



# AGARWAL INDUSTRIAL CORPORATION LIMITED

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

CIN NO.: L99999MH1995PLC084618

September 06, 2021

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 27<sup>th</sup> Annual Report (F.Y. 2020-21) including Notice of the Twenty Seventh Annual General Meeting (F.Y. 2020-21) under Regulation 34 & Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Dear Sir/Madam,**

We are pleased to attach herewith, **27<sup>th</sup> Annual Report (F.Y. 2020-21) including Notice of the Twenty Seventh Annual General Meeting (F.Y. 2020-21)** under Regulation 34 & Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which has been dispatched to all the Members of the Company today i.e. September 06, 2021, in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder (as amended) and the SEBI (LODR), Regulations 2015.

The Annual Report including Notice is also uploaded on the Company's website [www.aicltd.in](http://www.aicltd.in).

This is for your kind information and records.

Thanking You,

**For Agarwal Industrial Corporation Limited**

  
**Dipali Pitale**  
Company Secretary



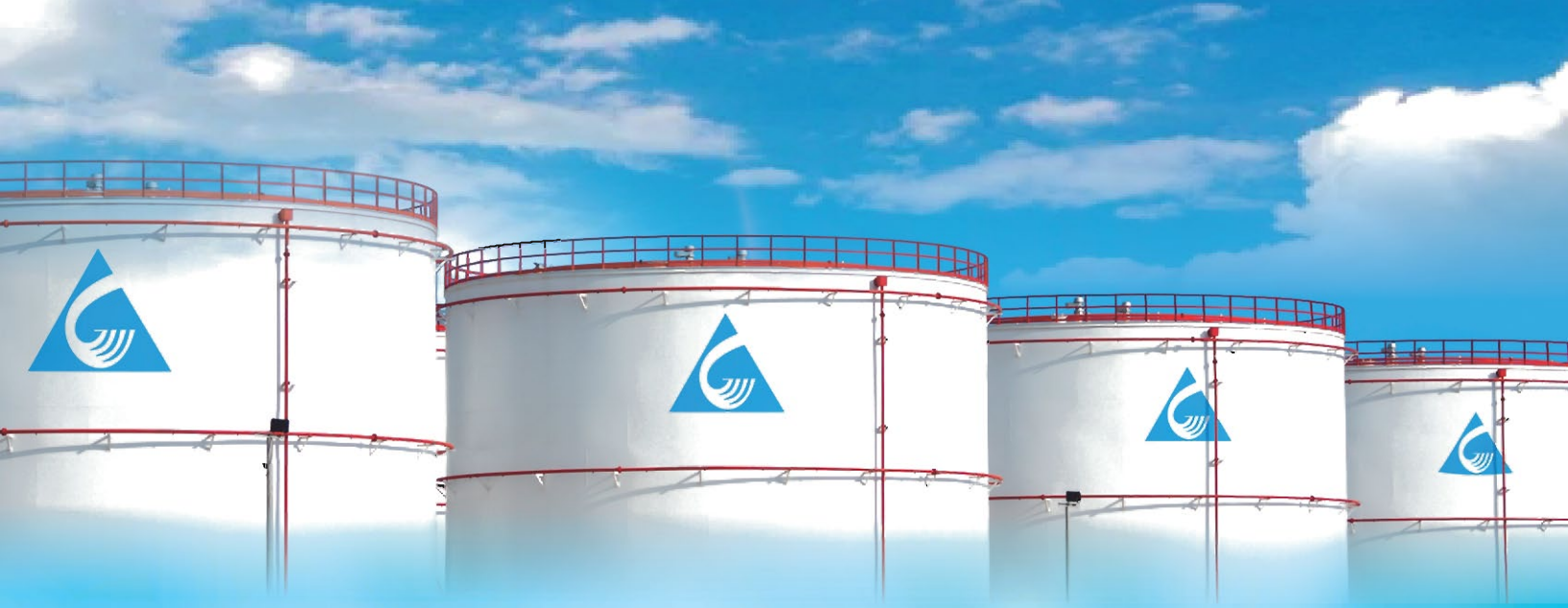
Encl: a/a

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](mailto:contact@aicltd.in)

• Website : [www.aicltd.in](http://www.aicltd.in)





**27th**  
**ANNUAL REPORT**  
**F.Y. 2020 - 21**



**AGARWAL GROUP**

**AGARWAL**  
**INDUSTRIAL CORPORATION LIMITED**



*We value relationships*



**AGARWAL GROUP**



# MARKET LEADER IN BITUMEN

**WE ARE INDIA'S LARGEST BITUMEN  
COMPANY IN PRIVATE SECTOR**



**LARGEST PRIVATE PLAYER OF  
BITUMEN IN INDIA**

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Bitumen is a dense, highly viscous, petroleum - based hydrocarbon that is obtained as a residue during distillation of crude oil.

We have been at the forefront of developing innovative pavement solutions that help road construction professionals deliver outstanding results.







# **ROBUST FLEET OF TRANSPORTATION VEHICLES TO DELIVER PAN-INDIA**

**650+ Fleet Size Consisting Of 350+ Bitumen Tankers And 300+ LPG Tankers\***

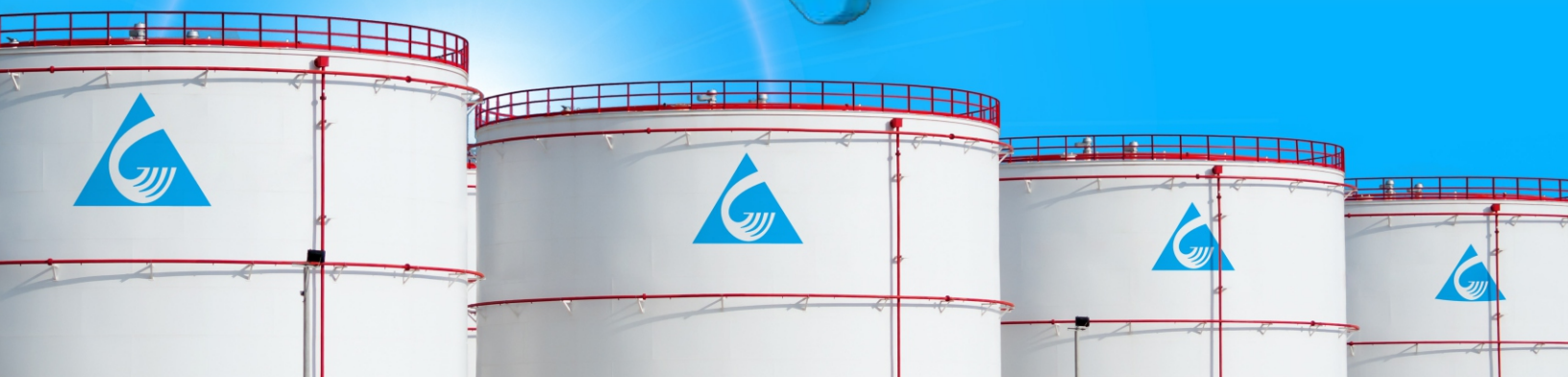
**Dedicated Authorized workshop of Ashok Leyland at Shahpur, Maharashtra and maintenance facility at strategic locations (Mumbai, Vadodara and Jodhpur).**



# HUGE BULK STORAGE TERMINALS



Our seven bulk storage terminals facilities with a total storage capacity of 30,000 MT has direct access to shipping networks for efficient delivery of bitumen and bituminous products in bulk containers or drums to customers throughout India.





# STATE OF THE ART MANUFACTURING FACILITIES



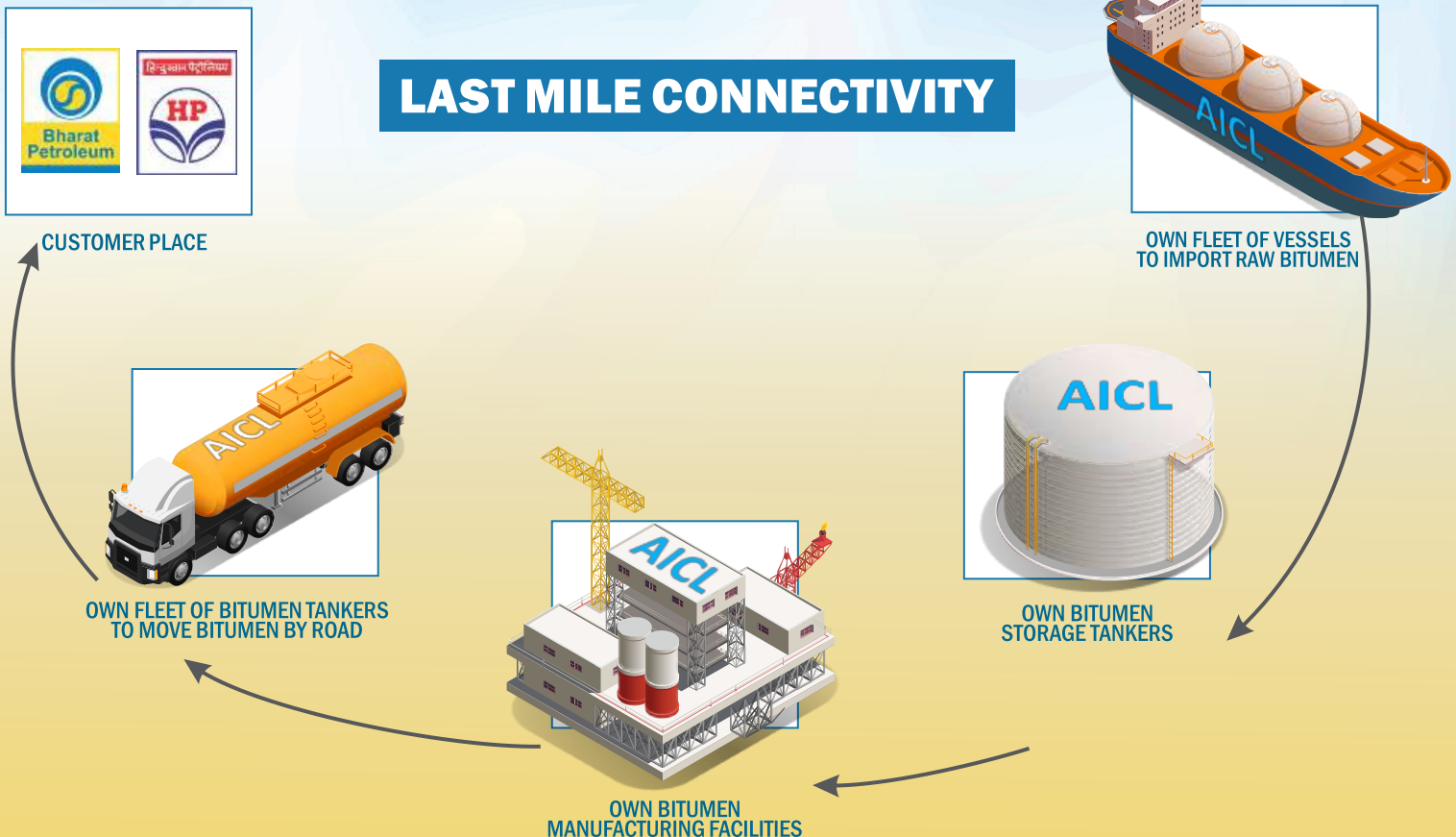
Our six state-of-the-art manufacturing facilities produces a broad range of standardized and customized bitumen products, all adhering to strict international standards.

\* Owned by Wholly Owned Subsidiary

WE ARE AN INTEGRATED  
PETROCHEMICAL COMPANY  
FOCUSSED ON BITUMEN

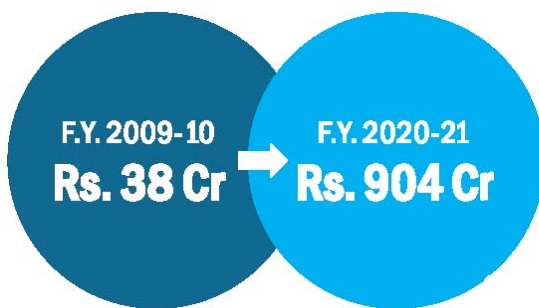
Our market - leading position in bitumen is built on a presence throughout the supply chain with own range of logistical assets and infrastructure.

Our strong liquidity and risk management discipline, gives us a robust financial base and the capacity to participate in financing and investments.





## SCALING TO NEW ALTITUDE WITH EXPONENTIAL BUSINESS GROWTH



**REVENUE FROM OPERATIONS**



**REVENUE GROWTH  
(23.6 TIMES) SINCE FY 2010**

# AICL - LEADING THE WAY WITH FULLY INTEGRATED OPERATIONS



25+ Years of Excellence



6 Manufacturing Facilities



7 Sales Network Locations



2000+ Satisfied Customers



7 Bulk Storage Terminals



650+ Fleet Size\*



20+ Products in Portfolio



5 lakh+ MT Bitumen handled per year



5 Countries Served



3 Key Subsidiaries



1000+ Team Size

## FINANCIAL HIGHLIGHTS : FY2020-21



Total Revenue -  
**Rs. 904.82 Cr.**  
(5 Yrs CAGR - 31.9%)

EBITDA -  
**Rs. 72.91 Cr.**  
(5 Yrs CAGR - 28.6%)

ROCE -  
**15.8%**

Cash Flow from Operations  
**Rs. 45.20 Cr.**

\*Fleet size count relates to entire Agarwal Group  
\*\* Team Size includes contract workers



# AICL - LEADING THE WAY WITH FULLY INTEGRATED OPERATIONS



The Core of our business is manufacturing and sale of bitumen products.



Our bituminous product range includes Viscosity Grade bitumen, Industrial Grade bitumen, Modified Bitumen (CRMB/PMB) , BituCoat, Bituplast, Bitupremier, Bitumen Emulsions, Bitumen Paints and Bitumen Insulation Materials.



Our wide range of innovative bitumen products is designed to help meet the challenges of road, roofing and insulating materials.

