.64	55.30
	<b>348.30</b>	<b>335.37</b>
<b>(B) Selling and Distribution Expenses</b>		
Advertisement & Business Promotion Expenses	5.80	2.62
Commission Paid	100.04	103.48
	<b>105.84</b>	<b>106.09</b>
<b>TOTAL</b>	<b>454.15</b>	<b>441.47</b>

**Note 31 : Income Tax**
**(a) Tax expense recognised in the Statement of profit and loss:**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Current Tax</b>		
Current year	614.00	331.75
Short Provision for Tax for earlier years	-	-
<b>Total Current Tax</b>	<b>614.00</b>	<b>331.75</b>
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary difference	57.83	103.65
<b>Total deferred income tax expense/(credit)</b>	<b>57.83</b>	<b>103.65</b>
<b>Total income tax expense/(credit)</b>	<b>671.83</b>	<b>435.40</b>

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

**(b) Reconciliation of effective tax rate**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Profit /(loss) before taxation	1,993.19	1,455.62
Enacted income tax rate in India	34.94%	33.06%
Tax at the enacted income tax rate	696.50	481.27
<b>Reconciliation line items:</b>		
Tax benefits u/s 80IA	44.65	45.07
Tax pertaining to Earlier Years	-	-
Others (Due to change in tax rate and other disallowances)	(19.98)	0.80
<b>Tax expense/ (credit)</b>	<b>671.83</b>	<b>435.40</b>

**(c) The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2018:**
**For the year Ended March 31, 2018**

(₹ in lakhs)

	As at April 01, 2017	Charge / (Credit) in Statement of profit and loss	As at March 31, 2018
<b>Deferred tax assets/(liabilities)</b>			
On Account of Depreciation	290.32	98.22	388.55
Due to disallowances under Income Tax	(7.17)	(1.81)	(8.98)
On account of Fair valuation of Financial assets and liabilities	(13.12)	7.14	(5.98)
	<b>270.03</b>	<b>103.55</b>	<b>373.59</b>

For the year Ended March 31, 2019

(₹ in lakhs)

	As at April 01, 2018	Charge / (Credit) in Statement of profit and loss	As at March 31, 2019
<b>Deferred tax assets/(liabilities)</b>			
On Account of Depreciation	388.55	54.29	442.83
Due to disallowances under Income Tax	(8.98)	(0.61)	(9.59)
On account of Fair valuation of Financial assets and liabilities	(5.98)	6.07	0.10
	<b>373.59</b>	<b>59.76</b>	<b>433.34</b>

### 32. DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

i) **Gratuity:** In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The disclosure in respect of the defined Gratuity Plan are given below:

#### A. Balance Sheet

(₹ in lakhs)

	Defined benefit plans	
	As at March 31, 2019	As at March 31, 2018
Present value of plan liabilities	27.44	27.17
Fair value of plan assets	-	-
<b>Asset/(Liability) recognised</b>	<b>27.44</b>	<b>27.17</b>

#### B. Movements in plan assets and plan liabilities

(₹ in lakhs)

	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2018</b>	27.17	-
Current service cost	3.76	-
Past service cost	-	-
Interest Cost/(Income)	2.04	-
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(0.50)	-
Actuarial (gain)/loss arising from experience adjustments	(5.02)	-
Employer contributions	-	-
Benefit payments	-	-
<b>As at 31st March 2019</b>	<b>27.44</b>	-

(₹ in lakhs)

	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2017</b>	20.73	-
Current service cost	4.50	-
Past service cost	-	-
Interest Cost/(Income)	1.55	-
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	-
Actuarial (gain)/loss arising from experience adjustments	0.38	-
Employer contributions	-	-
Benefit payments	-	-
<b>As at 31st March 2018</b>	<b>27.17</b>	<b>-</b>

### C. Statement of Profit and Loss

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
<b>Employee Benefit Expenses:</b>		
Current service cost	3.76	4.50
Interest cost/(income)	2.04	1.55
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>5.79</b>	<b>6.06</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/(cost)	-	-
Actuarial gains/(losses) arising from changes in financial assumptions	(0.50)	-
Experience gains/(losses)	(5.02)	0.38
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(5.52)</b>	<b>0.38</b>

### D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2019	As at March 31, 2018
<b>Financial Assumptions</b>		
Discount rate	7.65%	7.50%
Salary Escalation Rate	5.00%	5.00%

### E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are: (₹ in lakhs)

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	24.45	31.01
Salary Escalation Rate	1.00%	31.20	24.26

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**F. The defined benefit obligations shall mature after year end 31st March, 2019 as follows:** (₹ in lakhs)

Year ending March 31, 2019	Defined benefit obligation
2019	0.48
2020	0.54
2021	0.59
2022	2.78
2023	0.63
Thereafter	21.09

**33. Contingent liabilities** (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<i>Claims against the Company not acknowledged as debts</i>		
liabilities that may arise in respect of disputed matters in relation to		
- Sales tax	-	1.39
- Entry tax	43.72	100.51
- Import duty	32.00	32.00
- Excise duty	12.43	12.43
- Income tax	442.79	442.79
- Service tax	27.93	13.96
- Local Body tax	14.11	11.29
<b>TOTAL</b>	<b>572.98</b>	<b>614.37</b>

Note: - The Company's pending litigations comprise of claims against the Company and proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

**34. Commitments**

The Company does not have any commitments (including capital commitments) as on the Balance sheet date. (As at march 31, 2018 - Nil)

**35. Earning Per share**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Profit after tax available for equity shareholders (₹ in lakhs)	1,321.36	1,020.22
Weighted average number of equity shares	1,02,58,747	1,01,77,103
Nominal value of equity shares	10.00	10.00
Basic and diluted Earning Per Share	12.88	10.02

### 36. Corporate Social Responsibility (CSR) expenditure

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Amount required to be spent as per section 135 of the Act</b>	25.71	21.51
Amount spent during the year on		
(i) Construction/acquisition of assets	-	-
(ii) on purpose other than above	15.99	21.49

### 37. Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

#### The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

#### The carrying amounts and fair values of financial instruments by category are as follows:

As at March 31, 2019

(₹ in lakhs)

Financial assets	FVTOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
Investments	-	938.09	232.55	1,170.64	1,170.64
Trade receivables	-	-	11,300.42	11,300.42	11,300.42
Cash and cash equivalents	-	-	174.38	174.38	174.38
Other bank balances	-	-	114.30	114.30	114.30
Loans	-	-	38.00	38.00	38.00
Other financial assets	-	-	131.60	131.60	131.60
<b>Total</b>	-	<b>938.09</b>	<b>11,991.26</b>	<b>12,929.35</b>	<b>12,929.35</b>
<b>Financial liabilities</b>					
Borrowings	-	-	6,773.08	6,773.08	6,773.08
Trade payables	-	-	679.48	679.48	679.48
Others	-	-	1,016.19	1,016.19	1,016.19
<b>Total financial liabilities</b>	-	-	<b>8,468.75</b>	<b>8,468.75</b>	<b>8,468.75</b>

As at March 31, 2018				(₹ in lakhs)	
Financial assets	FVTOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
Investments	-	859.00	353.55	1,212.55	1,212.55
Trade receivables	-	-	11,267.83	11,267.83	11,267.83
Cash and cash equivalents	-	-	277.37	277.37	277.37
Other bank balances	-	-	138.83	138.83	138.83
Loans	-	-	11.55	11.55	11.55
Other financial assets	-	-	118.86	118.86	118.86
<b>Total</b>	<b>-</b>	<b>859.00</b>	<b>12,167.99</b>	<b>13,026.99</b>	<b>13,026.99</b>
<b>Financial liabilities</b>					
Borrowings	-	-	8,407.81	8,407.81	8,407.81
Trade payables	-	-	1,364.22	1,364.22	1,364.22
Others	-	-	1,329.30	1,329.30	1,329.30
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>11,101.33</b>	<b>11,101.33</b>	<b>11,101.33</b>

#### Fair value estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

(₹ in lakhs)

March 31, 2019	Level 1	Level 2	Level 3
Assets at fair value - Investments	938.09		
<b>March 31, 2018</b>			
Assets at fair value - Investments	859.00	-	-

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

#### 38. Financial risk factors

The Company's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities exposes it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

##### (a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.



The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Company.

**(i) Financing arrangements**

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period:

(₹ in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Secured working capital credit facility from Banks	946.95	1,347.47

**(ii) The following is the contractual maturities of the financial liabilities:**

(₹ in lakhs)

	Carrying amount	Payable on demand	1-12 months	More than 12 months
<b>As at March 31, 2019</b>				
<b>Non-derivative liabilities</b>				
Borrowings	6,773.08	-	6,278.05	495.03
Trade payables	679.48	-	679.48	-
Other financial liabilities	1,016.19	-	1,016.19	-
	<b>8,468.75</b>	<b>-</b>	<b>7,973.72</b>	<b>495.03</b>

	Carrying amount	Payable on demand	1-12 months	More than 12 months
<b>As at March 31, 2018</b>				
<b>Non-derivative liabilities</b>				
Borrowings	8,407.81	-	7,102.53	1,305.29
Trade payables	1,364.22	-	1,364.22	-
Other financial liabilities	1,329.30	-	1,329.30	-
	<b>11,101.33</b>	<b>-</b>	<b>9,796.04</b>	<b>1,305.29</b>

**(b) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

**(i) Foreign currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

**Unhedged Foreign currency exposure**

As at March 31, 2019	Trade payables
AED	-
INR	-
<b>As at March 31, 2018</b>	
<b>AED</b>	<b>47,12,280</b>
<b>INR (₹ in lakhs)</b>	<b>834.70</b>

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. According to the Company, interest rate risk exposure is only for floating rate borrowings. The Company is not significantly exposed to the interest rate risk, since the borrowings of the Company are on Fixed interest rate basis.

**(iii) Commodity risk**

Commodity price risk arises due to fluctuation in prices of crude oil. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand–supply scenario in the world market affect the effective price and availability. The Company manages this risk by widening its source base, appropriate contracts and commitments and well planned procurement.

**(c) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments.

Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

(₹ in lakhs)

<b>Exposure to the Credit risks</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	169.60	130.41

(₹ in lakhs)

<b>Exposure to the Credit risks</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	11,300.42	11,267.83

**Trade and other receivables**

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk, the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- (iv) Significant increase in credit risk on other financial instruments of same counterparty.

**Ageing of the accounts receivables**

(₹ in lakhs)

	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
0-90 days	5,608.50	6,479.84
90-180 days	785.33	798.69
>180 days	4,961.51	4,033.63
	<b>11,355.34</b>	<b>11,312.16</b>

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2019 and March 31, 2018.