*“Everyday we use our expertise and logistical network to manufacture and distribute bitumen products to our large customer base in India.”*

# LOGISTICS SERVICE - LPG & BITUMEN

Our logistics network is what sets us apart from the competition.

The logistics division fulfills the internal transportation requirements as well as Cooperate as a separate revenue center to provide LPG and Bitumen transportation to third party clients which enables us to deliver products on time and at a competitive cost, without relying on third party charters/transporters.

## TOP CLIENTS



*“Everyday we use our expertise and logistical network to manufacture and distribute bitumen products to our large customer base in India.”*





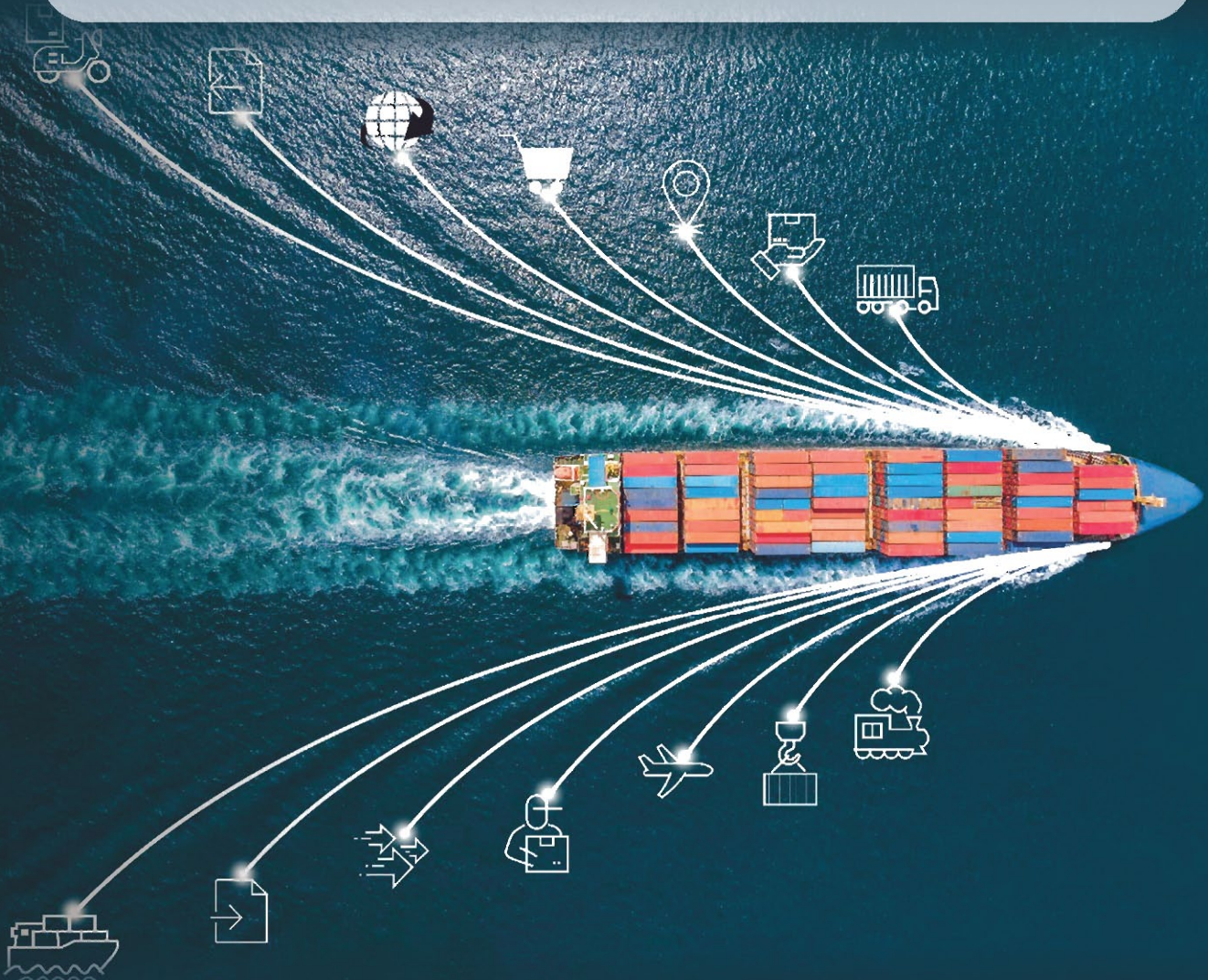
# DERISKING BUSINESS MODEL BY NEW REVENUE STREAMS

## Chartering & Vessel Service

Service started in F.Y. 2019 - 20, through our Wholly Owned Subsidiary Company, for external clients.

Revenue from Chartering & Vessel Service doubled in F.Y. 2020 - 21 to Rs. 69.51 crores.

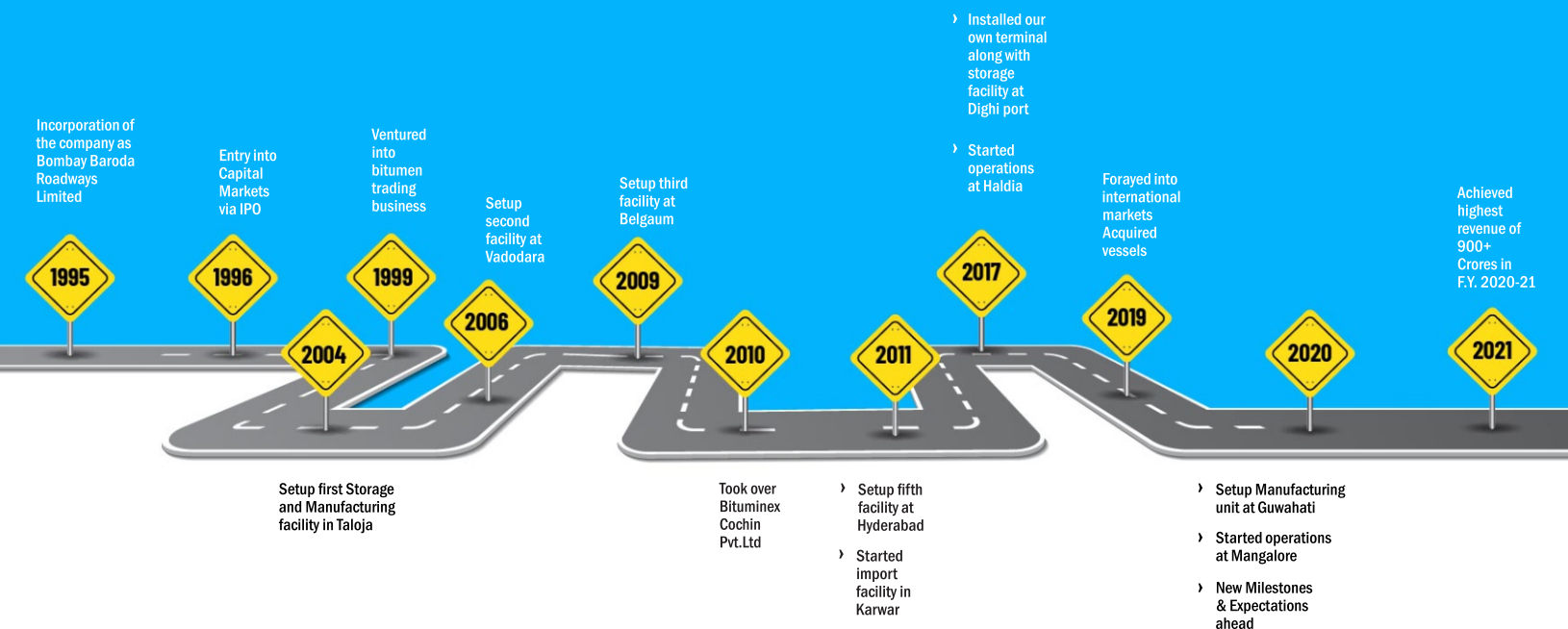
Current marine fleet comprises of five vessels specialized to carry bitumen and black oil





# OUR STORY OF UNLOCKING TRUE

## POTENTIAL AND GROWTH



# EXPANSION THROUGH ACQUISITION

In a landmark move to expand our bitumen transportation business, we undertook the strategic decision to acquire 100% stake in Agarwal Translink Private Limited in April 2021, which is engaged in bitumen transportation business.



Strengthening of  
financials



Geographical  
expansion



Enhanced utilization of  
capital and cost  
reduction

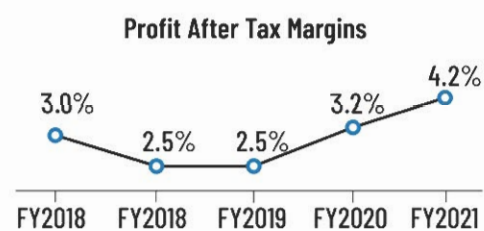
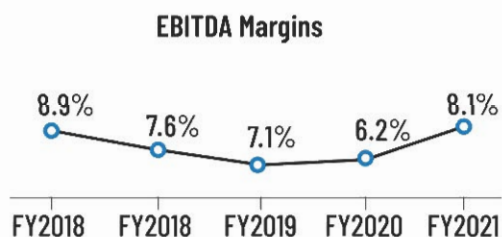
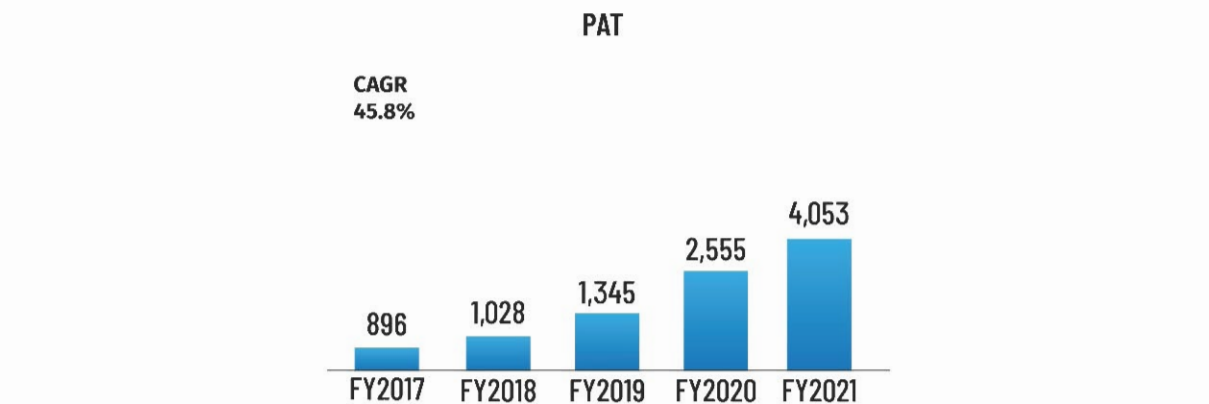
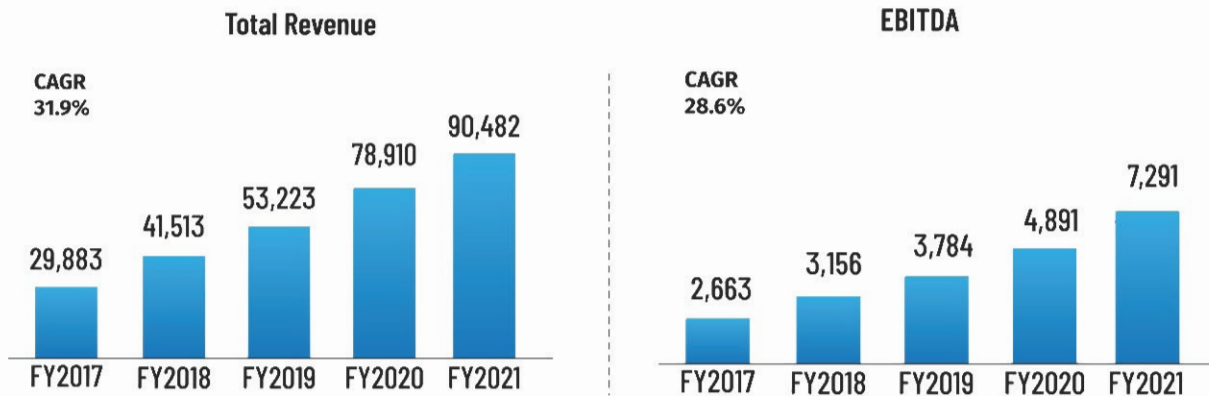


# FINANCIAL SNAPSHOT



# EXPONENTIAL GROWTH IN REVENUES AND PROFITABILITY

(Rs. in Lakhs)



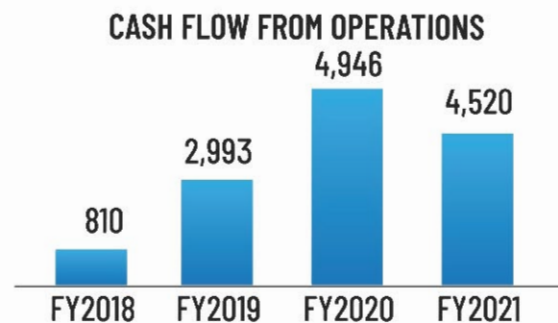
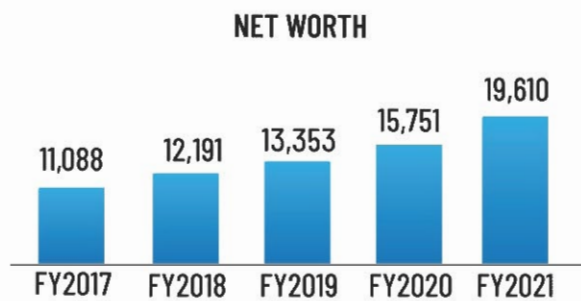
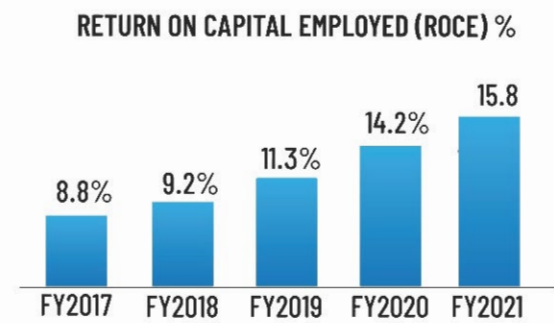
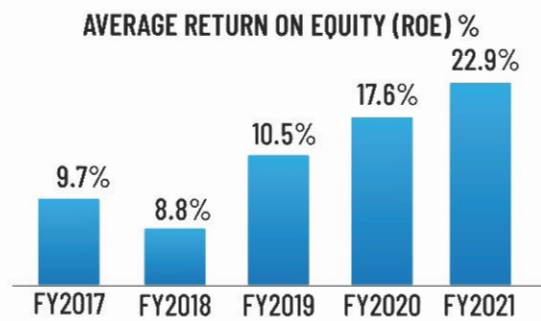
## PERFORMANCE SNAPSHOT

- PAT increased by 58.6% (YoY)
- Earnings Per Share stood at Rs. 39.5/-
- EBITDA increased by 49.1% (YoY)
- Cash Flow from Operations stood at Rs. 45.2 Cr
- Revenues increased by 14.7% (YoY)
- Average Return on Equity stood at 22.9%

Based on Consolidated Financial Results

# IMMENSE VALUE CREATION FOR SHAREHOLDERS OVER THE YEARS

(Rs. in Lakhs)





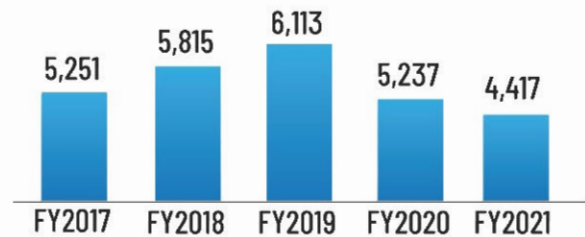
# REVENUE SEGMENTATION

(Rs. in Lakhs)

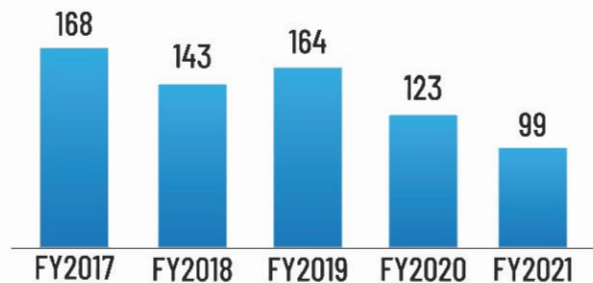
## PETROCHEMICALS (BITUMINOUS PRODUCTS)



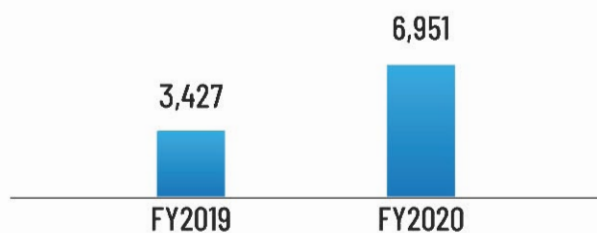
## TRANSPORTATION



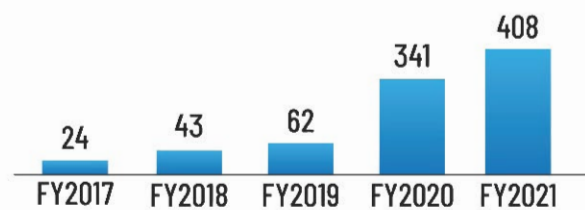
## WINDMILL



## SHIPPING & CHARTERING SERVICE



## OTHERS (UNALLOCABLE)



*Note - The segment revenue is prior excluding inter-segment revenue*

# CONSOLIDATED BALANCE SHEET - ASSETS

(Rs. in Lakhs)

<b>ASSETS</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Non-Current Assets</b>		
Property, Plant & Equipment	13,710	9,920
Capital WIP	76	333
Investment Property	37	37
Right of Use	1,979	-
Goodwill	226	226
Financial Assets	57	96
<b>Total</b>	<b>16,085</b>	<b>10,612</b>
<b>Current Assets</b>		
Investments	606	679
Inventories	4,773	2,756
Trade receivables	13,486	13,789
Cash and Cash Equivalents (including bank balances)	3536	838
Loans and other financial Assets	88	71
Current Tax Assets (net)	143	138
Other Current Assets	828	1,119
<b>Total</b>	<b>24,460</b>	<b>19,390</b>
<b>Grand Total</b>	<b>39,544</b>	<b>30,002</b>

*Note: Figures has been rounded off to nearest lakhs*



# BALANCE SHEET - EQUITY & LIABILITIES

(Rs. in Lakhs)

<b>EQUITY &amp; LIABILITIES</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>EQUITY</b>		
Equity Share Capital	1,026	1,026
Other Equity	18,585	14,725
<b>Total</b>	<b>19,611</b>	<b>15,751</b>
<b>Non-Current Liabilities</b>		
Borrowings	4,133	185
Lease Liabilities	1466	-
Provisions and Deferred Tax Liabilities (Net)	423	473
<b>Total</b>	<b>6,022</b>	<b>658</b>
<b>Current Liabilities</b>		
Borrowings	8,113	8,386
Trade Payables	3,359	4,250
Other Current liabilities and Lease liabilities	2185.48	957.39
Short Term provisions and Current tax liabilities(net)	254.4	0.70
<b>Total</b>	<b>13,912</b>	<b>13,594</b>
<b>Grand Total</b>	<b>39,544</b>	<b>30,002</b>
<b>EQUITY</b>		
Equity Share Capital	1,026	1,026
Other Equity	18,585	14,725

*Note: Figures has been rounded off to nearest lakhs*



# AGARWAL INDUSTRIAL CORPORATION LIMITED

(CIN: L99999MH1995PLC084618)

## TWENTY SEVENTH ANNUAL REPORT 2020-21

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**CORPORATE INFORMATION  
TWENTY SEVENTH ANNUAL REPORT F.Y. 2020-21**

<b>BOARD OF DIRECTORS</b> (As on 30th August 2021)	<a href="#">Mr. Jaiprakash Agarwal</a> Managing Director	<a href="#">Mr. Harikrishna Patni</a> Independent Director
	<a href="#">Mr. Ramchandra Agarwal</a> Whole Time Director	<a href="#">Mr. Rajkumar Mehta</a> Independent Director
	<a href="#">Mr. Mahendra Agarwal</a> Non Independent, Non-Executive Director	<a href="#">Mr. Alok Bharara</a> Independent Director
	<a href="#">Mr. Lalit Agarwal</a> Whole Time Director	<a href="#">Ms. Priti Lodha</a> Independent Woman Director
<b>KEY MANAGERIAL PERSONNEL</b>	CHIEF FINANCIAL OFFICER Mr. Vipin Agarwal	COMPANY SECRETARY Ms. Dipali Pitale (w.e.f. March 10, 2021)  Mr, Satish Deshmukh (upto March 09, 2021)
<b>AUDITORS</b>	<b>M/S LADHA SINGHAL &amp; ASSOCIATES</b> Chartered Accountants, Mumbai – 400 093	
<b>REGISTERED OFFICE</b>	Eastern Court, Unit No. 201-202, Plot No. 12, V. N. Purav Marg, S.T. Road, Chembur, Mumbai – 400071 Phone Nos: +91-22-5291149/50 Fax: +91-22-25291147 Website: www.aicltd.in E-mail: contact@aicltd.in	
<b>REGISTRARS &amp; SHARE TRANSFER AGENTS</b>	<b>UNIVERSAL CAPITAL SECURITIES PVT LTD.</b> C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083 Tel Nos. : (022) 28207203-05 Fax No. : (022) 28207207 Contact Person: Mr. Ravindra Utekar	
<b>BSE SCRIP ID AND CODE</b> <b>NSE SCRIP ID AND CODE</b>	ID – AGARIND Code – 531921 Scrip ID and Code: Symbol – AGARIND Series – EQ	

<b>PLANTS</b>	<b>Taloja</b> - Plot No. 36 -37, New Chemical Zone, Near PCI, MIDC, Taloja, Dist. Raigad, Maharashtra
	<b>Vadodara</b> - Plot No. 49, Ranoli Industrial Area, GIDC, Ranoli, Vadodara, Gujarat.
	<b>Belgaum</b> -Plot No. 40, KIADB, Honga Industrial Area, Honga, Belgaum, Karnataka
	<b>Hyderabad</b> - Survey No. 196/P, Elikatta Village, Shad Nagar- Pargi Road, Farooq Nagar Mandal, Telangana– 509216
	<b>*Cochin</b> - Building No. II 1,2,3, Ambalamugal P.O. Ernakulam KL 682302 (Wholly Owned Subsidiary)
	<b>Guwahati</b> - Village Sotsil and Borsil, Rangia Revenue Circle, Kamrup – 781354 ( <i>work-in-progress</i> )
<b>BULK BITUMEN IMPORT &amp; STORAGE FACILITIES</b>	Karwar (Karnataka) , Haldia Port , Dighi Port , Hazira Port (Gujarat), Mangalore (Karnataka), Mumbai (Maharashtra), Vadodara.
<b>WORKSHOP</b>	Shahapur, Asangaon (Maharashtra)

<b>BANKERS</b>	Kotak Mahindra Bank                      Citi Bank IDFC First Bank Ltd                      HDFC Bank Ltd
<b>WHOLLY OWNED SUBSIDIARIES</b>	Bituminex Cochin Pvt. Ltd., Kochi AICL OVERSEAS – FZ LLC Agarwal Translink Private Limited ( w.e.f. 9th April 2021)



## AGARWAL INDUSTRIAL CORPORATION LIMITED

(CIN: L99999MH1995PLC084618)

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

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

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### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Agarwal Industrial Corporation Limited to be held through Video Conferencing on Thursday, September 30, 2021 at 11.00 A.M. in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, and 02/2021 dated 5<sup>th</sup> May, 2020 and 13<sup>th</sup> January 2021 respectively, 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, 2021 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, 2021 along with the Report of the Independent Auditors thereon.
2. To declare Dividend on Equity Shares for the Financial Year 2020-21.
3. To appoint a Director in place of Mr. Ramchandra Agarwal (DIN- 02064854), who retires by rotation, and being eligible, offers himself for re- appointment.
4. To ratify appointment of Statutory Auditors under the second term: in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT,** pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s Ladha 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 (under the second term of 5 years), to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company."



**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 Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or reenactment (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 August 30, 2021, consent of the members of the Company is accorded for the re-appointment of Mr. Jaiprakash Agarwal (DIN - 01379868) as the Managing Director of the Company for 3 Years Term w.e.f. April 01, 2022 till March 31, 2025 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** pursuance to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or reenactment (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 August 30, 2021, consent of the members of the Company is accorded for the re-appointment of Mr. Lalit Agarwal (DIN - 01335107) as the Whole Time Director of the Company for 3 Years Term w.e.f April 01, 2022 till March 31, 2025 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 Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or reenactment (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 August 30, 2021, consent of the members of the Company is accorded for the re-appointment of Mr. Ramchandra Agarwal (DIN - 02064854) as the Whole Time Director of the Company for 3 Years Term w.e.f. April 01, 2022 till March 31, 2025 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. Related Party Transactions:**

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

**“RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further pursuant to the approval of Board of Directors and the Audit Committee with regard to omnibus approval for related party transactions on annual basis for the F.Y. 2021-22, in their respective meetings held on June 15, 2021, the consent of the Company be and is hereby accorded for omnibus approval for entering into contract or arrangement with the related parties on annual basis for the financial year 2021-22, as defined under the said Act and the Rules made thereunder, as amended, as set out under item No. 8 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.”

#### **9. Loan and Investment by Company:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the shareholders of the Company be and is hereby accorded to (a) give any loan to any person(s) or other body corporate(s) ; (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s) ; and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs.250,00,00,000 (Rupees Two Hundred and Fifty Crores Only)



outstanding at any time, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013 as amended, as set out under item No.9 of the Explanatory Statement annexed to the 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.”

**10. Appointment of Cost Auditors:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time (including any statutory modification(s) or re-enactments thereof, for the time being in force), Mr. Vinayak Kulkarni, Cost Accountant (Membership No - 28559), the Cost Auditors appointed by the Board of Directors of the Company and the Audit Committee of the Board to conduct the cost records of the Company for relevant segments for the financial year ending March 31, 2022, be paid the remuneration as set out under item No.10 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  
**Agarwal Industrial Corporation Limited**

**Place:** Mumbai  
**Dated:** August 30, 2021

Dipali Pitale  
Company Secretary & Compliance Officer

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

**NOTES:**

1. Considering continued Covid-19 pandemic,, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 13<sup>th</sup> January 2021 read together with circulars dated May 5, 2020 have permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means, without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC. The deemed venue for the AGM shall be the Registered Office of the Company.

2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC, the route map of the venue of the Meeting is not annexed hereto.
5. In terms of Section 152 of the Companies Act, 2013, Mr. Ramchandra Agarwal (DIN- 02064854) retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommend his reappointment. A brief resume of Mr. Ramchandra Agarwal is provided herewith, as stipulated under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 interest, if any, in the Company.
6. 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.
7. 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, 2021 to September 30, 2021**, both days inclusive.
8. 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, 2021. 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, 2021** (Cut – off Date ) and shall be paid in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, as amended.
9. Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. 1<sup>st</sup> April 2020. **No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹ 5,000/-**. The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.
10. 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 (022) 28207203-05 F: +91 (022) 28207207 E: info@unisec.in; W:www.unisec.in  
C 101, 247 Park, LBS Road, Vikhroli (West), Mumbai - 400083.



**11. 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. 10, 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.
12. 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.
13. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
14. 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.
15. In compliance with the MCA Circular and SEBI Circular dated January 13, 2021 and January 15, 2021 respectively, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.aicltd.in](http://www.aicltd.in).
16. 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 into dematerialize form to eliminate risks associated with physical shares and for ease in portfolio management.