### 39. (a) Financial risk factors

#### Capital risk management

The Company's objectives when managing capital are to :

- (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders etc. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

(₹ in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Total equity	13,294.55	12,155.11
Net debt (Total borrowings less cash and cash equivalents)	6,484.39	7,991.62
<b>Total capital (Borrowings and Equity)</b>	<b>19,778.94</b>	<b>20,146.72</b>
<b>Gearing ratio</b>	<b>32.78%</b>	<b>39.67%</b>

### (b) Dividends

The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company dividend policy.

(₹ in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>Final Dividend paid</b>		
Final dividend for the year ended March 31, 2018 of ₹ 1.50 Per fully paid up share [Including dividend distribution tax of ₹ 31.63 lacs (as at 31-March 2018 - ₹ 31.02 lacs)]	185.51	183.40
<b>Dividends not recognised at the end of reporting period</b>		
Since year end, the directors have recommended the payment of a final dividend of ₹ 1.80 per fully paid up equity share (March 31, 2018 - ₹ 1.50 per fully paid up equity shares) [Including dividend distribution tax of ₹ 37.96 lacs (as at 31-March 2018 - ₹ 31.02 lacs)]	222.61	185.51

### 40. Segment Reporting

The Company's Board of Directors consisting of Managing Director together with the Chief Financial Officer has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocated the resources based on an analysis of various performance indicators. The Company is primarily engaged in the business of manufacturing of petrochemical products (Bitumen & Bituminous products), Logistic business -Bitumen and LPG and Sale of Power - Wind mill. The Company has accordingly identified these 3 activities as Operating segments in accordance with requirements of Ind AS 108 on 'Operating segments'.

#### Operating segments

- (a) Petrochemical business - Bitumen products
- (b) Transportation - Bitumen and LPG
- (c) Sale of power - Wind mill

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(₹ in lakhs)

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Segment Revenue</b>		
a) Transportation	6,113.12	5,815.32
b) Windmill	164.25	143.35
c) Petrochemicals (Bituminous & Allied Products)	46,604.17	35,507.89
d) Other (Unallocable)	62.10	42.54
<b>Total</b>	<b>52,943.64</b>	<b>41,509.10</b>
Less Intersegment Revenue	-	-
<b>Net Sales/Income From Operations</b>	<b>52,943.64</b>	<b>41,509.10</b>
<b>Segment Result Profit/(Loss) before tax and interest from Each Segment</b>		
a) Transportation	373.69	354.81
b) Windmill	81.04	89.58
c) Petrochemicals (Bituminous & Allied Products)	2,398.77	1,789.64
<b>Total</b>	<b>2,853.50</b>	<b>2,234.03</b>
Less: i) Interest	922.41	821.34
ii) Other Un-allocable Expenditure net off	-	-
iii) Un-allocable Income	(62.10)	(42.92)
<b>Total Profit Before Tax</b>	<b>1,993.19</b>	<b>1,455.62</b>
<b>Segment Assets &amp; Liabilities</b>		₹ in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>Segment Assets</b>		
a) Transportation	3,982.81	4,339.38
b) Windmill	649.17	693.43
c) Petrochemicals (Bituminous & Allied Products)	16,702.92	17,355.98
d) Others	1,314.02	1,361.49
<b>Total Assets</b>	<b>22,648.92</b>	<b>23,750.27</b>
<b>Segment Liabilities</b>		
a) Transportation	1,643.04	2,180.12
b) Windmill	-	8.26
c) Petrochemicals (Bituminous & Allied Products)	7,196.44	8,990.92
d) Others	514.89	583.66
<b>Total Liability</b>	<b>9,354.37</b>	<b>11,762.97</b>

#### 41. Related Party Disclosure under Ind AS 24

##### Name and description of related parties

- (a) Subsidiary - Bituminex Cochin Pvt Ltd
- (b) Key Managerial Personnel (KMP)  
 Mr. Jaiprakash Agarwal, Director  
 Mr. Lalit Agarwal, Director  
 Mr. Ramchandra Agarwal, Director  
 Mr. Vipin Agarwal, CFO  
 Mr. Rakesh Bhalla, CS (Resigned w.e.f 17.12.2018)  
 Ms. Lucinda D'souza, CS (Appointed w.e.f. 17.12.2018)
- (c) Relatives of KMP  
 Mr. Nilesh Agarwal  
 Mr. Mukul Agarwal  
 Mr. Virel Agarwal
- (d) Concerns in which KMP are interested  
 ANZ Transporters  
 Agarwal Gas Carriers  
 Agarwal Translink P Ltd  
 Agarwal Motor Repairs  
 Balaji Tyre  
 Shree Balaji Engineering Work

##### Transaction with the related parties during the year

(₹ in lakhs)

Name of Party	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Key Managerial Personnel (KMP)</b>		
- Directors remunerations	114.00	90.60
- Salary	25.28	27.08
- Rent paid	16.32	16.32
<b>Relatives of KMP</b>		
- Salary	19.50	18.00
<b>Subsidiary</b>		
- Sale of Material	86.29	75.60
<b>Concerns in which KMP are interested</b>		
- Subcontract Payments	748.09	909.77
- Subcontract receipts	869.96	836.23
- Labour charges received	20.63	24.11
- Sale of Spare parts & Oil	44.15	26.86
- Purchase of Tyres & Spare parts	151.95	-
- Purchase of HSD & Oil	575.87	449.44

**Balances outstanding as at year end**

(₹ in lakhs)

Name of Party	As at 31st March, 2019	As at 31st March, 2018
<b>Subsidiary</b>		
Investment in equity shares (including Deemed Investment)	232.50	353.50
Loan Given	21.00	-
<b>Key Managerial Personnel (KMP)</b>		
- Payables	0.99	0.89
<b>Relatives of KMP</b>		
- Payables	24.41	13.58
<b>Concerns in which KMP or Relatives are interested</b>		
- Receivables	556.94	527.88
- Payable	46.98	-

**42. Recent accounting pronouncements**

**Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – “Leases”. Ind AS 116 will replace the existing leases standards Ind AS 17 – “Leases” and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

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### Ind AS 12 – “Income taxes” - Appendix C – Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019.

The Company does not expect any impact from this pronouncement.

- 43 The Company is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management does not expect any material difference affecting the current year’s financial statements due to the same.
- 44 The financial statements were approved for issue by the Board of Directors on May 30, 2019.
- 45 The figures of the previous year’s have been regrouped or reclassified wherever necessary to make them comparable.

As per our report of even date

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

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

**(JAIPRAKASH AGARWAL)**  
**Managing Director**  
(DIN : 01379868)

**(MAHENDRA AGARWAL)**  
**Director**  
(DIN : 01366495)

**(AJAY SINGHAL)**  
**PARTNER**  
M.No. 104451  
Place : Mumbai  
Date : 30th May 2019

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

**(VIPIN AGARWAL)**  
**Chief Financial Officer**

**(LUCINDA D’SOUZA)**  
**Company Secretary**





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## INDEPENDENT AUDITOR'S REPORT

To the Members of Agarwal Industrial Corporation Limited

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Agarwal Industrial Corporation Limited** (hereinafter referred to as "the Holding Company") and its subsidiary **Bituminex Cochin Private Limited** (the holding company and its subsidiary constitute "the Group") which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss, the Consolidated Statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of subsidiary as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and its consolidated profits and its consolidated cash flows for the year ended on that date.

### Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined that there are no key audit matters to communicate in our report.

### Information other than the financial statements and auditors' report thereon

6. The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Management's Responsibility for the Consolidated Financial Statements

9. The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the Companies included in the Group is responsible for overseeing the financial reporting process of each company.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
  - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

16. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of ₹ 117.81 lacs as at 31<sup>st</sup> March 2019, total revenues of ₹ 294.28 lacs, net profit of ₹ 23.17 lacs and net cash outflow amounting to ₹ 35.04 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statement have been audited by the other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relate to the amounts and disclosure included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in-so-far as it relates to aforesaid subsidiary, is based solely on the report of the other auditor.
17. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

#### **Report on other Legal and Regulatory Requirements**

18. As required by section 197(16) of the Act, in our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of subsidiary companies incorporated in India which were not audited by us, we report that the Holding Company, and its subsidiary company covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 of the Act read with Schedule V to the Act.
19. As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2019, taken on record by the Board of Directors of the Holding Company and on the basis of the report of the statutory auditor of its subsidiary company, none of the directors is disqualified as on 31<sup>st</sup> March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:
- i) The Consolidated financial statements disclosed the impact of pending litigation as at 31<sup>st</sup> March 2019 on the consolidated financial position of the Group – Refer Note 33 to the consolidated financial statements;
  - ii) The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
  - iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group.

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

**Ajay Singhal**  
(Partner)  
M. No. 104451  
Place: Mumbai  
Dated : 30<sup>th</sup> May, 2019

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## **Annexure A to the Independent Auditors' Report**

Referred to as "Annexure A" in paragraph 19(f) under Independent Auditors' Report of even date to the members of **Agarwal Industrial Corporation Limited** on the consolidated financial statements for the year ended on 31st March, 2019.

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

1. We have audited the internal financial controls over financial reporting of **Agarwal Industrial Corporation Limited** ("the Holding Company") and its subsidiary company which are incorporated in India, as on 31<sup>st</sup> March, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

8. In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note.

**Other Matter**

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

**For Ladha Singhal & Associates**  
**Chartered Accountants**

Firm Registration No.: 120241W

**(Ajay Singhal)**

**Partner**

M. No.: 104451

Place : Mumbai

Dated : 30<sup>th</sup> May, 2019

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019**

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>I. ASSETS</b>			
<b>1. Non - Current Assets</b>			
Property, Plant and Equipment	2	5,453.28	5,926.18
Capital Work-in-Progress		52.42	40.69
Goodwill on Consolidation		226.30	226.30
<b>Financial assets</b>			
(a) Investments	3	0.05	0.05
(b) Other Financial Assets	4	108.53	94.83
		<b>5,840.58</b>	<b>6,288.05</b>
<b>2. Current Assets</b>			
Inventories	5	2,718.60	3,684.64
<b>Financial assets</b>			
(a) Investments	6	938.09	859.00
(b) Trade Receivable	7	11,312.93	11,286.75
(c) Cash & Cash Equivalents	8	230.48	368.51
(d) Bank Balances Other than (c) above	9	114.30	139.81
(e) Loans	10	17.30	11.65
(f) Other Financial Assets	11	26.57	26.76
Current Tax Assets (net)	12	-	146.96
Other Current Assets	13	1,533.50	999.16
		<b>16,891.78</b>	<b>17,523.23</b>
<b>TOTAL</b>		<b>22,732.36</b>	<b>23,811.28</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	14(A)	1,025.87	1,025.87
(b) Other Equity	14(B)	12,327.34	11,164.74
		<b>13,353.22</b>	<b>12,190.61</b>
<b>2. Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings	15	495.03	1,305.29
Provisions	16	26.96	21.65
Deferred Tax Liability (Net)	31	432.78	373.41
		<b>954.78</b>	<b>1,700.36</b>
<b>3. Current Liabilities</b>			
<b>Financial liabilities</b>			
(a) Borrowing	17	6,278.05	7,102.53
(b) Trade Payables	18		
(i) total outstanding dues of micro and small enterprises		8.09	3.24
(ii) total outstanding dues of creditors other than micro and small enterprises		684.08	1,372.03
(c) Other Current financial liabilities	19	1,017.00	1,330.64
Other current liabilities	20	390.87	106.35
Short Term Provisions	21	0.48	5.51
Current Tax Liabilities (net)	22	45.80	-
		<b>8,424.36</b>	<b>9,920.31</b>
<b>TOTAL</b>		<b>22,732.36</b>	<b>23,811.28</b>
Significant Accounting Policies	1		

The accompanying notes are integral part of these financial statements

As per our report of even date

**For LADHA SINGHAL & ASSOCIATES**

Chartered Accountants

(Firm Regd. No. 120241W)

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

**(JAIPRAKASH AGARWAL)**  
Managing Director  
(DIN : 01379868)

**(MAHENDRA AGARWAL)**  
Director  
(DIN : 01366495)

**(AJAY SINGHAL)**

**PARTNER**

M.No. 104451

Place : Mumbai

Date : 30th May 2019

**(LALIT AGARWAL)**

**Whole Time Director**

(DIN : 01335107)

**(VIPIN AGARWAL)**

**Chief Financial Officer**

**(LUCINDA D'SOUZA)**

**Company Secretary**

**Twenty Fifth Annual Report  
2018-2019**

<b>CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH 2019</b>				(₹ in lakhs)
Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018	
I Revenue from Operations	23	53,147.47	41,411.15	
II Other Income	24	75.31	101.53	
III <b>Total Revenue (I + II)</b>		<b>53,222.78</b>	<b>41,512.68</b>	
IV <b>Expenses</b>				
Cost of Material Consumed	25	13,003.68	6,479.99	
Excise Duty		-	14.79	
Purchase of Stock in Trade		28,018.82	27,031.09	
Change in inventories of Finished goods and Semi finished goods	26	1,300.89	(1,955.14)	
Manufacturing, Operating and Other Direct Expenses	27	6,155.51	5,807.44	
Employee Benefits Expenses	28	495.78	498.03	
Finance Cost	29	922.43	858.42	
Depreciation and Amortization Expense	2	836.31	831.79	
Other Expenses	30	463.80	480.95	
<b>Total Expenses</b>		<b>51,197.22</b>	<b>40,047.37</b>	
V <b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>2,025.56</b>	<b>1,465.31</b>	
VI Exceptional Items / Extraordinary Items		-	-	
VII <b>Profit / (Loss) Before Tax (V-VI)</b>		<b>2,025.56</b>	<b>1,465.31</b>	
VIII <b>Tax Expense:</b>	31			
(a) Current Tax		622.90	334.56	
(b) Deferred Tax (Asset) / Liability		57.44	103.42	
(c) Short Provision for Tax for earlier years		0.69	(0.35)	
		<b>681.03</b>	<b>437.62</b>	
<b>TOTAL OPERATIONS</b>				
IX <b>Profit / (Loss) for the Year (VII - VIII)</b>		1,344.53	1,027.69	
X <b>OTHER COMPREHENSIVE INCOME</b>				
A. (i) Items that will not be reclassified to profit & loss-Income/(Exp)Remeasurements of post-employment benefit obligations		5.52	(0.38)	
A. (ii) Income tax relating to items that will not be reclassified to profit or loss		(1.93)	0.10	
XI <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX - X)</b>		<b>1,348.12</b>	<b>1,027.40</b>	
<b>Out of the Total Comprehensive Income above</b>				
<b>(a) Profit for the year attributable to:</b>				
(i) Owners of the parent		1,344.53	1,027.69	
(ii) Non-controlling interests		-	-	
<b>(b) Other comprehensive income - Loss attributable to:</b>				
(i) Owners of the parent		3.59	(0.28)	
(ii) Non-controlling interests		-	-	
<b>(c) Total comprehensive income attributable to:</b>				
(i) Owners of the parent		1,348.12	1,027.40	
(ii) Non-controlling interests		-	-	
XII <b>Earnings Per Equity Share of ₹ 10/- each :</b>				
Weighted average no. of shares (Basic & Diluted)		1,02,58,747	1,01,77,103	
(1) Basic Earning Per Share (₹)		13.11	10.10	
(2) Diluted Earning Per Share (₹)		13.11	10.10	
<b>Significant Accounting Policies</b>	1			
<b>The accompanying notes are integral part of these financial statements</b>				

As per our report of even date

**For LADHA SINGHAL & ASSOCIATES**

Chartered Accountants  
(Firm Regd. No. 120241W)

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

**(JAIPRAKASH AGARWAL)**  
Managing Director  
(DIN : 01379868)

**(MAHENDRA AGARWAL)**  
Director  
(DIN : 01366495)

**(AJAY SINGHAL)**  
PARTNER

M.No. 104451  
Place : Mumbai  
Date : 30th May 2019

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

**(VIPIN AGARWAL)**  
Chief Financial Officer

**(LUCINDA D'SOUZA)**  
Company Secretary



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	2,025.56	1,465.31
<b>Adjustments for</b>		
Depreciation	836.31	831.79
Interest & Finance Charges	922.43	824.72
Interest Received	(5.96)	(9.76)
Dividend received	(13.54)	(4.17)
Loss / (Profit) on sale of Mutual Funds	(19.92)	(18.03)
Loss / (Profit) on sale of fixed assets	2.58	(16.19)
Expected credit loss allowance	10.59	(1.00)
Fair valuation impact on Financial Assets	(32.36)	(23.92)
<b>Operating Profit Before Working Capital Adjustments</b>	<b>3,725.70</b>	<b>3,048.75</b>
<b>Changes in Working Capital</b>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	966.04	(1,970.13)
Trade receivables	(36.77)	(777.51)
Other financial assets (Current & Non-Current)	9.78	(63.82)
Other assets (Current & Non-Current)	(534.34)	372.13
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(683.10)	1,141.57
Other financial liabilities (Current & Non-Current)	(313.64)	245.59
Other liabilities (Current & Non-Current)	290.31	(625.65)
<b>Cash generated from operations</b>	<b>3,423.97</b>	<b>1,370.93</b>
Direct Tax Paid (Refund) [Net]	(430.84)	(561.37)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>2,993.13</b>	<b>809.57</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets	(386.06)	(1,955.47)
Proceeds from sale of fixed assets	8.34	152.00
Dividend Received	13.54	4.17
Sale of Mutual Fund-Current Investment	1,093.67	1,034.09
Interest Received	5.96	9.76
Purchase of Mutual Fund-Current Investment	(1,123.92)	(1,217.31)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(388.47)</b>	<b>(1,972.76)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest & Finance Charges	(864.60)	(823.46)
Money received against share warrants	-	258.75
Net Increase / (Decrease) in Working Capital Borrowing	(824.48)	1,312.32
Proceeds from Long Term Borrowings (Net)	(868.09)	472.03
Dividend Paid	(153.88)	(152.38)
Dividend Tax Paid	(31.63)	(31.02)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(2,742.68)</b>	<b>1,036.24</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(138.02)</b>	<b>(126.96)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>368.51</b>	<b>495.47</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>230.48</b>	<b>368.51</b>

**NOTES:**
**(1) Net Debt Reconciliations**

(₹ in lakhs)

	As at March 31, 2018	Cash Flows	Other - Borrowing Cost	As at March 31, 2019
Borrowings (Current)	7,102.53	(824.48)	-	6,278.05
Borrowings (Non-Current)	1,305.29	(868.09)	57.83	495.03
<b>Total</b>	<b>8,407.81</b>	<b>(1,692.57)</b>	<b>57.83</b>	<b>6,773.08</b>

As per our report of even date

**For LADHA SINGHAL & ASSOCIATES**

 Chartered Accountants  
 (Firm Regd. No. 120241W)

**FOR & ON BEHALF OF BOARD OF DIRECTORS**
**(JAIPRAKASH AGARWAL)**  
 Managing Director  
 (DIN : 01379868)

**(MAHENDRA AGARWAL)**  
 Director  
 (DIN : 01366495)

**(AJAY SINGHAL)**  
 PARTNER

 M.No. 104451  
 Place : Mumbai  
 Date : 30th May 2019

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

**(VIPIN AGARWAL)**  
 Chief Financial Officer

**(LUCINDA D'SOUZA)**  
 Company Secretary

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019**

**(A) Equity Share Capital**

(₹ in lakhs)

	Amount
<b>Balance as at April 01, 2017</b>	<b>1,015.87</b>
Add: Issue of Shares during the year on Conversion of warrants	10.00
<b>Balance as at March 31, 2018</b>	<b>1,025.87</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2019</b>	<b>1,025.87</b>

**(B) Other Equity**

(₹ in lakhs)

Particulars	Reserves and Surplus						Other Comprehensive income - Employee Benefit Expenses	Total
	Securities premium	Capital Investment Subsidy	Investment Allowance Reserve (Utilised)	Retained Earning	Share Forfeiture	Share Warrants		
<b>Balance as at April 01, 2017</b>	<b>4,791.58</b>	<b>0.76</b>	<b>0.62</b>	<b>4,767.63</b>	<b>82.12</b>	<b>431.25</b>	<b>(1.98)</b>	<b>10,071.99</b>
Issue of Share warrants during the year	-	-	-	-	-	258.75	-	258.75
Conversion of warrants into Equity	-	-	-	-	-	(345.00)	-	(345.00)
On conversion of warrants during the year	335.00	-	-	-	-	-	-	335.00
Profit for the year	-	-	-	1,027.69	-	-	-	1,027.69
Other comprehensive income for the year	-	-	-	-	-	-	(0.28)	(0.28)
Dividend paid during the year	-	-	-	(152.38)	-	-	-	(152.38)
Tax on Dividends	-	-	-	(31.02)	-	-	-	(31.02)
<b>Balance as at March 31, 2018</b>	<b>5,126.58</b>	<b>0.76</b>	<b>0.62</b>	<b>5,611.91</b>	<b>82.12</b>	<b>345.00</b>	<b>(2.26)</b>	<b>11,164.74</b>
Issue of Share warrants during the year	-	-	-	-	-	-	-	-
Conversion of warrants into Equity	-	-	-	-	-	-	-	-
On conversion of warrants during the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	1,344.53	-	-	-	1,344.53
Other comprehensive income for the year	-	-	-	-	-	-	3.59	3.59
Dividend paid during the year	-	-	-	(153.88)	-	-	-	(153.88)
Tax on Dividends	-	-	-	(31.63)	-	-	-	(31.63)
<b>Balance as at March 31, 2019</b>	<b>5,126.58</b>	<b>0.76</b>	<b>0.62</b>	<b>6,770.93</b>	<b>82.12</b>	<b>345.00</b>	<b>1.33</b>	<b>12,327.34</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date