17. 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.
18. 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.
19. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [cs@aicltd.in](mailto:cs@aicltd.in).
20. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Thursday, September 23, 2021 through email on [cs@aicltd.in](mailto:cs@aicltd.in). The same will be replied by the Company suitably.
21. As you are aware, in view of the continuing situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 , Circular No. 20/2020 dated May 05, 2020 and No. 02/2021dated 13th January 2021 respectively. The forthcoming AGM will thus be held through Video Conferencing (VC) or other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
22. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
23. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

24. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
25. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
26. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM are to be uploaded on the website of the Company at [www.aicld.in](http://www.aicld.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com)
27. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**28. INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on **Monday, September 27, 2021 (9.00 A.M IST)** and ends on **Wednesday, September 29, 2021 (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 (record date) of **Thursday, September 23, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the AGM.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.



In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI** circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:**

<b>Type of shareholders</b>	<b>Login Method</b>
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL’s Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi /Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers’ site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will</li> </ol>

	<p>be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</p>
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li>   <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li>   <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the</li> </ol>

	remote e-Voting period or joining virtual meeting & voting during the meeting
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) **Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.
- 6) **If you are a first-time user follow the steps given below:**

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <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 (v).</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant **Agarwal Industrial Corporation Limited** on which you choose to vote.
- (x) 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.

- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - 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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@aicltd.in](mailto:cs@aicltd.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**29. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **cs@aicltd.in**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **cs@aicltd.in**. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



**30. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- 1 For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- 2 For Demat shareholders - please provide Demat Account Details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id.**

*If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) or contact at 022- 23058738 and 022- 23058542/43.*

*All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) or call on 022-23058542/43.*

**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 10 ( Both Inclusive) 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, 2019 to March 31, 2022 by the members of the Company in the Annual General Meeting of the Company held on September 30, 2019. Mr Agarwal's existing term shall expire on March 31, 2022. Mr Agarwal has to his credit 42 plus years of profound business experience. Being a visionary and a forward looking entrepreneur, Mr. Agarwal with his commercial acumen and business skills has successfully turned the Company from a single logistic Company to a well-diversified Company having ventured into the businesses of trading and manufacturing of Bitumen and Bituminous products and Wind Power projects in addition to the existing logistics business. A valuable contributor to the development and success of the Company, Mr. Agarwal is a seasoned businessman of repute. Considering Mr. Agarwal's invaluable contribution to the growth and development of the Company since its inception, the Board of Directors of the Company on the recommendations of the Nomination & Remuneration Committee proposes to re-appoint Mr. Agarwal as the Managing Director of the Company for period of 3 Years w.e.f April 01, 2022 till March 31, 2025 on the terms and conditions as detailed below.

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

- a] Designation : Managing Director
- b] Tenure of Appointment : 3 Years Period w.e.f April 01, 2022 till March 31, 2025
- c] Salary : As follows:

F.Y. 2022-2023	F.Y. 2023-24	F.Y. 2024-25
Upto maximum Rs. 75,00,000 per annum	Upto maximum Rs. 90,00,000 per annum	Upto maximum Rs. 1,10,00,000 per annum
Within the above 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 thereunder,

(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 and Mr. Lalit Agarwal, Mr Ramchandra Agarwal & Mr. Mahendra Agarwal being brothers of Mr. Jaiprakash Agarwal and Mr. Vipin Agarwal, Chief Financial Officer of the Company 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, 2019 to March 31, 2022 by the members of the Company in the Annual General Meeting of the Company held on September 30, 2019. Mr. Agarwal's existing term shall expire on March 31, 2022. Mr. Lalit Agarwal is a well-known personality in the Bitumen Industry who is result driven, self-motivated and a resourceful Whole Time Director of the Company who has accredited with nearly 33 years plus 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. It is but for his vision that the Company incorporated a new Wholly Own Subsidiary (WOS) overseas and recently consolidated logistic and other business of a group company by converting that group company into a Wholly Own Subsidiary (WOS) of the Company which resulted into enhanced bottom line of the Company on consolidated basis. Mr. Lalit Agarwal is the President of Bulk Bitumen Transporters Association, the position he has been holding for past many years and is a highly respected and reputed personality in Bitumen and Transportation industries. Further, under his valuable guidance and direction, the Company achieved many milestones and is now a well-diversified profitable Company. Mr. Agarwal possess excellent communication skills and successfully establishes sustainable and profitable relationships with customers, suppliers and stakeholders of the Company. Considering his profound credentials, the Board of Directors of the Company on the recommendations of the Nomination & Remuneration Committee, proposes to re-appoint Mr. Agarwal as the Whole Time Director of the Company for period of 3 Years w.e.f. April 01, 2022 till March 31, 2025 on the terms and conditions as detailed below.

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

a] Designation : Whole Time Director

b] Tenure of Appointment : 3 Years Period w.e.f April 01, 2022 till March 31, 2025

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c) Salary : As follows:

F.Y. 2022-2023	F.Y. 2023-24	F.Y. 2024-25
Upto maximum Rs. 75,00,000 per annum	Upto maximum Rs. 90,00,000 per annum	Upto maximum Rs. 1,10,00,000 per annum
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 thereunder be liable to retire by rotation.

f) Legal Frame Work. : (i) Sections 196,197 & 203 of the Companies Act, 2013 and rules made thereunder,

(ii) Part I & Section II of Part II of Schedule V of the Companies Act, 2013 and rules made Companies Act, 2013 and rules made thereunder.

None of the Directors / Key Managerial Personnel or their relatives of the Company except Mr. Lalit Agarwal himself and Mr. Jaiprakash Agarwal, Mr. Ramchandra Agarwal & Mr. Mahendra Agarwal being brothers of Mr. Lalit Agarwal and Mr. Vipin Agarwal, Chief Financial Officer of the Company being 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.

**IEM 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, 2019 to March 31, 2022 by the members of the Company in the Annual General Meeting of the Company held on September 30, 2019. Mr. Agarwal's existing term shall expire on March 31, 2022. Mr. Agarwal has to his credit nearly 42 years plus 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, proposes to re-appoint Mr. Agarwal as the Whole Time Director of the Company for period of 3 Years w.e.f April 01, 2022 till March 31, 2025 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. 2022-2023	F.Y. 2023-24	F.Y. 2024-25
Upto maximum Rs. 75,00,000 per annum	Upto maximum Rs. 90,00,000 per annum	Upto maximum Rs. 1,10,00,000 per annum
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 thereunder  
(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 of Mr. Ramchandra Agarwal and Mr. Vipin Agarwal, Chief Financial Officer of the Company being 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: OMNIBUS APPROVAL FOR RELATED PARTY TRANSACTIONS.**

As per Section 188 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further pursuant to the approval of Board of Directors and the Audit Committee with regard to omnibus approval for related party transactions on annual basis for the financial year 2021-22, in their respective meeting held on June 15, 2021, 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 F.Y. 2021-22, as set out here under:

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

Subsidiary ( 100 % )	Bituminex Cochin Pvt Ltd. (BCPL) AICL OVERSEAS FZ-LLC Agarwal Translink Private Limited
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. Dipali Pitale (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 Motors Repairs</b> Jaiprakash Agarwal – Proprietor
	<b>Balaji Tyres</b> Shailesh Agarwal – Proprietor
	<b>Shree Balaji Engineering Work</b> Shailesh Agarwal – Proprietor
	<b>Murlidhar Ishwardas</b>

**Omnibus Approval for Related Party Transactions as approved by the Board of Directors and Audit Committee in their respective meetings held on June 15, 2021 for the F.Y 2021-22:**

(₹ in Lakhs)

Nature of Transaction	Subsidiary (Amount not exceeding)	KMPs & Relatives of KMPs (Amount not exceeding Consolidated)	Concerns in which KMP & their Relatives are interested Amount not exceeding Consolidated)	Total for F.Y. 2021-22
<b>Remuneration</b> Mr. Jaiprakash Agarwal, Mr. Lalit Agarwal, Mr. Ramchandra Agarwal Mr. Vipin Agarwal, Ms. Dipali Pitale Relatives of KMPs	-	275.76	-	275.76
<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	-	-	1500	1500
<b>Labour Charges Received</b> ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd	-	-	45	45
<b>Sales of Spare Parts &amp; Oil</b> ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd	-	-	40	40
<b>Spare Parts, HSD &amp; Oil Purchase</b> ANZ Transporters Agarwal Gas Carriers Agarwal Translink P Ltd	-	-	800	800
<b>Purchase of Fixed Asset and Repairing Charges</b> Shree Balaji Engineering Works	-	-	70	70
<b>Rent Payable</b> Mr. Jaiprakash Agarwal Mr. Lalit Agarwal	-	40	-	40
<b>Loan to 100% Subsidiary</b> Bituminex Cochin Pvt Ltd AICL OVERSEAS FZ – LLC Agarwal Translink Private Limited	5000	-	-	5000
<b>Interest &amp; Guarantee Commission</b> AICL Overseas FZ - LLC	600	-	-	600
<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(s) of the Company or their relatives, other than Mr. Jaiprakash Agarwal, Managing Director, Mr. Lalit Agarwal, Whole Time Director, Mr. Ramchandra Agarwal, Whole Time Director and Mr. Mahendra Agarwal, Non-Executive Non Independent Director, being Promoters and Directors & Brothers & Mr. Vipin Agarwal, Chief Financial Officer (KMP) are concerned or interested financially or otherwise in the resolution except to the extent of their shareholding in the Company, if any., in the Special Resolution set out at Item no. 8 of the Notice.

The Board recommends the Special Resolution as set out in Item no. 8 of the Notice for approval of the members.

**ITEM NO 9: TO APPROVE LIMIT OF LOAN AND INVESTMENT BY COMPANY.**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 (“Act”), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs.250 Crores, as proposed in the Notice.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.9 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item no. 9 of the accompanying notice. The Board recommends the resolution at Item no. 9 to be passed as Special Resolution.

**ITEM NO 10: TO APPROVE APPOINTMENT OF COST AUDITORS FOR F.Y 2021-22.**

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 Rs.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 reenactments thereof, for the time being in force) for the Financial Year 2021-22. 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. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2022.

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. 10 of the Notice for approval of the members.

### ANNEXURE TO THE NOTICE DATED AUGUST 30, 2021

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.

#### I. 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 Taloja, Vadodara, Belgaum and Hyderabad for manufacturing of Bituminous & Allied Products, which started commercial production in December 2004, July 2007, September 2010 and January 2013, respectively.

##### c] In case of new companies expected date of commencement of activities as per project as approved by financial institutions appearing in the prospectus. : Not Applicable

##### d] Financial performance based on given indicators

The total Revenue of the Company for the Financial Year ended March 31, 2021, is ₹ 83895.26 Lakhs as compared previous year's total Revenue of ₹ 75613.45 Lakhs thus indicating an increase of 9.87% over the previous year. Further, Profit before Tax and Profit after Tax were ₹ 2963.87 Lakhs and ₹ 2155.20 Lakhs respectively during the year under review as against ₹ 2023.49 Lakhs and ₹ 1476.28 Lakhs in the corresponding previous year.

#### Performance of the Company during the last 3 Financial Years were as follows: (Rs in Lakhs)- (Standalone)

Particulars	F.Y 2018-19 (Audited)	F.Y 2019-20 (Audited)	F.Y 2020- 21(Audited)
Gross Income	52,943.64	75613.45	83,895.26
Profit Before Tax	1,993.19	2,023.49	2,963.87

Profit After Tax	1,321.36	1,476.28	2,155.20
Net Worth	13,294.55	14,542.59	16551.45
<b>Dividend Per Share of FV of ₹ 10 each fully paid-up</b>	Rs. 1.80/ ( Paid)	Rs. 1.50/ ( Paid)	Rs. 1.80/ - ( Recommended )

**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/ OCBs, 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 63 plus 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 42 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, 2020 and March 31, 2021, Mr. Jaiprakash Agarwal was paid a total remuneration of ₹ 54.00 Lakhs and ₹ 60.00 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. 8 and Item No. 8 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 52 plus 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, 2020 and March 31, 2021, Mr. Agarwal was paid a total remuneration of ₹ 48.00 Lakhs & ₹ 54.00 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. 8 and Item No. 8 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 65 plus 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, 2020 and March 31, 2021, Mr. Agarwal was paid a total remuneration of ₹ 48.00 Lakhs and ₹ 54.00 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. 8 and Item No. 8 of the Explanatory Statement of the Notice of this Meeting.

(ANNEXURE TO NOTICE DATED AUGUST 30, 2021)

**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]

<b>Name of the Director</b>	<b>Mr. Jaiprakash Agarwal (Managing Director)</b>	<b>Mr. Lalit Agarwal (Whole Time Director)</b>	<b>Mr. Ramchandra Agarwal * (Whole Time Director)</b>
Date of Birth	02.07.1958	12.09.1968	17.09.1956
Date of Re-appointment (Proposed)	<b>01/04/2022 to 31/03/2025</b>	<b>01/04/2022 to 31/03/2025</b>	<b>01/04/2022 to 31/03/2025</b>
Qualifications	B. Com	M. Com	B. Com
Expertise	Management, Finance & Operations	Management, Finance, Marketing & Corporate Affairs	Management, Operations & Human Resources
Directorships held in other Public Companies including Private Companies which are subsidiaries of Public Companies (excluding foreign companies)	Nil	Biuminex Cochin Pvt. Ltd.	Nil
Memberships/ Chairmanships of committees across all companies	<b>Chairperson:</b> Corporate Social Responsibility Committee of Agarwal Industrial Corporation Ltd	<b>Chairperson:</b> Risk Management Committee <b>Member:</b> Corporate Social Responsibility Committee of Agarwal Industrial Corporation Ltd	Nil
Number of Meetings attended during the year	8	9	8
Shareholding of Non- executive Directors	Not Applicable	Not Applicable	Not Applicable
Relationships between Directors inter-se	Brothers	Brothers	Brothers

( *\*Mr. Ramchandra Agarwal, is also a Director by rotation and being eligible , offers himself for re-appointment at the ensuing Annual General Meeting of the Company*)

By Order of the Board of Directors  
**Agarwal Industrial Corporation Limited**

**Place:** Mumbai  
**Dated:** August 30, 2021

Dipali Pitale  
Company Secretary & Compliance Officer

**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 Seventh Annual Report** of the Company together with its Audited Statement of Profit and Loss for the **Financial Year ended March 31, 2021** and the Balance Sheet as on that date:

### FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone	
	2020-21	2019-20
<b>Financial Year Ended on</b>	<b>Audited</b>	<b>Audited</b>
<b>Total Revenue</b>	<b>83895.26</b>	<b>75613.45</b>
Profit before Depreciation, Finance Costs and Tax	5120.00	3703.62
Less: Depreciation	1179.66	793.47
Less: Finance Costs	976.47	886.66
<b>Profit before Tax</b>	<b>2963.87</b>	<b>2023.49</b>
Less: Provision for Tax		
(a) Current Tax	<b>811.00</b>	<b>547.00</b>
(b) Deferred Tax (Assets)/ Liability	-49.33	0.22
(c) Short Provision for Tax for earlier years	-	-
<b>Profit after Tax</b>	<b>2155.20</b>	<b>1476.28</b>
<b>Other Comprehensive (Income)/ Loss</b>	<b>7.55</b>	<b>-5.63</b>
<b>Total Comprehensive Income For The Year</b>	<b>2162.75</b>	<b>1470.65</b>
Dividend Paid	153.88	184.66
Tax on Dividend Paid	-	37.96
Balance carried to Other Equity	<b>2008.87</b>	<b>1248.03</b>

### RESULTS OF OPERATIONS (Standalone)

The total Revenue of the Company for the Financial Year ended March 31, 2021, is ₹ 83895.26 Lakhs as compared previous year's total Revenue of ₹ 75613.45 Lakhs thus indicating an increase of 9.87% over the previous year. Further, Profit before Tax and Profit after Tax were ₹ 2963.87 Lakhs and ₹ 2155.20 Lakhs respectively during the year under review as against ₹ 2023.49 Lakhs and ₹ 1476.28 Lakhs in the corresponding previous year.

### STATE OF AFFAIRS & BUSINESS OVERVIEW

The Company is a leading manufacturers and importers of Bitumen & Bituminous products and our plants are located at Belgaum, Hyderabad, Taloja Vadodara and Cochin\*. 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



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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. (\* through its wholly owned subsidiary)

### **Manufacturing Facilities at Guwahati**

Your Company's latest manufacturing facilities of Bitumen and value added Bituminous products at Guwahati, Assam, in order to expand and develop Bitumen trade in Eastern states are nearing completion (work in progress) as Bitumen is extensively used in infrastructure projects more specifically in road construction projects initiated by the State Government.

### **BULK BITUMEN IMPORT & STORAGE FACILITIES**

Your Company has excellent Bulk Bitumen Storage facilities to effectively handle and market bitumen imports at Karwar (Karnataka), Haldia Port , Dighi Port , Hazira Port (Gujarat), Mangalore (Karnataka), Mumbai (Maharashtra) & Vadodara.

### **Bulk Bitumen Storage Facilities at Mangalore.**

During the period under review, your Company commenced Bulk Bitumen Storage facilities at Mangalore Port in order to cater to very potential South Indian markets and to further increase its customer base Pan India. The operations from the new storage site at Mangalore have been very encouraging and it is expected to improve further in coming years.

### **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**

#### **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 Jaisalmer, 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.

## CoVID-19 PANDAMIC

Your Directors assure you that the state of affairs of the Company and the Business Scenario continuous to be normal in the continued CoVID-19 pandemic and your Board projects bright future of the Company in coming years.

For more details on Bitumen Industry & Business Scenario, please refer to the Chapter on Management Discussion and Analysis of this report.

## SHARE CAPITAL

During the year under review, there was no change in the Issued and Paid up Share Capital of the Company which comprised of 1,02,58,747 Equity Shares of Face Value of ₹10/- each amounting to ₹10,25,87,470/- paid up capital of the Company for the financial year ended at March 31, 2021.

For Issued and Paid up Share Capital, *post financial year ended March 31, 2021*, please refer to “SHARE CAPITAL” under Management Discussion and Analysis - Annexure -V forming part of this report.

## DIVIDEND

Your 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, 2021. The dividend distribution is subject to approval of the members of the Company at the ensuing Annual General Meeting.

Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. 1<sup>st</sup> April 2020. **No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹5,000/-**. The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

## AMOUNT TO BE CARRIED TO OTHER EQUITY

The Company has transferred ₹ 2008.87 Lakhs to the Other Equity for the F.Y. March 31, 2021 after appropriating ₹153.88 Lakhs towards dividend paid for the F.Y. ended March 31, 2020.

## CAPITAL EXPENDITURE

As at March 31, 2021, the Capital Expenditure during the year under review amounted to ₹1020.33 Lakhs including Work in Progress (WIP) amounted to ₹75.90 Lakhs.

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## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Results for the F.Y ended on March 31, 2021 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.

FOR DETAILS PLEASE REFER TO "CONSOLIDATED FINANCIAL STATEMENTS" UNDER MANAGEMENT DISCUSSION & ANALYSIS - ANNEXURE -V FORMING PART OF THIS REPORT.

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## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

### **Newly Wholly Owned Subsidiary (Agarwal Translink Private Limited)**

The Company, post financial year ended on March 31, 2021, has issued and allotted 11,88,042 Equity Shares at a price of Rs. 105.20 per Equity Share aggregating to Rs. 12,49,82,018.40 (Rupees Twelve Crore Forty Nine Lakhs Eighty Two Thousand and Eighteen and Forty Paise only) for consideration other than cash to the Members of Agarwal Translink Private Limited ( ATPL ), a group Company, in lieu of purchase of the entire equity holding of all the Members of the said group Company, thus making the said group Company- the Company's wholly owned subsidiary company (WOS) in accordance with the Board Resolution dated April 09, 2021 passed by the Board of Directors of the Company and with the Shareholders' approval vide Special Resolution dated February 10, 2021 and in accordance with all related SEBI regulations / provisions of the Companies Act, 2013 and Rules made thereunder, as amended / all other regulatory compliances as applicable in this regard. Consequently, *Agarwal Translink Private Limited, became Wholly Owned Subsidiary (WOS) of the Company along with two other WOS of the Company viz Bituminex Cochin Private Limited and AICL Overseas FZ-LLC as detailed herein under.*

### **Wholly Owned Subsidiary Company (Bituminex Cochin Pvt Ltd (BCPL))**

Bituminex Cochin Pvt Ltd (BCPL), is the first Wholly Owned Indian Subsidiary (W.O.S) and doing steady business of manufacturing and trading of bitumen and bituminous products.

### **Wholly Owned Subsidiary Company in UAE ( AICL OVERSEAS FZ-LLC )**

The Company's Wholly Owned Subsidiary (W.O.S) in UAE under the name "AICL OVERSEAS" in Ras Al Khaimah Economic Zone (RAKEZ) in United Arab Emirates (UAE) for undertaking various ship/vessel /ocean related activities, has been reporting good financial performance since its inception and continuous to grow and develop strategically.

**Our above overseas WOS owns fleet of 5 (Five) large Vessels having total capacity of 29,500 MT which are used in importing raw bitumen from oil producing countries. The economies we achieve with our own fleet of marine vessels and road transport vehicles enable your Company to outbid competitors, secure tenders and ensure high standards of supply and services to its valued customers.**

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's Subsidiaries (except the newly wholly owned subsidiary as mentioned herein above) 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.

## ISSUANCE AND ALLOTMENT OF WARRANTS

The Company, post financial year ended on March 31, 2021, has issued and allotted 35,11,000 convertible warrants, each carrying a right to subscribe to one Equity Share per Warrant, at a price of Rs. 105.20 per Warrant aggregating to 36,93,57,200 (Rupees Thirty Six Crore Ninety Three Lakhs Fifty Seven Thousand and Two Hundred Only), in accordance with the Board Resolution dated April 09, 2021 passed by the Board of Directors of the Company and with the Shareholders' approval vide Special Resolution dated February 10, 2021 and in accordance with all related SEBI regulations / provisions of the Companies Act, 2013 and Rules made thereunder, as amended / all other regulatory compliances as applicable in this regard.

*Further, the Company, post financial year ended on March 31, 2021, converted above Warrants as follows:*

- (a) 4,00,000 Warrants into 4,00,000 Equity Shares of the Face Value of Rs 10/- each at a premium of Rs. 95.20/- per share, out of total 18,00,000 Warrants allotted under the Public Category in the Meeting of Board of Directors held on June 15, 2021. The newly allotted Equity Shares have been listed on BSE and NSE.
- (b) 2,19,000 Warrants into 2,19,000 Equity Shares of the Face Value of Rs 10/- each at a premium of Rs. 95.20/- per share, out of total 17,11,000 Warrants allotted to Promoters / Promoters Group. The process for corporate action and applications to NSE & BSE Stock Exchanges for trading and listing approvals have been initiated by the Company.
- (c) 4,00,000 Warrants into 4,00,000 Equity Shares of the Face Value of Rs 10/- each at a premium of Rs. 95.20/- per share, out of total 18,00,000 Warrants allotted under the Public Category in the Meeting of Board of Directors held on August 13, 2021. The process for corporate action and applications to NSE & BSE for trading and listing approvals have been initiated by the Company.

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

### 1. COVID-19 Pandemic

There is no material adverse impact of *continuing* CoVID – 19 pandemic on the Company and its operations / profitability during the Financial Year ended March 31, 2021 and post financial year period till the date of this Annual Report.

### 2. Previous Matters:

Since the previous Directors' Report, there has been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this 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, which as an interim relief has directed the PMC not to initiate any coercive action against the petitioners till the further orders. Accordingly, the actual financial impact of such demand are not known due to pending assessments and the status of the case remains the same. *Till date, the matter is still pending for adjudication in the said H'ble Bombay High Court .*
- (ii) The Asst. Commissioner of Customs, Kakinada had filed three Appeals with The Commissioner (Appeals), Customs, Central Excise and Service Tax, Guntur, after the Review Orders were passed by the Commissioner of Customs (Preventive), to set aside three Orders-in-Original, two dated 08.11.2017 and one dated 30.11.2017 respectively, passed by the Asst. Commissioner of Customs, Kakinada sanctioning thereby Special Additional Duty refunds aggregating to ` 86.55 Lakhs to the Company. The Commissioner (Appeals), Customs, Central Excise and Service Tax, Guntur vide its three Orders dated 29.06.2018, set aside all three Orders-in-Original passed by the Asst. Commissioner of Customs, Kakinada as stated herein above and allowed all three Applications filed by the Asst. Commissioner of Customs, Kakinada. In this regard, against the aforesaid three Orders passed by the Commissioner (Appeals), Customs, Central Excise and Service Tax, Guntur, your Company has already filed respective Appeals with the Customs, Excise & Service Tax Appellate Tribunal at Hyderabad and the matter is still pending.

#### **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.aicltd.in](http://www.aicltd.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 as amended. The details relating to the same are given in Report on Corporate Governance forming part of this Board Report.

##### Constitution of the Audit Committee

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

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## **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 Notes 3, 6, 10 and 13 respectively of the said statement. Your Company has not provided any guarantee or given security in connection with loan to any other body corporate or person.

## **RISK MANAGEMENT**

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

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

In terms of Section 149 of the Act and pursuant to the Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, 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, Mr. Lalit Agarwal and Mr. Ramchandra Agarwal:

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 for a period of 3 years with effect from April 01, 2019 to March 31, 2022 by the members of the Company in the Annual General Meeting of the Company held on September 30, 2019. The existing term shall expire on March 31, 2022.

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, proposed to re-appoint re-appointed Mr. Jaiprakash Agarwal, as the Managing Director, Mr. Lalit Agarwal and Mr. Ramchandra Agarwal as the Whole Time Directors, respectively of the Company for period of 3 Years w.e.f April 01, 2022 till March 31, 2025 in their respective meetings held on August 30, 2021.

### Independent Directors:

Mr. Rajkumar Mehta, Mr. Alok Bharara, Mr. Harikrishna Patni & Mrs. Priti Lodha were appointed as Independent Directors by the Members of the Company for the second term of 5 years w.e.f. September 30, 2019.

Mr. Satish Deshmukh was appointed Company Secretary and Compliance Officer of the Company w.e.f. December 18, 2020 who resigned w.e.f 09.03.2021.

Ms. Dipali Pitale is appointed Company Secretary and Compliance Officer of the Company w.e.f March 10, 2021.

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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. Dipali Pitale - Company Secretary

#### **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, 10 (Ten) Board Meetings (*including Exclusive Meeting of Independent Directors*) were held and the intervening gap between the meetings did not exceed the period prescribed under the Act, the details of which are given in the Corporate Governance Report.

#### **BOARD EFFECTIVENESS**

The Company 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**

As per Company's Policy, 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 Companies Act 2013 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 is paid.
- 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. 2020-21 & between the end of the financial year and the date of this Report.

Mrs. Harshada Patil is the External Member of 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 Seventh Annual General Meeting of the Company, the Members will be requested to ratify the appointment of M/s. Ladha Singhal & Associates, Chartered Accountants, Mumbai as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors. They have confirmed their eligibility to the effect would be within the prescribed limits under the Act and they are not disqualified for re-appointment.



The notes on financial statements 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 had 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 2020-21. The Secretarial Audit Report in Form No. MR-3 for the financial year ended March 31, 2021 is annexed herewith as **ANNEXURE - II**.

Secretarial Auditors' observations: The report does not contain any qualifications, reservation or adverse remarks.

#### **COST AUDITOR**

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the Board of Directors of the Company appointed Mr. Vinayak Kulkarni, Cost Accountant (Membership No. – 28559) as the Cost Auditors to conduct the Cost Audit of the Company for relevant segments for the financial year ending March 31, 2022.