**For LADHA SINGHAL & ASSOCIATES**

Chartered Accountants

(Firm Regd. No. 120241W)

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

**(JAIPRAKASH AGARWAL)**

Managing Director

(DIN : 01379868)

**(MAHENDRA AGARWAL)**

Director

(DIN : 01366495)

**(AJAY SINGHAL)**

**PARTNER**

M.No. 104451

Place : Mumbai

Date : 30th May 2019

**(LALIT AGARWAL)**

**Whole Time Director**

(DIN : 01335107)

**(VIPIN AGARWAL)**

**Chief Financial Officer**

**(LUCINDA D'SOUZA)**

**Company Secretary**

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## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

### 1 (A). CORPORATE INFORMATION:

The consolidated financial statements comprises financial statements of Agarwal Industrial Corporation Limited (Parent Group) and its wholly owned subsidiary, Bituminex Cochin Private Limited (hereinafter to be referred as the Group) for the year ended March 31, 2019.

The Parent Company, Agarwal Industrial Corporation Ltd was originally incorporated with the name, Bombay Baroda Roadways (India) Limited in the year 1995 as a public limited company under the provisions of the Companies Act, 1956. Subsequently, in the year 2008, the name of parent company was changed from Bombay Baroda Roadways (India) Limited to Agarwal Industrial Corporation Ltd. The equity shares of the company are listed on the NSE and BSE. The Company is principally engaged in the business activities of manufacturing and trading of Petrochemicals (Bitumen and Bituminous Products), Logistics of Bitumen and Liquefied Petroleum Gas (LPG) and energy generation through Wind Mills.

### 1 (B). SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Basis of Preparation of Consolidated Financial Statements:

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

The consolidated financial statements of the Group are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- (i) Certain financial assets and liabilities are measured at Fair value (Refer note no. 7 below)
- (ii) Defined benefit employee plan (Refer note no. 13 below)

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

#### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Group and its subsidiaries as at March 31, 2019.

#### Subsidiaries

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) Exposure, or rights, to variable returns from its involvement with the investee
- (c) The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary.

#### Consolidation Procedure

#### Subsidiaries

- (a) Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- (b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and Cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment (PPE), are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Group and to the noncontrolling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

**Changes in the Group's ownership interest in existing subsidiaries:**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the group.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any noncontrolling interests.

The consolidated financial statements are presented in INR, the functional currency of the Group.

**2. Use of Estimates and judgments:**

The preparation of the consolidated financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Critical accounting judgements and key source of estimation uncertainty**

The Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

- (a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Note no. - 13
- (b) Estimation of current tax expenses and payable - Refer note no. - 14

**3. Property, plant and equipment (PPE)**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing

the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

#### **4. Intangible assets**

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

#### **5. Depreciation and Amortization:**

##### **(a) Property plant and equipment (PPE)**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

##### **(b) Intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively on the basis of revised estimates.

#### **6. Investment Properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided based on straight line method using the useful life as specified in schedule II of the Companies Act, 2013 .

#### **7. Financial Instruments:**

##### **Financial assets - Initial recognition:**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

##### **Subsequent measurement:**

##### **Financial assets are subsequently classified as measured at:**

- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the group changes its business model for managing financial assets.

**(i) Measured at amortised cost:**

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the Effective Interest Rate method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

**Impairment**

The Group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVTOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Group's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Group does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Group recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial

recognition, then the Group reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

#### **Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

#### **Financial Liabilities**

##### **Initial Recognition and measurement**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Group's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement :** Financial liabilities measured at amortised cost are subsequently measured at using Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Loans & Borrowings :** After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

**Financial Guarantee Contracts :** Financial guarantee contracts issued by the Group are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

##### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

##### **Derivative financial instruments**

The Group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **8. Fair Value Measurement**

The Group measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability."

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:"

**(i) Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**(ii) Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**(iii) Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**9. Inventory**

Inventories are valued at the lower of cost and net realisable value. Cost is computed on First-in-First-Out (FIFO) basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

**10. Cash and Cash Equivalents:**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**11. Foreign Currency Transactions:**

**a) Initial Recognition**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

**b) Measurement of Foreign Currency Items at the Balance Sheet Date**

Foreign currency monetary items of the Group are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

**12. Revenue Recognition:**

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes and amounts collected on behalf of third parties.

The Group recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer 's creditworthiness. It is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.



### **Sale of Goods**

Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. In case of export sale, it is usually recognised based on the shipped-on board date as per bill of lading.

### **Rendering of Services**

Income from services rendered is recognised based on agreements /arrangements with the customers as the service is performed / rendered.

### **Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

### **Dividend**

Dividend Income is recognized when right to receive the same is established.

## **13. Employee Benefits:**

The Group has provides following post-employment plans:

- (a) Defined benefit plans such a gratuity and
- (b) Defined contribution plans such as Provident fund

### **a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income  
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.  
Re-measurement comprising of actuarial gains and losses arising from
  - (a) Re-measurement of Actuarial (gains)/losses
  - (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
  - (c) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Group determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

### **b) Defined-contribution plan:**

Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

**14. Taxes on Income:**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Group offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

**15. Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

**16. Earnings Per Share:**

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**17. Leases:**

**Where the Group is Lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

**Where the Group is Lessor**

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Group recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

#### **18. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

Notes to the consolidated financial statements for the year ended 31st March, 2019

Note 2 (a) Property, Plant & Equipment

Particulars	(₹ in Lakhs)											Total			
	Land	Land - Lease Hold	Commercial Vehicles	Furniture & Fixtures	Computers & Printers	Office Equipments	Electrical Fittings	Borewell	Factory Building	Motor Car & Other Vehicles	Workshop		Plant & Machinery	Laboratory Equipment	Wind Mill
<b>Gross carrying amount</b>															
Balance as at March 31, 2017	139.88	4.59	2,689.54	56.44	7.13	17.14	47.81	2.05	257.90	198.26	25.47	588.06	4.48	711.03	4,749.77
Additions	-	-	1,356.23	-	1.36	3.54	37.37	1.60	57.19	100.22	-	1,164.77	-	-	2,722.27
Disposals	-	-	(139.50)	-	-	-	-	-	-	(3.56)	-	-	-	-	(143.06)
<b>Balance as at March 31, 2018</b>	<b>139.88</b>	<b>4.59</b>	<b>3,906.28</b>	<b>56.44</b>	<b>8.48</b>	<b>20.67</b>	<b>85.18</b>	<b>3.65</b>	<b>315.09</b>	<b>294.92</b>	<b>25.47</b>	<b>1,752.83</b>	<b>4.48</b>	<b>711.03</b>	<b>7,328.98</b>
Additions	-	104.87	221.85	19.54	1.92	3.97	2.46	-	-	-	-	19.73	-	-	374.33
Disposals	-	-	(8.52)	-	-	-	-	-	-	(17.35)	-	-	-	-	(25.87)
<b>Balance as at March 31, 2019</b>	<b>139.88</b>	<b>109.46</b>	<b>4,119.60</b>	<b>75.98</b>	<b>10.40</b>	<b>24.64</b>	<b>87.64</b>	<b>3.65</b>	<b>315.09</b>	<b>277.57</b>	<b>25.47</b>	<b>1,772.56</b>	<b>4.48</b>	<b>711.03</b>	<b>7,677.45</b>
<b>Accumulated depreciation</b>															
<b>Accumulated depreciation as at March 31, 2017</b>	-	-	414.55	7.60	3.19	5.29	6.16	0.85	8.28	26.72	1.08	57.02	0.78	46.74	578.27
Depreciation charge for the year	-	-	623.21	7.55	2.69	5.44	8.69	1.02	9.25	33.95	1.08	91.40	0.77	46.74	831.79
Disposals	-	-	(6.54)	-	-	-	-	-	-	(0.72)	-	-	-	-	(7.25)
<b>Accumulated depreciation as at March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>1,031.22</b>	<b>15.16</b>	<b>5.87</b>	<b>10.73</b>	<b>14.85</b>	<b>1.87</b>	<b>17.54</b>	<b>59.95</b>	<b>2.16</b>	<b>148.42</b>	<b>1.55</b>	<b>93.48</b>	<b>1,402.80</b>
Depreciation charge for the year	-	-	618.83	8.84	2.02	4.07	9.82	0.53	10.06	33.01	1.08	100.61	0.71	46.74	836.31
Disposals	-	-	(5.48)	-	-	-	-	-	-	(9.46)	-	-	-	-	(14.94)
<b>Accumulated depreciation as at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>1,644.56</b>	<b>24.00</b>	<b>7.89</b>	<b>14.80</b>	<b>24.67</b>	<b>2.41</b>	<b>27.60</b>	<b>83.50</b>	<b>3.24</b>	<b>249.03</b>	<b>2.26</b>	<b>140.23</b>	<b>2,224.16</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>139.88</b>	<b>4.59</b>	<b>2,875.05</b>	<b>41.28</b>	<b>2.61</b>	<b>9.94</b>	<b>70.33</b>	<b>1.77</b>	<b>297.55</b>	<b>234.97</b>	<b>23.31</b>	<b>1,604.41</b>	<b>2.93</b>	<b>617.55</b>	<b>5,926.18</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>139.88</b>	<b>109.46</b>	<b>2,475.04</b>	<b>51.98</b>	<b>2.51</b>	<b>9.84</b>	<b>62.98</b>	<b>1.24</b>	<b>287.49</b>	<b>194.07</b>	<b>22.23</b>	<b>1,523.53</b>	<b>2.22</b>	<b>570.80</b>	<b>5,453.28</b>

Notes:

1. Refer note no. 34 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

(b) Capital work in progress

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Building	9.42	9.42
Bulk Liquid Storage Terminal	42.99	31.27
<b>Total</b>	<b>52.42</b>	<b>40.69</b>

Notes to the consolidated financial statements for the year ended 31st March, 2019

Note 3 : Non-Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Trade - Unquoted</b>		
<b>Investment in Government Securities - At Cost</b>		
National Saving Certificate (lying with government authority)	0.05	0.05
<b>TOTAL</b>	<b>0.05</b>	<b>0.05</b>
<b>Note:</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	<b>0.05</b>	<b>0.05</b>

Note 4 : Other Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, Considered good</b>		
Security Deposit	108.53	94.83
<b>TOTAL</b>	<b>108.53</b>	<b>94.83</b>

Note 5 : Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(Valued at lower of Cost or Net Realizable Value)</b>		
Finished Goods	2,018.99	3,284.67
Semi Finished Goods	124.64	155.26
Raw Material	511.98	214.98
Stores, Spares & Packing Material	62.99	29.73
<b>TOTAL</b>	<b>2,718.60</b>	<b>3,684.64</b>

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**Note 6 : Current Investments**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Investment in Mutual Fund</b>		
<b>Fair Value through Profit &amp; loss Account</b>		
<b>Non Trade - Unquoted</b>		
431725.782 (431725.782) units of Reliance Equity Saving fund	55.26	53.49
78343.39 (78343.39) units of SBI Corporate Bond Fund Regular Plan Growth	23.41	21.89
495 (495) units of SBI Premier Liquid Fund Regular Plan Growth	14.43	13.44
242350.803 (242350.803) units of ICICI Prudential Balanced Advantage Fund	85.65	80.24
914899.913 (1348803.396) units of Reliance Gilt Securities Fund	227.17	307.42
Nil (106453.646) units of Frankline India Ultra Short Bond Fund	-	25.72
771680.032 (618454.065) units of ICICI Prudential Equity Arbitrage Fund- Dividend	105.11	92.95
82000 (82000) units of Axis Dynamic Equity fund Growth	8.95	8.49
1575085.315 (755200.46) units of Reliance Arbitrage Advantage Fund	167.37	79.90
Nil (126176.511) units of Reliance Top 200 Fund Growth Plan	-	39.14
Nil (180327.773) units of Reliance Regular Saving Fund Balance Plan	-	96.19
239117.751 units of Reliance Hybrid Bond Fund Growth Plan	104.30	-
5721.441 units of ICICI Prudential Liquid Fund Growth	15.76	-
9700.619 units of ICICI Prudential Money Market Fund Growth	25.11	-
500000 units of ICICI Prudential Manufacture in India Fund Growth	52.65	-
96666.993 units of ICICI Prudential Ultra Short Term Fund - Monthly Dividend	10.32	-
	-	-
15898.047 (15898.047) units of ICICI Prudential Multi Assets Fund - Growth	42.60	40.12
<b>TOTAL</b>	<b>938.09</b>	<b>859.00</b>
<b>Note:</b>		
<b>Aggregate amount of quoted investments and market value thereof</b>	-	-
<b>Aggregate amount of unquoted investments</b>	<b>938.09</b>	<b>859.00</b>

**Note 7 : Trade Receivable**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	9,483.75	9,047.52
Less: Expected Credit Loss	(54.92)	(44.33)
Trade Receivables which have significant increase in Credit Risk	1,884.11	2,283.56
Trade Receivables - credit impaired		
<b>TOTAL</b>	<b>11,312.93</b>	<b>11,286.75</b>

**Note 8 : Cash and Cash Equivalents**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash on Hand	62.26	28.26
Balance with Scheduled Banks		
- In Current Accounts	160.08	340.24
Cheques, Drafts on Hand	8.15	-
<b>TOTAL</b>	<b>230.48</b>	<b>368.51</b>

**Note 9 : Bank balances other than cash & cash equivalents**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Balance with banks</b>		
- In Dividend Accounts	13.42	15.11
- In Fixed Deposit Account	100.88	124.70
<b>TOTAL</b>	<b>114.30</b>	<b>139.81</b>

**Note 10 : Loans**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured		
- Advances to Staff	17.30	11.65
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
<b>TOTAL</b>	<b>17.30</b>	<b>11.65</b>

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**Note 11 : Other Financial Assets**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Accrued Interest on Fixed Deposit	26.57	26.76
<b>TOTAL</b>	<b>26.57</b>	<b>26.76</b>

**Note 12 : Current Tax Assets (Net)**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance Income Tax and Tax Deducted at Source (Net of Provision)	-	146.96
<b>TOTAL</b>	<b>-</b>	<b>146.96</b>

**Note 13 : Other current assets**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, Considered good</b>		
<b>Other Loan and Advances</b>		
- Advances recoverable in cash or in kind or for value to be received	564.29	612.60
- Advance to Supplier	741.79	12.29
- Prepaid Expenses	9.93	1.71
<b>Balance with Government Authorities</b>		
- Deposit with Custom Authority - Under Appeal	25.53	25.53
- Deposit with Sales Tax Authority - Under Appeal	28.23	62.12
- Income Tax Paid - Under Appeal	109.00	109.00
- Excise Duty Paid - Under Appeal	1.00	1.00
- Service tax Paid - Under Appeal	1.40	1.05
- Input Tax Credit under GST Receivable	33.50	128.17
- VAT Refund Receivable-GVAT	0.14	0.14
- Amount due as refund of Additional Duty of Custom	18.69	45.55
<b>TOTAL</b>	<b>1,533.50</b>	<b>999.16</b>

**Note 14(A) : Share Capital**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Authorised:</b>		
1,30,00,000 ( PY 1,30,00,000) Equity Shares of ₹ 10/- each	1,300.00	1,300.00
<b>TOTAL</b>	<b>1,300.00</b>	<b>1,300.00</b>
<b>Issued, Subscribed and Paid up:</b>		
1,02,58,747 ( PY 1,02,58,747) Equity Shares of ₹10/- each with voting rights, fully paid up	1,025.87	1,025.87
<b>TOTAL</b>	<b>1,025.87</b>	<b>1,025.87</b>



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

	As at 31st March, 2019	As at 31st March, 2018
Number of shares at the beginning of the year	1,02,58,747	1,01,58,747
Add: Issue of Shares during the year on Conversion of warrants	-	1,00,000
Number of shares at the end of the year	<u>1,02,58,747</u>	<u>1,02,58,747</u>

(ii) Terms/rights attached to Equity Shares

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

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

Nil Nil

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

Name of Share Holder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ramchandra Agarwal	5,32,525	5.19	5,32,525	5.19
Jaiprakash Agarwal	6,41,850	6.26	6,41,850	6.26
Garnet International Ltd	11,41,522	11.13	13,83,540	13.49

Note 14(B) : Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>a) Security Premium</b> Amount received (on issue of shares) in excess of the par value has been classified as securities premium	5,126.58	5,126.58
<b>b) Capital Investment Subsidy</b> The reserve was created in compliances of prevailing provisions of Income tax Act, 1961 to avail certain tax benefits	0.76	0.76
<b>c) Investment Allowance Reserve (Utilised)</b> The reserve was created in compliances of prevailing provisions of Income tax Act, 1961 to avail certain tax benefits	0.62	0.62
<b>d) Retained Earning</b> These are Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistributed profits for the year	6,770.93	5,611.91
<b>e) Other comprehensive income</b> Other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability	1.33	(2.26)
<b>f) Share Forfeiture</b> Shares allotted being forfeited on account of calls remained unpaid	82.12	82.12
<b>g) Share warrants</b> It is the right to purchase the shares of a stock at a certain price and within a stipulated time period. The same has been lapsed due to non compliance during the year	-	345.00
<b>h) Capital Reserve</b> Amount transferred during the year on account of share warrants that lapsed due to non-compliance being forfeited	345.00	-
<b>TOTAL</b>	<b>12,327.34</b>	<b>11,164.74</b>

**Note 15 : Borrowings - Non- Current**

(₹ in lakhs)

Particulars	Non-Current Portion		Current Portion	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Secured Loans</b>				
<b>Term Loans</b>				
(i) From Bank	495.03	1,310.60	892.34	1,160.51
	<b>495.03</b>	<b>1,310.60</b>	<b>892.34</b>	<b>1,160.51</b>
Less: Uamortised borrowing cost	-	(5.31)	-	-
<b>TOTAL</b>	<b>495.03</b>	<b>1,305.29</b>	<b>892.34</b>	<b>1,160.51</b>

**Note:**

- Above Loan consisting of Vehicle Loan from Various Banks and Financial Institution.
- Vehicle finance from Banks & FI's is secured against Hypothecation of specific vehicle financed and is repayable in equated monthly instalment over the tenure of the loan.

**Note 16 : Provisions - Non Current**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employees Benefit expenses	26.96	21.65
<b>TOTAL</b>	<b>26.96</b>	<b>21.65</b>

**Note 17 : Borrowing - Current**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Secured Loans</b>		
(i) From Bank		
Working Capital Finance	6,278.05	7,102.53
(Secured against Hypothecation of Stock, Books Debts, Current Assets, movable & immovable fixed assets of the Company, immovable property of it's directors and personal gaurantee of some of the Directors)		
<b>TOTAL</b>	<b>6,278.05</b>	<b>7,102.53</b>

**Note 18 : Trade Payables**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Trade Payables:</b>		
<b>Payable for Goods &amp; Services</b>		
- Due to Micro, Small and Medium Enterprises	8.09	3.24
- Due to Others	684.08	1,372.03
<b>TOTAL</b>	<b>692.17</b>	<b>1,375.28</b>

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2019 and 31 March 2018 :

	Particulars	As at 31st March, 2019	As at 31st March, 2018
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	8.09	3.24
ii)	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

**Note 19 : Other Current Financial Liabilities**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturity of Long Term Borrowings (Refer Note No 15)	892.34	1,160.51
Payable for Expenses	86.30	94.08
Payable for Capital Goods	17.45	53.46
Unclaimed Dividend	13.41	15.10
Other Liability	7.50	7.50
<b>TOTAL</b>	<b>1,017.00</b>	<b>1,330.64</b>

**Note 20 : Other Current Liabilities**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Remittances	116.16	38.87
Advances From Customer	274.71	67.48
<b>TOTAL</b>	<b>390.87</b>	<b>106.35</b>

**Note 21 : Short Term Provisions**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee benefits	0.48	5.51
<b>TOTAL</b>	<b>0.48</b>	<b>5.51</b>

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**Note 22 : Current Tax Liabilities (Net)** (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Taxation (Net of Taxes Paid)	45.80	-
<b>TOTAL</b>	<b>45.80</b>	<b>-</b>