#### **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, 2021 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:**

	<b>(Rs. in Lakhs)</b>
Particulars	<b>F.Y. 2020-21(Audited)</b>
Earnings	357.38
Outgo	64090.63

**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 during the year and no fixed deposits were outstanding or unclaimed as on March 31, 2021.

**STATUS OF UNCLAIMED/ UNPAID DIVIDEND AMOUNTS**

The status of unclaimed/ unpaid Dividend amounts as on March 31, 2021: Rs.13.31 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 2021-22 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, 2021, 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, 2021 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, 2021 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 to be entered into during the F. Y. 2020-21 on omnibus basis were approved by the Board of Directors and the Audit Committee and were also consented by the members in the Annual General Meeting of the Company held on September 30, 2020 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. 2020-21 are placed under ANNEXURE –VI as per Form AOC-2 attached with this Directors' 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. Alok Bharara, 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.

**APPLICATIONS MADE OR ANY PROCEEDING PENDING UNDER THE IBC CODE, 2016**

No application made or any proceeding is pending under the IBC Code, 2016 during the year under review and thereafter till the date of this 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  
**Agarwal Industrial Corporation Limited**

**Jaiprakash Agarwal**  
**(DIN: 01379868)**  
Managing Director

**Date:** August 30, 2021

**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, 2021

[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 : **Universal Capital Securities Pvt Ltd.**  
details of Registrar and Transfer Agent, (SEBI REG. NO. INR000004082)  
if any Registrar & Share Transfer Agent CIN NO – U74200MH1991PTC062536  
(w.e.f. June 30, 2018) C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083.  
Tel No. : +91 (022) 28207203-05, Fax No. : +91 (022)  
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 / service	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing & Trading of Petrochemical Products (Bitumen & Bituminous Products)	19209	94.73
2	Transportation, Windmill	60231	5.27



**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	<b>Bituminex Cochin Pvt.Ltd.*</b> (Building No: II, 1, 2, 3, Ambalamugal, P.O. Ernakulam, Kerala- 682302) <i>( Wholly Owned Subsidiary)</i>	U10300KL1980PTC003141	Subsidiary	100 %	2(87)
2	<b>AICL Overseas FZ – LLC (T1-FF-3C, **</b> RAKEZ Amenity Center, Al Hamra Industrial Zone –FZ RAK, United Arab Emirates) <i>( Wholly Owned Subsidiary)</i>	00000047002075	Subsidiary	100 %	2(87)
3	<b>Agarwal Translink Private Limited ***</b> D-5/2 MIDCTTC Industrial Area Turbhe Navi Mumbai 400705 <i>( Wholly Owned Subsidiary)</i> <i>with effect from 9<sup>th</sup> April 2021</i>	U60210MH1977PTC019562	Subsidiary	100 %	2(87)

(\*Bituminex Cochin Pvt.Ltd - 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)

( \*\* AICL Overseas FZ – LLC ‘s Share Capital comprises of 1000 Shares of AED 1000 each.)

(\*\*\*Agarwal Translink Private Limited has become Wholly Owned Subsidiary of the Company with effect from 9<sup>th</sup> April 2021 and One Equity Share held by Sh. Vipin 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

Sr No	Category of Shareholders	Shareholding at the beginning of the F.Y - 01/04/2020				Shareholding at the end of the F.Y - 31/03/2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter &amp; Promoter Group</b>									
[1]	<b>Indian</b>									
(a)	Individual/HUF	6086392	-	6086392	59.33	6086392	-	6086392	59.33	-
(b)	Central Govt/State Govt	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other(Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(1): -</b>	<b>6086392</b>	<b>-</b>	<b>6086392</b>	<b>59.33</b>	<b>6086392</b>	<b>-</b>	<b>6086392</b>	<b>59.33</b>	<b>-</b>
[2]	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
(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>6086392</b>	<b>-</b>	<b>6086392</b>	<b>59.33</b>	<b>-</b>
<b>(B)</b>	<b>Public Shareholding</b>									
[1]	<b>Institutions</b>									
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Fund	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-

(e)	Foreign Portfolio Investor	4000	-	4000	0.04	4000	-	4000	0.04	-
(f)	Financial Institutions/Bank	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify) Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
	<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>
[2]	<b>Central Government/State Government(s)/ President of India</b>									
	IEPF	16591	-	16591	0.16	18619	-	18619	0.18	0.019
	<b>Sub Total (B)(2)</b>	<b>16591</b>	<b>-</b>	<b>16591</b>	<b>0.16</b>	<b>18619</b>	<b>-</b>	<b>18619</b>	<b>0.18</b>	<b>0.019</b>
[3]	<b>Non-Institutions</b>									
(a)	<b>Individuals</b>									
i	Individual Shareholders holding nominal share capital upto Rs.1 Lakh	1071586	10405	<b>1081991</b>	10.55	1371060	1005	1381065	13.46	<b>2.92</b>
ii	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	<b>876980</b>	-	<b>876980</b>	8.74	<b>1502155</b>	-	1502155	14.64	6.09
(b)	NBFC registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(d)	Any Others (specify)									
	Hindu Undivided Family	293586	-	293586	2.86	293101	-	293101	2.86	-0.005
	Non Resident Indians (Non Repat)	212691	-	212691	2.07	149194	-	149194	1.45	-0.62
	Non Resident Indians (Repat)	302630	-	302630	2.95	317054	-	317054	3.09	0.14
	Clearing Member	10824	-	10824	0.11	29982	-	29982	0.29	0.19
	Bodies Corporate	1373062	-	1373062	13.38	477185	-	477185	4.65	-8.73
	<b>Sub-total (B)(3):-</b>	<b>4141359</b>	<b>10405</b>	<b>4151764</b>	<b>40.47</b>	<b>4139731</b>	<b>10005</b>	<b>4149736</b>	<b>40.45</b>	<b>-0.02</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>4161950</b>	<b>10405</b>	<b>4172355</b>	<b>40.67</b>	<b>4162350</b>	<b>10005</b>	<b>4172355</b>	<b>40.67</b>	<b>0.00</b>
	<b>Total (A) + (B)</b>	<b>10248342</b>	<b>10405</b>	<b>10258747</b>	<b>100</b>	<b>10248742</b>	<b>10005</b>	<b>10258747</b>	<b>100</b>	<b>0.00</b>
(C)	<b>Non-Promoter – Non Public</b>									
	(C1) Shares Underlying DRs									
[1]	<b>Custodian/DR Holder</b>	-	-	-	-	-	-	-	-	-
	(C2) Shares Held by Employee Trust									
[2]	<b>Employee Benefit Trust (under SEBI</b>	-	-	-	-	-	-	-	-	-

(Share Based Employee Benefit Regulations, 2014)										
<b>Grand Total (A+B+C)</b>	<b>10248342</b>	<b>10405</b>	<b>10258747</b>	<b>100</b>	<b>10248742</b>	<b>10005</b>	<b>10258747</b>	<b>100</b>	<b>0.00</b>	

## ii) Shareholding of Promoters:

Sr. No.	Category of Shareholders	Shareholding at the beginning of the F.Y - 01/04/2020			Shareholding at the end of the F.Y - 31/03/2021			% 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): No Change**

Sl. No.	Particulars	Shareholding at the beginning of the F.Y - 01/04/2020		Shareholding at the end of the F.Y - 31/03/2021	
		No. of Shares	% of total Shares of the company	No of shares	% of total Shares of the company
1.	Jaiprakash Agarwal				
	At the beginning of the year	641850	6.26		
	At the end of the year			641850	6.26
2	Ramchandra Agarwal				
	At the beginning of the year	532525	5.19		
	At the end of the year			532525	5.19
3	Kishan Agarwal				
	At the beginning of the year	498225	4.86		
	At the end of the year			498225	4.86
4	Mahendra Agarwal				
	At the beginning of the year	491100	4.79		
	At the end of the year			491100	4.79
5	Usha Agarwal				
	At the beginning of the year	458283	4.47		
	At the end of the year			458283	4.47
6	Lalit Agarwal				
	At the beginning of the year	400625	3.91		
	At the end of the year			400625	3.91
7	Jugal Kishore Agarwal				
	At the beginning of the year	395000	3.85		
	At the end of the year			395000	3.85
8	Rekha Agarwal				
	At the beginning of the year	296114	2.89		
	At the end of the year			296114	2.89

9	Nilesh Agarwal				
	At the beginning of the year	279650	2.73		
	At the end of the year			279650	2.73
10	Padma Agarwal				
	At the beginning of the year	244105	2.38		
	At the end of the year			244105	2.38
11	Sushila Agarwal				
	At the beginning of the year	240100	2.34		
	At the end of the year			240100	2.34
12	Shailesh Agarwal				
	At the beginning of the year	231300	2.25		
	At the end of the year			231300	2.25
13	Uma Agarwal				
	At the beginning of the year	223600	2.18		
	At the end of the year			223600	2.18
14	Vipin Agarwal				
	At the beginning of the year	168975	1.65		
	At the end of the year			168975	1.65
15	Jaiprakash Rahul Kumar HUF				
	At the beginning of the year	135875	1.32		
	At the end of the year			135875	1.32
16	Sudha Agarwal				
	At the beginning of the year	132040	1.29		
	At the end of the year			132040	1.29
17	Ramchandra Agarwal HUF				
	At the beginning of the year	125000	1.22		
	At the end of the year			125000	1.21
18	Mangilal Agarwal HUF				
	At the beginning of the year	101300	0.99		
	At the end of the year			101300	0.99
19	Mukul Agarwal				
	At the beginning of the year	76900	0.75		
	At the end of the year			76900	0.75
20	Kishan Agarwal HUF				
	At the beginning of the year	71500	0.70		
	At the end of the year			71500	0.70
21	Lalit Agarwal HUF				
	At the beginning of the year	71500	0.70		
	At the end of the year			71500	0.70
22	Virel Agarwal				



	At the beginning of the year	66300	0.65		
	At the end of the year			66300	0.65
23	Pooja Agarwal				
	At the beginning of the year	53850	0.52		
	At the end of the year			53850	0.52
24	Yash Agarwal				
	At the beginning of the year	48400	0.47		
	At the end of the year			48400	0.47
25	Lakshya Agarwal				
	At the beginning of the year	47900	0.47		
	At the end of the year			47900	0.47
26	Mahendra Agarwal HUF				
	At the beginning of the year	25000	0.24		
	At the end of the year			25000	0.24
27	Jugal Kishore Agarwal HUF				
	At the beginning of the year	19000	0.19		
	At the end of the year			19000	0.19
28	Sanchi Agarwal				
	At the beginning of the year	4500	0.04		
	At the end of the year			4500	0.04
29	Namrata Agarwal				
	At the beginning of the year	3375	0.03		
	At the end of the year			3375	0.03
30	Aayushi Agarwal				
	At the beginning of the year	2500	0.02		
	At the end of the year			2500	0.02

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the F.Y - 01/04/2020		Transactions during the year		Cumulative Shareholding at the end of the F.Y - 31/03/2021	
		No. of Shares held	% of total Shares of the Company	Date of transaction	No. Of Shares	No of Shares held	% of total Shares of the Company
1	ASHIT MEHTA	290935	2.8360			290935	2.8360
	AT THE END OF THE YEAR					290935	2.8360
2	AAVYANA ADVISORS LLP	400000	3.8991			400000	3.8991
	Transfer			06 Nov 2020	(255000)	145000	1.4134
	AT THE END OF THE YEAR					145000	1.4134
3	SAPNA BERRY	0	0.0000			0	0.0000
	Transfer			06 Nov 2020	85000	85000	0.8286
	AT THE END OF THE YEAR					85000	0.8286

4	NEHA BHANDARI	0	0.0000			0	0.0000
	Transfer			06 Nov 2020	85000	85000	0.8286
	AT THE END OF THE YEAR					85000	0.8286
5	SUNITA MADHUSUDAN SARDA	0	0.0000			0	0.0000
	Transfer			06 Nov 2020	85000	85000	0.8286
	AT THE END OF THE YEAR					85000	0.8286
6	NISHU FINLEASE PRIVATE LIMITED	108800	1.0606			108800	1.0606
	Transfer			15 Jan 2021	(8800)	100000	0.9748
	Transfer			12 Feb 2021	(7500)	92500	0.9017
	Transfer			19 Feb 2021	(7977)	84523	0.8239
	Transfer			26 Feb 2021	(607)	83916	0.8180
	Transfer			26 Mar 2021	(500)	83416	0.8131
	AT THE END OF THE YEAR					83416	0.8131
7	MUKESH HARIRAM AGARWAL	45619	0.4447			45619	0.4447
	Transfer			03 Apr 2020	100	45719	0.4457
	Transfer			10 Apr 2020	654	46373	0.4520
	Transfer			24 Apr 2020	473	46846	0.4566
	Transfer			29 May 2020	18711	65557	0.6390
	Transfer			12 Jun 2020	(1500)	64057	0.6244
	Transfer			14 Aug 2020	(1000)	63057	0.6147
	Transfer			21 Aug 2020	(1500)	61557	0.6000
	Transfer			19 Feb 2021	(13)	61544	0.5999
	AT THE END OF THE YEAR					61544	0.5999
8	SHARVAN BANSAL	19604	0.1911			19604	0.1911
	Transfer			17 Apr 2020	7225	26829	0.2615
	Transfer			24 Apr 2020	9658	36487	0.3557
	Transfer			22 May 2020	500	36987	0.3605
	Transfer			19 Jun 2020	500	37487	0.3654
	Transfer			14 Aug 2020	3317	40804	0.3977
	Transfer			21 Aug 2020	1688	42492	0.4142
	Transfer			28 Aug 2020	1500	43992	0.4288
	Transfer			04 Sep 2020	6666	50658	0.4938
	Transfer			18 Sep 2020	2437	53095	0.5176
	Transfer			16 Oct 2020	1500	54595	0.5322
	Transfer			27 Nov 2020	405	55000	0.5361
	Transfer			04 Dec 2020	1000	56000	0.5459
	AT THE END OF THE YEAR					56000	0.5459

9	PRITI MEHTA	55580	0.5418			55580	0.5418
	AT THE END OF THE YEAR					55580	0.5418
10	FERRO TECH INDIA PRIVATE LIMITED	54114	0.5275			54114	0.5275
	Transfer			12 Mar 2021	(191)	53923	0.5256
	Transfer			26 Mar 2021	(243)	53680	0.5233
	AT THE END OF THE YEAR					53680	0.5233
11	BRAJA KISHORE MISHRA	120276	1.1724			120276	1.1724
	Transfer			14 Aug 2020	(15000)	105276	1.0262
	Transfer			18 Dec 2020	(17532)	87744	0.8553
	Transfer			08 Jan 2021	(544)	87200	0.8500
	Transfer			15 Jan 2021	(35324)	51876	0.5057
	Transfer			22 Jan 2021	(5000)	46876	0.4569
	AT THE END OF THE YEAR					46876	0.4569
12	ASHWANI DEEDWANIA	59944	0.5843			59944	0.5843
	Transfer			21 Aug 2020	(2079)	57865	0.5641
	Transfer			28 Aug 2020	(6371)	51494	0.5020
	Transfer			31 Oct 2020	(1232)	50262	0.4899
	Transfer			27 Nov 2020	(4000)	46262	0.4510
	Transfer			04 Dec 2020	(5512)	40750	0.3972
	Transfer			31 Dec 2020	(2000)	38750	0.3777
	Transfer			15 Jan 2021	(5000)	33750	0.3290
	Transfer			22 Jan 2021	(5000)	28750	0.2802
	AT THE END OF THE YEAR					28750	0.2802
13	HEM SECURITIES LIMITED	50040	0.4878			50040	0.4878
	Transfer			19 Jun 2020	9	50049	0.4879
	Transfer			26 Jun 2020	(9)	50040	0.4878
	Transfer			30 Jun 2020	66	50106	0.4884
	Transfer			03 Jul 2020	(66)	50040	0.4878
	Transfer			10 Jul 2020	(29600)	20440	0.1992
	Transfer			24 Jul 2020	(400)	20040	0.1953
	Transfer			07 Aug 2020	15200	35240	0.3435
	Transfer			14 Aug 2020	(14550)	20690	0.2017
	Transfer			21 Aug 2020	(690)	20000	0.1950
	Transfer			22 Jan 2021	(5742)	14258	0.1390
	Transfer			05 Mar 2021	(1502)	12756	0.1243
	AT THE END OF THE YEAR					12756	0.1243
14	GARNET INTERNATIONAL LTD	324747	3.1656			324747	3.1656

	Transfer			03 Apr 2020	(24999)	299748	2.9219
	Transfer			17 Apr 2020	(6705)	293043	2.8565
	Transfer			24 Apr 2020	(24483)	268560	2.6179
	Transfer			01 May 2020	(7903)	260657	2.5408
	Transfer			08 May 2020	(26750)	233907	2.2801
	Transfer			29 May 2020	(51442)	182465	1.7786
	Transfer			05 Jun 2020	(54961)	127504	1.2429
	Transfer			12 Jun 2020	(54324)	73180	0.7133
	Transfer			26 Jun 2020	(24423)	48757	0.4753
	Transfer			10 Jul 2020	(20000)	28757	0.2803
	Transfer			31 Jul 2020	(5594)	23163	0.2258
	Transfer			14 Aug 2020	(15863)	7300	0.0712
	Transfer			18 Sep 2020	(5000)	2300	0.0224
	Transfer			30 Sep 2020	9381	11681	0.1139
	Transfer			23 Oct 2020	(1281)	10400	0.1014
	Transfer			30 Oct 2020	(8100)	2300	0.0224
	Transfer			31 Oct 2020	5800	8100	0.0790
	Transfer			06 Nov 2020	(5700)	2400	0.0234
	Transfer			25 Dec 2020	(2300)	100	0.0010
	AT THE END OF THE YEAR					100	0.0010
15	AMIT MUNOT HUF .	105000	1.0235			105000	1.0235
	Transfer			07 Oct 2020	(105000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

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 2020-21 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 F.Y - 01/04/2020		Cumulative Shareholding at the end of the F.Y. - 31/03/2021	
	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 Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/sweat equity etc):	641850 Nil	6.26 Nil	641850 Nil	6.26 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 Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/sweat equity etc):	532525 Nil	5.19 Nil	532525 Nil	5.19 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 Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/sweat equity etc):	491100 Nil	4.79 Nil	491100 Nil	4.79 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 Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/sweat equity etc):	400625 Nil	3.91 Nil	400625 Nil	3.91 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 Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/sweat equity etc):	168975 Nil	1.65 Nil	168975 Nil	1.65 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 for the Financial Year ended March 31, 2021:

(₹ in Lakhs )

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	8570.82	Nil	Nil	8570.82
i) Principal Amount	-	Nil	Nil	-
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	-	Nil	Nil	-
<b>Total (i+ii+iii)</b>	<b>8570.52</b>	<b>Nil</b>	<b>Nil</b>	<b>8570.52</b>
Change in Indebtedness during the financial year				
Addition	1651.61	Nil	Nil	1651.61
Reduction	-	Nil	Nil	-
<b>Net Change</b>	<b>1651.61</b>	<b>Nil</b>	<b>Nil</b>	<b>1651.61</b>
Indebtedness at the end of the financial year	10222.13	Nil	Nil	10222.13
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>10222.13</b>	<b>Nil</b>	<b>Nil</b>	<b>10222.13</b>

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (For the F.Y ended on March 31, 2021)

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

(₹ in Lakhs )

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	60.00	54.00	54.00
	(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



5)	Others	Nil	Nil	Nil
	<b>Total</b>	<b>60.00</b>	<b>54.00</b>	<b>54.00</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 Lakhs )

Sr. no.	Particulars of Remuneration	Vipin Agarwal	Sachin Ghanghas*	Satish Deshmukh**	Dipali Pitale
<b>1</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	18.00	2.73	0.62	0.48
	(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	-	-		

<b>2</b>	<b>Stock Option</b>				
	Sweat Equity	NIL	NIL	NIL	NIL
	Commission				
	- as % of Profit				
	- Others, specify				
	Others				
	<b>Total</b>	<b>18.00</b>	<b>2.73</b>	<b>0.62</b>	<b>0.48</b>

\* Ceased to be Company Secretary w.e.f. 18.12.2020.

\*\* Ceased to be Company Secretary w.e.f. 09.03.2021

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**  
**( For the F.Y ended on March 31, 2021)**

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

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ANNEXURE – II



## P. M. VALA & ASSOCIATES

### COMPANY SECRETARIES

Shop No.1, Laxmi Sadan CHS. Ltd., Opp. New Rose Villa,  
Daji Ramchandra Road, Charai, Thane (West) - 400 601  
Ph : 022-2538 0966 / Cell : 98696 99875 / 88794 10333  
E-mail: rrajguroo@yahoo.co.in / pmvala@yahoo.co.in

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### Form No. MR-3

## **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH' 2021**

[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' 2021** ("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' 2021** 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; -
  - (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.

**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.

- The company has increased its Authorized Share Capital vide shareholders' approval in an Extra Ordinary General Meeting held on 10<sup>th</sup> February'2021 from existing Equity Share of Rs. 13,00,00,000/- (Rupees Thirteen Crores only) to Rs. 17,00,00,000/- (Rupees Seventeen Crores only) having face value of Rs. 10/- each by increasing of 40,00,000 (Forty Lakhs only) Equity Shares and consequently altered its Memorandum of Association and Articles of Association.
- During the year under review, the Company has issued 35,11,000 Fully Convertible Warrants on Preferential basis at an issue price of Rs.105.20/- per Warrant ("Warrant Issue Price"), aggregating to Rs.36,93,57,200 (Thirty Six Crores Ninety Three Lakhs and Fifty Seven Thousand and Two Hundred Only) with a right exercisable by the Warrant holder to exchange each Warrant for One Equity Share of Rs.10/- each of the Company, any time before the expiry of a period of 18 months from the date of its allotment.
- The Company has acquired entire stake of 100% in Agarwal Translink Private Limited (ATPL) by infusing Rs.12,49,82,018.40 ( Twelve Crores Forty Nine Lakhs Eighty Two Thousand and Eighteen and Forty Paise only) in ATPL and has issued 1188042 fully paid up Equity Share of Rs.10/- at an issue price of Rs. 105.20/- in lieu thereof.

For P. M. Vala & Associates,  
Company Secretaries

P. M. Vala  
(Proprietor)  
FCS 5193 CP 4237

UDIN : F005193C000849731

Place: Thane

Date: August 28 2021

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



## Annexure A to Secretarial Audit Report

To,  
The Members  
**Agarwal Industrial Corporation Limited**  
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' 2021** 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,  
Company Secretaries

P. M. Vala  
(Proprietor)  
FCS 5193 CP 4237

UDIN : F005193C000849731  
Place : Thane  
Date : August 28, 2021

**ANNEXURE – III**

**THIS REPORT FORMS PART OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2020-21**

**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 AS AMENDED.**

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2020-21 & percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year 2020-21.

(₹ in Lakhs)

Sr. No.	Name of the Director	Designation	remuneration of each Director to the median remuneration of the employees	ratio of the percentage increase in remuneration
1.	Mr. Jaiprakash Agarwal	Managing Director	27.78	11.11
2.	Mr. Ramchandra Agarwal	Whole Time Director	25.00	12.50
3.	Mr. Lalit Agarwal	Whole Time Director	25.00	12.50
4.	Mr. Vipin Agarwal	Chief Financial Officer	-	-
5.	Mr. Sachin Ghanghas	Company Secretary	-	-
6.	Mr. Satish Deshmukh	Company Secretary	-	-
7.	Ms. Dipali Pitale	Company Secretary	-	-

2. The median remuneration of employees of the Company in the financial year 2020-21 is ₹ 2.16 lakhs. Percentage decreased in the median remuneration of all employees in the Financial Year 2020-21 is 5.16%.
3. Number of permanent employees on the rolls of the Company as on March 31, 2021: 53.
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 increase in remuneration for Employees other than Managerial Personnel is 1.41% and Average increase for Managerial Personnel Remuneration is 8.75%.
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**

The report containing details of Corporate Governance systems and processes of Agarwal Industrial Corporation Limited (hereinafter referred to as “AICL” or “the Company”) in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“Listing Regulations”) as amended is as follows:

Company’s Philosophy on Code of Governance Corporate Governance is about commitment to values and ethical business conduct. We look upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term shareholders’ value creation. Good Corporate Governance is about enhancing value for all our stakeholders. The Company is committed to adopt best practices in Corporate Governance and disclosures thereunder. This includes its corporate and other structures, culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosures of information regarding the financial situation, performance, ownership and governance of the Company are an important part of Corporate Governance.

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 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 with provisions 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 8 (Eight) Directors out of which 3 (Three) are Executive, Non-Independent Directors and 1 (One) is Non-Executive, Non-Independent Director, and 4 (Four) 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 Director seeking re-appointment have been attached along with the Notice of the Annual General Meeting.

2. “Independent Directors” do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiary which may affect the independence of the Director. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of SEBI (LODR) Regulation, 2015 and Section 149 of the Companies Act 2013.

3. During the year under review, the Board of Directors of the Company met Ten (10) times (including Exclusive Meeting of Independent Directors) and the period between any two meetings did not exceed 120 days. The Board Meeting dates were: 30 June 2020, 26 August 2020, 03 September 2020, 12 November 2020, 18 December 2020, 15 January 2021, 13 February 2021, 22 February 2021, 09 March 2021 and an Independent Directors Meeting also held on March 09, 2021. A detailed explanation, in the form of a table illustrating the above matters is given on page no. 69 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 on March 9, 2021 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.aicltd.in](http://www.aicltd.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, 2021. All Senior Management of the Company have affirmed compliance with the Company Code of Conduct. The Code of Conduct is also displayed on the Company's web site. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

### Committees of the Board

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

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

The Audit Committee is as follows:

Mr. Alok Bharara – Independent Director – Chairman  
Mr. Rajkumar Mehta - Independent Director  
Mr. Mahendra Agarwal - Non Independent – Non Executive 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 utilization 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, and adequacy of the internal control systems.
- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- xv. Discussion with internal auditors of any significant findings and follow up there on.
- xvi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xvii. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- xviii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xix. To review the functioning of the Whistle Blower mechanism.

xx. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

The Committee met Six times during the period under review, the details of attendance thereat are given below. Audit Committee meetings are attended by invitation by the CFO, Internal 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, 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.

<b>Details of Directors, Remuneration, Directorship and Meetings of Board &amp; Committees during the F.Y. 2020-21</b>												
Names	Category	Remuneration paid			No. of outside Directorships as at March 31, 2021		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 2020-21	Sitting Fees 2020-21	Commission 2020-21	Indian	Foreign	As Member	As Chairman				
		` in Lacs										
Jaiprakash Agarwal	Managing Director	60.00	Nil	Nil	1	Nil	-	-	8	-	-	Yes
Ramchandra Agarwal	Director	54.00	Nil	Nil	1	Nil	-	-	8	-	-	Yes
Lalit Agarwal	Director	54.00	Nil	Nil	2	Nil	-	-	9	-	-	Yes
Mahendra Agarwal	Director	Nil	Nil	Nil	1	Nil	-	-	9	6	-	Yes
Harikrishna Patni	Director	Nil	Nil	Nil	Nil	Nil	-	-	10*	-	2	Yes
Rajkumar Mehta	Director	Nil	Nil	Nil	1	Nil	-	-	9*	6	2	Yes
Alok Bharara	Director	Nil	Nil	Nil	2	Nil	-	-	10*	6	2	Yes
Priti Lodha	Woman Director	Nil	Nil	Nil	Nil	Nil	-	-	6*	-	-	No

\*Includes Exclusive meeting of the Independent Directors held on March 09, 2021.

- 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 programs 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 whereat are on page no. 69.

#### **Remuneration Policy:**

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

#### **NOTE:**

During the financial year under review, all Independent Directors (ID) and Non-Independent Non-Executive Director (NINED) have voluntarily decided not to receive any sitting fee for the Board/Committee meeting attended during the financial year 2020-21.