**Note 23 : Revenue from Operations** (₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Sales of goods (including excise duty)	46,878.79	35,502.97
<b>Sale of Services</b>		
Vehicle Freight Income	6,044.10	5,755.04
Labour & Processing Charges received	60.33	9.79
<b>Other Operating Revenue</b>		
Sale of Power - Wind mill	164.25	143.35
<b>TOTAL</b>	<b>53,147.47</b>	<b>41,411.15</b>

**Note 24 : Other Income** (₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Foreign exchange fluctuation gain	3.31	28.10
Interest received on fixed deposits with banks	5.96	9.76
Miscellaneous Income	33.69	39.75
Gain on Fair valuation of Financial assets	32.36	23.92
<b>TOTAL</b>	<b>75.31</b>	<b>101.53</b>

**Note 25 : Cost of Material Consumed** (₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Stock	214.98	223.01
Add:- Purchases during the year	13,302.68	6,471.95
	<b>13,517.66</b>	<b>6,694.97</b>
Less: - Closing Stock	513.98	214.98
<b>TOTAL</b>	<b>13,003.68</b>	<b>6,479.99</b>

**Note 26 : Change in inventories of Finished goods and Semi finished goods**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Opening Stock</b>		
Inventory of Finished Goods as at the beginning of the year	3,289.87	1,298.36
Inventory of Semi Finished Goods as at the beginning of the year	154.80	186.44
<b>Less : Closing Stock</b>		
Inventory of Finished Goods as at the end of the year	2,019.13	3,284.67
Inventory of Semi Finished Goods as at the end of the year	124.64	155.26
<b>TOTAL</b>	<b>1,300.89</b>	<b>(1,955.14)</b>

**Note 27 : Manufacturing, Operating and Other Direct Expenses**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Transportation Charges	430.67	504.77
Labour Charges	65.57	60.78
Repairs & Maintenance - Machinery	34.06	35.03
Electricity, Power & Fuel	38.18	47.20
Storage Terminal Rent	416.53	467.50
Heating and Fuel Charges	198.52	156.74
Other Direct Expenses	73.26	76.33
Vehicle Running & Maintenance Expenses	4,314.90	3,715.57
Freight Paid	547.37	736.48
Wind Mill Expenses	36.46	7.03
<b>TOTAL</b>	<b>6,155.51</b>	<b>5,807.44</b>

**Note 28 : Employees Benefits Expenses**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries and Wages	331.77	353.34
Directors Remuneration	114.00	90.60
Contribution towards employees welfare fund	0.77	0.82
Gratuity	5.79	6.06
Staff Welfare	43.45	47.21
<b>TOTAL</b>	<b>495.78</b>	<b>498.03</b>

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**Note 29 : Finance Cost**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Paid to Banks	853.70	813.27
Interest Paid to Others	10.90	11.45
Other Borrowing Cost	57.83	33.70
<b>TOTAL</b>	<b>922.43</b>	<b>858.42</b>

**Note 30 : Other Expenses**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>(A) Administrative Expenses</b>		
Rent, Rates & Taxes	50.70	60.28
Payment to Auditors		
- Statutory Audit fees	2.73	2.71
- Tax Audit Fees	1.18	1.18
- Certification Work	0.75	0.75
Insurance	10.81	12.22
Share Transfer Fees	1.51	1.75
Legal & Professional Charges	46.14	47.04
Bank Charges & Commission	10.37	5.91
Electricity Expenses	9.54	7.84
Listing Fees & Custodian Charges	6.85	6.30
Postage and Telephone	11.81	10.39
Security Charges	14.62	16.63
Printing & Stationery	6.66	6.33
Vehicle Expenses	12.63	10.47
Travelling & Conveyance	80.98	72.13
Bad Debts written off	-	30.26
Expected credit loss allowance/ (reversed)	10.59	(1.00)
Repair & Maintenance - Other	8.97	5.39
Repairs to Building	0.20	-
Expenditure on Corporate Social Responsibility	25.71	21.51
Miscellaneous Expenses	45.21	56.77
	<b>357.96</b>	<b>374.86</b>
<b>(B) Selling and Distribution Expenses</b>		
Advertisement & Business Promotion Expenses	5.80	2.62
Commission Paid	100.04	103.48
	<b>105.84</b>	<b>106.09</b>
<b>TOTAL</b>	<b>463.80</b>	<b>480.95</b>

**Note 31 : Income Tax**
**(a) Tax expense recognised in the Statement of profit and loss:**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Current Tax</b>		
Current year	622.90	334.56
Short Provision for Tax for earlier years	0.69	(0.35)
<b>Total current tax</b>	<b>623.59</b>	<b>334.21</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	57.44	103.42
<b>Total deferred income tax expense/(credit)</b>	<b>57.44</b>	<b>103.42</b>
<b>Total income tax expense/(credit)</b>	<b>681.03</b>	<b>437.62</b>

A reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group is as follows :

**(b) Reconciliation of effective tax rate**

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Profit /(loss) before taxation	2,025.56	1,465.31
Enacted income tax rate in India	34.94%	33.06%
Tax at the enacted income tax rate	707.81	484.48
<b>Reconciliation line items:</b>		
Tax benefits u/s 80IA	44.65	45.07
Tax pertaining to Earlier Years	-	-
Others (Due to change in tax rate and other disallowances)	(17.87)	1.78
<b>Tax expense/ (credit)</b>	<b>681.03</b>	<b>437.62</b>

**(c) The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2018:**
**For the year Ended March 31, 2018**

(₹ in lakhs)

	As at April 01, 2017	Charge / (Credit) in Statement of profit and loss	As at March 31, 2018
<b>Deferred tax assets/(liabilities)</b>			
On Account of Depreciation	290.39	97.99	388.37
Due to disallowances under Income Tax	(7.17)	(1.81)	(8.98)
On account of Fair valuation of Financial assets and liabilities	(13.12)	7.14	(5.98)
	<b>270.10</b>	<b>103.32</b>	<b>373.41</b>

For the year Ended March 31, 2019

(₹ in lakhs)

	As at April 01, 2018	Charge / (Credit) in Statement of profit and loss	As at March 31, 2019
<b>Deferred tax assets/(liabilities)</b>			
On Account of Depreciation	388.37	53.90	442.28
Due to disallowances under Income Tax	(8.98)	(0.61)	(9.59)
On account of Fair valuation of Financial assets and liabilities	(5.98)	6.07	0.10
	<b>373.41</b>	<b>59.37</b>	<b>432.78</b>

**32. DISCLOSURE PURSUANT TO IND AS - 19 “EMPLOYEE BENEFITS”**

i) **Gratuity:** In accordance with the applicable laws, the parent Company provides for gratuity, a defined benefit retirement plan (“The Gratuity Plan”) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The disclosure in respect of the defined Gratuity Plan are given below:

**A. Balance Sheet**

(₹ in lakhs)

	Defined benefit plans	
	As at March 31, 2019	As at March 31, 2018
Present value of plan liabilities	27.44	27.17
Fair value of plan assets	-	-
<b>Asset/(Liability) recognised</b>	<b>27.44</b>	<b>27.17</b>

**B. Movements in plan assets and plan liabilities**

(₹ in lakhs)

	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2018</b>	27.2	-
Current service cost	3.8	-
Past service cost	-	-
Interest Cost/(Income)	2.0	-
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(0.5)	-
Actuarial (gain)/loss arising from experience adjustments	(5.0)	-
Employer contributions	-	-
Benefit payments	-	-
<b>As at 31st March 2019</b>	<b>27.4</b>	<b>-</b>



(₹ in lakhs)

	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2017</b>	20.73	-
Current service cost	4.50	-
Past service cost	-	-
Interest Cost/(Income)	1.55	-
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	-
Actuarial (gain)/loss arising from experience adjustments	0.38	-
Employer contributions	-	-
Benefit payments	-	-
<b>As at 31st March 2018</b>	<b>27.17</b>	<b>-</b>

### C. Statement of Profit and Loss

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
<b>Employee Benefit Expenses:</b>		
Current service cost	3.76	4.50
Interest cost/(income)	2.04	1.55
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>5.79</b>	<b>6.06</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/ (cost)	-	-
Actuarial gains/(losses) arising from changes in financial assumptions	(0.50)	-
Experience gains/(losses)	(5.02)	0.38
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(5.52)</b>	<b>0.38</b>

### D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2019	As at March 31, 2018
<b>Financial Assumptions</b>		
Discount rate	7.65%	7.50%
Salary Escalation Rate	5.00%	5.00%

**E. Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are: (₹ in lakhs)

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	24.45	31.01
Salary Escalation Rate	1.00%	31.20	24.26

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**F. The defined benefit obligations shall mature after year end 31st March, 2019 as follows:** (₹ in lakhs)

Year ending March 31, 2019	Defined benefit obligation
2019	0.48
2020	0.54
2021	0.59
2022	2.78
2023	0.63
Thereafter	21.09

**33. Contingent liabilities**

(₹ in lakhs)

Particulars	As at	As at
	31st March, 2019	31st March, 2018
Claims against the Company not acknowledged as debts		
liabilities that may arise in respect of disputed matters in relation to		
- Sales tax	-	1.39
- Entry tax	43.72	100.51
- Import duty	32.00	32.00
- Excise duty	12.43	12.43
- Income tax	442.79	442.79
- Service tax	27.93	27.93
- Local Body Tax	14.11	14.11
<b>TOTAL</b>	<b>572.98</b>	<b>631.16</b>

Note: - The Group's pending litigations comprise of claims against the Group and proceedings pending with tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

### 34. Commitments

The Group does not have any commitments (including capital commitments) as on the Balance sheet date. (As at march 31, 2018 - Nil)

### 35. Earning Per share

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax available for equity shareholders	1,344.53	1,027.69
Weighted average number of equity shares	1,02,58,747	1,01,77,103
Nominal value of equity shares	10.00	10.00
Basic and diluted Earning Per Share	13.11	10.10

### 36. Corporate Social Responsibility (CSR) expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Amount required to be spent as per section 135 of the Act</b>	25.71	21.51
Amount spent during the year on		
(i) Construction/acquisition of assets	-	-
(ii) on purpose other than above	15.99	21.49

### 37. Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

As at March 31, 2019

(₹ in lakhs)

Financial assets	FVTOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
Investments	-	938.09	0.05	938.14	938.14
Trade receivables	-	-	11,312.93	11,312.93	11,312.93
Cash and cash equivalents	-	-	230.48	230.48	230.48
Other bank balances	-	-	114.30	114.30	114.30
Loans	-	-	17.30	17.30	17.30
Other financial assets	-	-	135.10	135.10	135.10
<b>Total</b>	<b>-</b>	<b>938.09</b>	<b>11,810.16</b>	<b>12,748.26</b>	<b>12,748.26</b>
<b>Financial liabilities</b>					
Borrowings	-	-	6,773.08	6,773.08	6,773.08
Trade payables	-	-	692.17	692.17	692.17
Others	-	-	1,017.00	1,017.00	1,017.00
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>8,482.25</b>	<b>8,482.25</b>	<b>8,482.25</b>

As at March 31, 2018

(₹ In Lakhs)

Financial assets	FVTOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
Investments	-	859.00	0.05	859.05	859.05
Trade receivables	-	-	11,286.75	11,286.75	11,286.75
Cash and cash equivalents	-	-	368.51	368.51	368.51
Other bank balances	-	-	139.81	139.81	139.81
Loans	-	-	11.65	11.65	11.65
Other financial assets	-	-	121.59	121.59	121.59
<b>Total</b>	<b>-</b>	<b>859.00</b>	<b>11,928.35</b>	<b>12,787.35</b>	<b>12,787.35</b>
<b>Financial liabilities</b>					
Borrowings	-	-	8,407.81	8,407.81	8,407.81
Trade payables	-	-	1,375.28	1,375.28	1,375.28
Others	-	-	1,330.64	1,330.64	1,330.64
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>11,113.73</b>	<b>11,113.73</b>	<b>11,113.73</b>

**Fair value estimation**

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

(₹ In Lakhs)

<b>March 31, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Assets at fair value - Investments	938.09	-	-
<b>March 31, 2018</b>			
Assets at fair value - Investments	859.00	-	-

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

### 38. Financial risk factors

The Group's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Group's operations and to provide to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's activities exposes it to Liquidity Risk, Market Risk and Credit Risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

#### (a) Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Group manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Group.

#### (i) Financing arrangements

The Group has access to the following undrawn borrowing facilities as at the end of the reporting period:

(₹ in lakhs)

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Secured working capital credit facility from Banks	946.95	1,512.81

#### (ii) The following is the contractual maturities of the financial liabilities:

(₹ in lakhs)

	<b>Carrying amount</b>	<b>Payable on demand</b>	<b>1-12 months</b>	<b>More than 12 months</b>
<b>As at March 31, 2019</b>				
<b>Non-derivative liabilities</b>				
Borrowings	6,773.08	-	6,278.05	495.03
Trade payables	692.17	-	692.17	-
Other financial liabilities	1,017.00	-	1,017.00	-
	<b>8,482.25</b>	-	<b>7,987.22</b>	<b>495.03</b>

	Carrying amount	Payable on demand	1-12 months	More than 12 months
<b>As at March 31, 2018</b>				
<b>Non-derivative liabilities</b>				
Borrowings	8,407.81	-	7,102.53	1,305.29
Trade payables	1,375.28	-	1,375.28	-
Other financial liabilities	1,330.64	-	1,330.64	-
	<b>11,113.73</b>	<b>-</b>	<b>9,808.44</b>	<b>1,305.29</b>

**(b) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The Group's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

**(i) Foreign Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Group may be impacted due to volatility of the rupee against foreign currencies.

**Unhedged Foreign currency exposure**

As at March 31, 2019	Trade payables
AED	-
INR	-
<b>As at March 31, 2018</b>	<b>-</b>
<b>AED</b>	<b>47,12,280</b>
<b>INR (₹ in lakhs)</b>	<b>834.70</b>

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. According to the Group, interest rate risk exposure is only for floating rate borrowings. The Group is not significantly exposed to the interest rate risk, since the borrowings of the Group are on Fixed interest rate basis.

**(iii) Commodity Risk**

Commodity price risk arises due to fluctuation in prices of crude oil. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price and availability. The Group manages this risk by widening its source base, appropriate contracts and commitments and well planned procurement.

**Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. The Group is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments.

Credit risk is managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

(₹ in lakhs)

Exposure to the Credit risks	As at March 31, 2019	As at March 31, 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	152.39	133.23

(₹ in lakhs)

Exposure to the Credit risks	As at March 31, 2019	As at March 31, 2018
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	11,312.93	11,286.75

#### Trade and other receivables

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk, the Group compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- (iv) Significant increase in credit risk on other financial instruments of same counterparty.

#### Ageing of the accounts receivables

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
0-90 days	5,615.32	6,479.84
90-180 days	785.33	798.69
>180 days	4,967.20	4,052.55
	<b>11,367.85</b>	<b>11,331.08</b>

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2019 and March 31, 2018.

### 39. (a) Financial Risk Factors

#### Capital Risk Management

The Group's objectives when managing capital are to :

- (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Parent Company may issue new shares, adjust the amount of dividends paid to shareholders etc. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

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The Group monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Total equity	13,353.22	12,190.61
Net debt (Total borrowings less cash and cash equivalents)	6,428.29	7,899.50
<b>Total capital (Borrowings and Equity)</b>	<b>19,781.51</b>	<b>20,090.11</b>
<b>Gearing ratio</b>	<b>32.50%</b>	<b>39.32%</b>

### (b) Dividends

The Parent Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Parent Company dividend policy.

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
<b>Final Dividend paid</b>		
Final dividend for the year ended March 31, 2018 of ₹ 1.50 Per fully paid up share [Including dividend distribution tax of ₹ 31.63 lacs (as at 31-March 2018 - ₹ 31.02 lacs)]	185.51	183.40
<b>Dividends not recognised at the end of reporting period</b>		
Since year end, the directors have recommended the payment of a final dividend of ₹ 1.80 per fully paid up equity share (March 31, 2018 - ₹ 1.50 per fully paid up equity shares) [Including dividend distribution tax of ₹ 37.96 lacs (as at 31-March 2018 - ₹ 31.02 lacs)]	222.61	185.51

### 40. Segment Reporting

The Parent Company's Board of Directors consisting of Managing Director together with the Chief Financial Officer has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Group's performance and allocated the resources based on an analysis of various performance indicators. The Group is primarily engaged in the business of manufacturing of petrochemical products (Bitumen & Bituminous products), Logistic business - Bitumen and LPG and Sale of Power - Wind mill. The Group has accordingly identified these 3 activities as Operating segments in accordance with requirements of Ind AS 108 on 'Operating segments'.

#### Operating Segments

(a) Petrochemical business - Bitumen products

(b) Transportation - Bitumen and LPG

(c) Sale of power - Wind mill

(₹ in lakhs)

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Segment Revenue</b>		
a) Transportation	6,113.12	5,815.32
b) Windmill	164.25	143.35
c) Petrochemicals (Bituminous & Allied Products)	46,883.31	35,511.47
d) Other (Unallocable)	62.10	42.54
<b>Total</b>	<b>53,222.78</b>	<b>41,512.67</b>
Less Intersegment Revenue	-	-
<b>Net Sales/Income From Operations</b>	<b>53,222.78</b>	<b>41,512.67</b>



**Segment Result Profit/(Loss) before tax and interest from Each Segment**

a) Transportation	373.69	354.81
b) Windmill	81.04	89.58
c) Petrochemicals (Bituminous & Allied Products)	2,431.16	1,802.72
<b>Total</b>	<b>2,885.89</b>	<b>2,247.11</b>
Less: i) Interest	922.43	824.72
ii) Other Un-allocable Expenditure net off	-	-
iii) Un-allocable Income	(62.10)	(42.92)
<b>Total Profit Before Tax</b>	<b>2,025.56</b>	<b>1,465.31</b>

(₹ in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>Segment Assets</b>		
a) Transportation	3,982.81	4,339.38
b) Windmill	649.17	693.43
c) Petrochemicals (Bituminous & Allied Products)	16,813.57	17,544.71
d) Others	1,286.82	1,233.76
<b>Total Assets</b>	<b>22,732.36</b>	<b>23,811.28</b>
<b>Segment Liabilities</b>		
a) Transportation	1,643.04	2,180.12
b) Windmill	-	8.26
c) Petrochemicals (Bituminous & Allied Products)	7,216.66	9,016.60
d) Others	519.44	260.00
<b>Total Liability</b>	<b>9,379.14</b>	<b>11,464.99</b>

**41. Related party disclosure under Ind AS 24**

- (a) Key Managerial Personnel (KMP)  
 Mr. Jaiprakash Agarwal, Director  
 Mr. Lalit Agarwal, Director  
 Mr. Ramchandra Agarwal, Director  
 Mr. Vipin Agarwal, CFO  
 Mr. Rakesh Bhalla, CS (Resigned w.e.f 17.12.2018)  
 Ms. Lucinda D'souza, CS (Appointed w.e.f 17.12.2018)
- (b) Relatives of KMP  
 Mr. Mukul Agarwal  
 Mr. Nilesh Agarwal  
 Mr. Virel Agarwal
- (c) Concerns in which KMP are interested  
 ANZ Transporters  
 Agarwal Gas Carriers  
 Agarwal Translink P Ltd

Agarwal Motor Repairs  
Balaji Tyre  
Shree Balaji Engineering work

(₹ in lakhs)

Name of Party	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Key Managerial Personnel (KMP)</b>		
- Directors remunerations	114.00	90.60
- Salary	25.28	27.08
- Rent paid	16.32	16.32
<b>Relatives of KMP</b>		
- Salary	19.50	18.00
<b>Concerns in which KMP are interested</b>		
- Subcontract Payments	748.09	909.77
- Subcontract receipts	869.96	836.23
- Labour charges received	20.63	24.11
- Sale of Spare parts & Oil	44.15	26.86
- Purchase of Tyres & Spare parts	151.95	-
- Purchase of HSD & Oil	575.87	449.44

**Balances outstanding as at year end**

(₹ in lakhs)

Name of Party	As at 31st March, 2019	As at 31st March, 2018
<b>Key Managerial Personnel (KMP)</b>		
- Payables	0.99	0.89
<b>Relatives of KMP</b>		
- Payables	24.41	13.58
<b>Concerns in which KMP are interested</b>		
- Receivables	556.94	527.88
- Payable	46.98	-

**42 Recent accounting pronouncements**

**Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – “Leases”. Ind AS 116 will replace the existing leases standards Ind AS 17 – “Leases” and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019.

The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

**Ind AS 12 –“Income taxes” - Appendix C – Uncertainty over income tax treatments**

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax

losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019.

The Group does not expect any impact from this pronouncement.

**43 Additional disclosure mandated by Schedule III of Companies Act, 2013**

(₹ in lakhs)

Particulars	Parent Company	Subsidiary	Total
<b><u>Net assets i.e. total assets - total liabilities</u></b>			
Amount	13,267.35	85.87	13,353.22
As a % of Consolidated net assets	99.36%	0.64%	100.00%
<b>Share in Profit &amp; Loss</b>			
Amount	1,321.36	23.17	1,344.53
As a % of Consolidated net assets	98.28%	1.72%	100.00%
<b>Share in Other Comprehensive Income - Loss</b>			
Amount	3.59	-	3.59
As a % of Consolidated net assets	100.00%	0.00%	100.00%
<b>Share in Total Comprehensive Income</b>			
Amount	1,324.95	23.17	1,348.12
As a % of Consolidated net assets	98.28%	1.72%	100.00%

**44** The Group is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.

**45** The financial statements were approved for issue by the Board of Directors on May 30, 2019.

**46** The figures of the previous year's have been regrouped or reclassified wherever necessary to make them comparable.

As per our report of even date

**For LADHA SINGHAL & ASSOCIATES**

Chartered Accountants  
(Firm Regd. No. 120241W)

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

**(JAIPRAKASH AGARWAL)**  
Managing Director  
(DIN : 01379868)

**(MAHENDRA AGARWAL)**  
Director  
(DIN : 01366495)

**(AJAY SINGHAL)**  
PARTNER

M.No. 104451

Place : Mumbai

Date : 30th May 2019

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

**(VIPIN AGARWAL)**  
Chief Financial Officer

**(LUCINDA D'SOUZA)**  
Company Secretary

**Form AOC-1**

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

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

**Part "A": Subsidiaries**

(₹ in lakhs)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Bituminex Cochin Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2018 to 31/03/2019
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	6.20
5.	Other Equity	58.66
6.	Total assets	117.80
7.	Total Liabilities	117.80
8.	Investments	Nil
9.	Turnover	294.27
10.	Profit before taxation	31.68
11.	Provision for taxation	8.51
12.	Profit after taxation	23.16
13.	Other Comprehensive Income	Nil
14.	Total Comprehensive Income	23.16
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

**Notes:**

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

**Part "B": Associates and Joint Ventures**

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



AGARWAL GROUP

**AGARWAL INDUSTRIAL CORPORATION LIMITED**

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

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

**CIN:** L99999MH1995PLC084618

**TWENTY FIFTH ANNUAL GENERAL MEETING, SEPTEMBER 30, 2019**

**Form No. MGT-12**

**POLLING PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

1.	Name & Address of Sole/ First Shareholder (In Block Letters)			
2.	Postal Address			
3.	Registered folio No./DP ID No. along with Client ID No.			
4.	Class of Share			
I hereby exercise my vote in respect of ordinary/special resolutions enumerated below by recording my assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below.				
Sr. No.	Description	No. of Shares held by Shareholder	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
<b>Ordinary Business:</b>				
1.	To receive, consider and adopt:			
(a)	the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 along with the Reports of the Board of Directors and Independent Auditors thereon: and			
(b)	the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 along with the Report of the Independent Auditors thereon.			
2.	To declare Dividend on Equity Shares for the Financial Year 2018-19.			
3.	To appoint a Director in place of Mr. Mahendra Agarwal (DIN- 01366495), who retires by rotation, and being eligible, offers himself for re- appointment.			
4.	To Appoint Statutory Auditors for the Second Term:			
<b>Special Business:</b>				
5.	Re-appointment of Mr. Jaiprakash Agarwal as Managing Director of the Company			
6.	Re-appointment of Mr. Lalit Agarwal as Whole Time Director of the Company			
7.	Re-appointment of Mr. Ramchandra Agarwal as Whole Time Director of the Company			
8.	Re-appointment of Mr. Rajkumar Mehta as an Independent Director of the Company for the Second Term			
9.	Re-appointment of Mr. Harikrishna Patni as an Independent Director of the Company for the Second Term			
10.	Re- appointment of Mr. Alok Bharara as an Independent Director of the Company for the Second Term			
11.	Re-appointment of Mrs. Priti Lodha as an Independent Director of the Company for the Second Term			
12.	Related Party Transactions For F. Y. 2019-20			
13.	Appointment of Cost Auditors For F. Y. 2019-20			

Place:

Date:

(Signature of the Shareholder\*)

\*As per company records



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**TWENTY FIFTH ANNUAL GENERAL MEETING, SEPTEMBER 30, 2019**

**Form MGT-11  
 PROXY FORM**

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

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

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

1. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
2. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
3. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company, to be held at Hotel Stars Parade, Lower Hall, Swami Jairamdas Building, Near Basant Park, Chembur, Mumbai -400 071 on Monday, September 30, 2019 at 10.30 A.M and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Item No.	Resolutions	For	Against
	<b>Ordinary Business:</b>		
1.	To receive, consider and adopt:		
(a)	the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 along with the Reports of the Board of Directors and Independent Auditors thereon: and		
(b)	the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 along with the Report of the Independent Auditors thereon.		
2.	To declare Dividend on Equity Shares for the Financial Year 2018-19.		
3.	To appoint a Director in place of Mr. Mahendra Agarwal (DIN- 01366495), who retires by rotation, and being eligible, offers himself for re- appointment.		
4.	To Appoint Statutory Auditors for the Second Term:		
	<b>Special Business:</b>		
5.	Re-appointment of Mr. Jaiprakash Agarwal as Managing Director of the Company		
6.	Re- appointment of Mr. Lalit Agarwal as Whole Time Director of the Company		
7.	Re-appointment of Mr. Ramchandra Agarwal as Whole Time Director of the Company		
8.	Re-appointment of Mr. Rajkumar Mehta as an Independent Director of the Company for the Second Term		
9.	Re-appointment of Mr. Harikrishna Patni as an Independent Director of the Company for the Second Term		
10.	Re-appointment of Mr. Alok Bharara as an Independent Director of the Company for the Second Term		
11.	Re-appointment of Mrs. Priti Lodha as an Independent Director of the Company for the Second Term		
12.	Related Party Transactions For F. Y. 2019-20		
13.	Appointment of Cost Auditors For F. Y. 2019-20		

Signed this ..... Day of ..... 2019

Signature of Shareholder: .....

\_\_\_\_\_  
 Signature of proxy holder(s)

Affix a  
 1 Rupee  
 Revenue  
 Stamp

**Note:**

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



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**CIN:** L99999MH1995PLC084618

**TWENTY FIFTH ANNUAL GENERAL MEETING, SEPTEMBER 30, 2019**

**ATTENDANCE SLIP**

Folio No.	DP ID / Client ID

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

\* Applicable in case of shares held in Demat.

No. of Shares held .....

I, hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company on Monday, September 30, 2019 at 10.30 A.M at Hotel Stars Parade, Lower Hall, Swami Jairamdas Building, Near Basant Park, Chembur, Mumbai -400 071,\* Applicable in case of shares held in Demat.

.....  
Member's/Proxy's/Signature  
(To be signed at the time of handling 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.

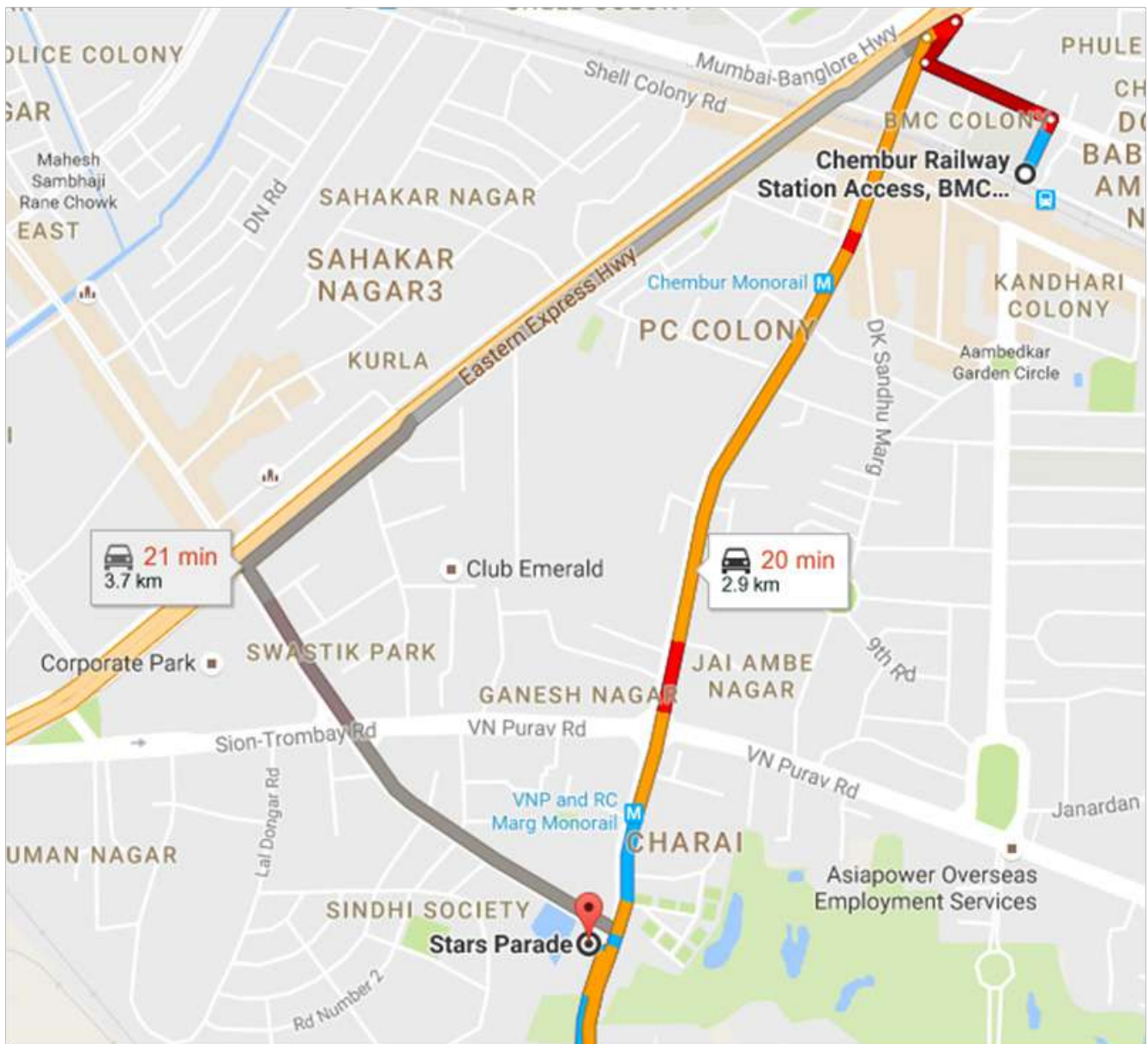


## Route Map for AGM Venue:

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

### Prominent Landmark:

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









# AGARWAL INDUSTRIAL CORPORATION LIMITED

## REGISTERED OFFICE

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