#### **3. Stakeholders' Relationship Committee:**

The Company's Stakeholders' Relationship Committee comprises of Mr. Harikrishna Patni, (Chairman), 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:*

Although the provisions of Section 135 of the Companies Act, 2013, is applicable to the Company for the financial year 2020-21, 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. Alok Bharara, 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 Thrice 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 Mr. Lalit Agarwal, 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
Through Video Conferencing	September 30, 2020	11.00 A.M.	- Related party transactions.
Hotel Stars Parade, Lower Hall, Swami Jairamdas Building, Near Basant Park, Chembur, Mumbai – 400 071	September 30, 2019	10.30 A.M.	- Re-appointment of Mr. Jaiprakash Agarwal as Managing Director of the Company. - Re-appointment of Mr. Lalit Agarwal as the Whole Time Director of the Company. - Re-appointment of Mr. Ramchandra Agarwal as the whole Time Director of the Company. - Re-appointment of Mr. Rajkumar Mehta as an Independent Director of the Company for the Second Term - Re-appointment of Mr. Harikrishna Patni as an Independent Director of the Company for the Second Term - Re- Appointment of Mr. Alok Bharara as an Independent Director of the Company for the Second Term

			- Re-Appointment of Mrs. Priti Lodha as an Independent Director of the Company for the Second Term - Related Party Transactions.
Hotel Stars Parade, Lower Hall, Swami Jairamdas Building, Near Basant Park, Chembur, Mumbai – 400 071	September 29, 2018	10.30 A.M.	- Related party transactions.

- All Ordinary & Special Resolutions passed in the previous three Annual General Meetings of the Company were passed with requisite majority.
- Three Extra-Ordinary General Meetings were held during the last three years viz on 14.02.2019, 15.11.2019 (Postal Ballot) and 10.02.2021
- 3 Special Resolutions were passed in EGM conducted during the year under review viz on 10.02.2021

### Disclosures:

- All related party transactions entered during the F. Y. 2020-21 were approved by the Board of Directors and the Audit Committee and were also consented by the members in the Annual General Meeting of the Company held on September 30, 2020 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. 2020-21 are placed under Form AOC-2 mentioned herewith.
- 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.
- 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.
- 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 financial years.
- In accordance with requirement of the Companies Act as well as the Listing Agreement, the Company has adopted the Whistle Blower Policy pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest by approaching the Chairman of the Audit Committee. The policy has been disclosed on the website of the Company under <http://www.aicld.in>.
- 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.
- 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, 2021.

### Subsidiary Companies:

#### **Newly Wholly Owned Subsidiary (Agarwal Translink Private Limited)**

The Company, post financial year ended on March 31, 2021, has issued and allotted 11,88,042 Equity Shares at a price of Rs. 105.20 per Equity Share aggregating to Rs. 12,49,82,018.40 (Rupees Twelve Crore Forty Nine Lakhs Eighty Two Thousand and Eighteen and Forty Paise only) for consideration other than cash to the Members of Agarwal Translink Private Limited ( ATPL ), a group Company, in lieu of purchase of the entire

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equity holding of all the Members of the said group Company, thus making the said group Company- the Company's wholly owned subsidiary company (WOS) in accordance with the Board Resolution dated April 09, 2021 passed by the Board of Directors of the Company and with the Shareholders' approval vide Special Resolution dated February 10, 2021 and in accordance with all related SEBI regulations / provisions of the Companies Act, 2013 and Rules made thereunder, as amended / all other regulatory compliances as applicable in this regard. Consequently, Agarwal Translink Private Limited, became Wholly Owned Subsidiary (WOS) of the Company along with two other WOS of the Company viz Bituminex Cochin Private Limited and AICL Overseas FZ-LLC as detailed herein under.

#### **Wholly Owned Subsidiary ( Bituminex Cochin Pvt Ltd (BCPL))**

Bituminex Cochin Pvt Ltd (BCPL), is the first Wholly Owned Indian Subsidiary (W.O.S) and doing steady business of manufacturing and trading of bitumen and bituminous AICL OVERSEAS products.

#### **Wholly Owned Subsidiary in UAE ( AICL OVERSEAS FZ-LLC )**

The Company's Wholly Owned Subsidiary (W.O.S) in UAE under the name "AICL OVERSEAS" in Ras Al Khaimah Economic Zone (RAKEZ) in United Arab Emirates (UAE) for undertaking various ship/vessel /ocean related activities, has been reporting good financial performance since its inception and continuous to grow and develop strategically.

**Our above overseas WOS owns fleet of 5 large Vessels having total capacity of 29,500 MT which are used in importing raw bitumen from oil producing countries. The economies we achieve with our own fleet of marine vessels and road transport vehicles enable your Company to outbid competitors, secure tenders and ensure high standards of supply and services to its valued customers.**

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries for the Financial Year ended March 31, 2021 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 under review, 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.

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

#### **Consolidated Financial Statements**

The Consolidated Financial Results for the F.Y ended on March 31, 2021 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.

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## Issuance and Allotment of Warrants

The Company, post financial year ended on March 31, 2021, has issued and allotted 35,11,000 convertible warrants, each carrying a right to subscribe to one Equity Share per Warrant, at a price of Rs. 105.20 per Warrant aggregating to 36,93,57,200 (Rupees Thirty Six Crore Ninety Three Lakhs Fifty Seven Thousand and Two Hundred Only), in accordance with the Board Resolution dated April 09, 2021 passed by the Board of Directors of the Company and with the Shareholders' approval vide Special Resolution dated February 10, 2021 and in accordance with all related SEBI regulations / provisions of the Companies Act, 2013 and Rules made thereunder, as amended / all other regulatory compliances as applicable in this regard.

*Further, the Company, post financial year ended on March 31, 2021, converted above Warrants as follows:*

(a) 4,00,000 Warrants into 4,00,000 Equity Shares of the Face Value of Rs 10/- each at a premium of Rs. 95.20/- per share, out of total 18,00,000 Warrants allotted under the Public Category in the Meeting of Board of Directors held on June 15, 2021. The newly allotted Equity Shares have been listed on BSE and NSE.

(b) 2,19,000 Warrants into 2,19,000 Equity Shares of the Face Value of Rs 10/- each at a premium of Rs. 95.20/- per share, out of total 17,11,000 Warrants allotted to Promoters / Promoters Group. The process for corporate action and applications to NSE & BSE Stock Exchanges for trading and listing approvals have been initiated by the Company.

(c) 4,00,000 Warrants into 4,00,000 Equity Shares of the Face Value of Rs 10/- each at a premium of Rs. 95.20/- per share, out of total 18,00,000 Warrants allotted under the Public Category in the Meeting of Board of Directors held on August 13, 2021. The process for corporate action and applications to NSE & BSE for trading and listing approvals have been initiated by the Company.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries for the Financial Year ended March 31, 2021 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 under review, 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.

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## Means of Communication

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

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## Online Portal - BSE Corporate Compliance & Listing Centre (the "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.

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**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**

In compliance with the MCA Circular and SEBI Circular dated January 13, 2021 and January 15, 2021 respectively, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.aicld.in](http://www.aicld.in).

**General Shareholders Information****27th Annual General Meeting For F.Y Ended on March 31, 2021**

<b>Date and Time</b>	<b>: September 30, 2021 at 11.00 A.M.</b>
<b>Venue</b>	<b>: Through Video Conferencing.</b>
<b>Registered Office</b>	<b>: Eastern Court, Unit- 201-202, Plot No. 12, V. N. Purav Marg, S. T. Road, Chembur, Mumbai – 400071</b>
<b>Telephone No.</b>	<b>: 022-25251149/50 Fax: 022-25291147</b>
<b>Website</b>	<b>: <a href="http://www.aicld.in">www.aicld.in</a></b>
<b>E mail</b>	<b>: <a href="mailto:contact@aicld.in">contact@aicld.in</a></b>

**BOOK CLOSURE PERIOD : SEPTEMBER 24, 2021 TO SEPTEMBER 30, 2021 (BOTH DAYS INCLUSIVE.)**

**CUT - OFF DATE FOR DIVIDEND ENTITLEMENT IF DECLARED BY MEMBERS AT THE ENSUING 27<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY IS SEPTEMBER 23, 2021.**

**Facility of remote e-voting to its Members in respect of the business to be transacted at the ensuing 27<sup>th</sup> Annual General Meeting of the Company.**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The voting period begins on **Monday, September 27, 2021 (9.00 A.M IST)** and ends on **Wednesday, September 29, 2021 (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 (record date) of **Thursday, September 23, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

*For details of the entire remote e-voting as well as the e-voting system, please refer to Note No: 28 to 30 of the Notice of the ensuing AGM attached here in above.*

**Financial Calendar For F.Y 2021-22**

**Financial reporting for:**

- Quarter ending June 30, 2021 : Board Meeting held on August 13, 2021
- Quarter ending September 30, 2021 : On or before November 14, 2021
- Quarter ending December 31, 2021 : On or before February 14, 2022
- Quarter ending March 31, 2022 : On or before May 30, 2022\*(as per the Regulation existing at that time)

**LISTING OF EQUITY SHARES**

**Ordinary Shares** : **BSE Limited**  
: **National Stock Exchange of India Limited**

Compulsorily Convertible Debentures : N.A.

Global Depository Receipt : N.A.

**Registrars & Share Transfer Agent** : **Universal Capital Securities Pvt Ltd.**  
(w.e.f. June 30, 2018) (SEBI REG. NO. INR000004082)  
CIN NO – U74200MH1991PTC062536  
C 101, 247 Park, LBS Road, Vikhroli (West),  
Mumbai - Mumbai – 400083.  
Tel No. : +91 (022) 28207203-05  
Fax No.: +91(022) 28207207;  
Website: [www.unisec.in](http://www.unisec.in); E-mail: [info@unisec.in](mailto:info@unisec.in)

Share Transfer System : In accordance with Companies Act, 2013 and rules made thereunder & SEBI (LODR) Regulation, 2015, as amended.



**LISTING FEE FOR F.Y 2020 -2021 & F.Y. 2021- 22**

The Company had paid annual listing fees to the Stock Exchanges in respect of the financial year 2020-2021. The Company has also paid annual listing fees to the Stock Exchanges in respect of the financial year 2021-22.

**STOCK EXCHANGES CODES**

<b>BSE Limited</b>	<b>531921</b> <b>ISIN: INE204E01012</b>
<b>National Stock Exchange of India Limited</b>	<b>AGARIND Series: EQ</b>

**MARKET PRICE DATA OF EQUITY SHARES OF AGARWAL INDUSTRIAL CORPORATION LIMITED: HIGH , LOW, DURING THE EACH MONTH OF THE F.Y 2020-21.**

Months	BSE High (Rs)	BSE Low (Rs)	No. of Shares traded	NSE High (Rs)	NSE Low (Rs)	No. of Shares traded
April'20	71.90	45.00	0	73.40	45.00	274263
May' 20	62.40	49.45	0	63.95	49.35	299086
June' 20	85.95	49.85	100000	88.10	49.60	1295182
July' 20	94.75	69.50	200000	94.40	71.20	715326
August'20	124.00	82.10	200000	123.95	82.00	884285
September' 20	107.00	88.10	100000	109.50	89.10	246230
October' 20	97.00	80.10	100000	95.00	82.40	228750
November' 20	87.40	74.00	0	89.40	74.10	363841
December' 20	111.80	85.30	100000	111.70	83.15	635157
January' 21	165.00	101.10	300000	166.90	100.20	2093047
February' 21	170.90	122.35	100000	169.00	124.00	325367
March' 21	166.90	130.35	100000	163.90	129.10	180997

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, 2021**

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	6086392	59.33
Resident Individuals	2883220	28.10
Financial Institutions / Banks	-	-
Foreign Institutional Investors	-	-
Corporate Bodies	477185	4.65
Clearing Members	29982	0.30
Foreign Portfolio Investors	4000	0.04
Insurance Companies	-	-
Mutual Funds / UTI	-	-
IEPF Suspense A/c	18619	0.18

LLP/Partnership Firm	-	-
HUF	293101	2.86
Non-Resident Indian	466248	4.54
<b>TOTAL</b>		<b>100</b>

**Distribution of Equity Shareholding of Agarwal Industrial Corporation Limited as on March 31, 2021**

No. of Shares held	Total Members	% of Members	Total Shares Holding	% of Total	Total Amount	Total % to Paid Up Share Capital
Upto 500	3434	82.370	349768	3.409	3497680	3.409
501 - 1,000	256	6.141	207875	2.026	2078750	2.026
1,001 - 2,000	167	4.006	252058	2.457	2520580	2.457
2,001 - 3,000	85	2.039	212663	2.073	2126630	2.073
3,001 - 4,000	37	0.888	132348	1.290	1323480	1.290
4,001 - 5,000	29	0.696	138385	1.349	1383850	1.349
50,001 -10,000	52	1.247	383179	3.735	3831790	3.735
10,001 and above	109	2.615	8582471	83.660	85824710	83.660
<b>Total</b>	<b>4169</b>	<b>100.00</b>	<b>10258747</b>	<b>100.00</b>	<b>102587470</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 dematerialized shares held with NSDL and CDSL.

**Reports 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 practicing Chartered Accountant on Corporate Governance is attached as an annexure to this Report.

**Dematerialization of Shares & Liquidity**

As at the end of March 31, 2021, shares comprising approximately 99.99% of the Company's Equity Share Capital have been dematerialized.

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

**Shares held through Percentage of Holding**

NSDL	21.23
CDSL	78.67
Physical	0.10
<b>Total</b>	<b>100.00</b>

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**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.**, C 101, 247 Park, LBS Road, Vikhroli (West), Mumbai - 83. A dedicated e-mail Id. [info@uniseq.in](mailto:info@uniseq.in) has been set up for investor complaints.

**DECLARATION BY THE MANAGING DIRECTOR**

“As Managing Director of Agarwal Industrial Corporation Limited and as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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 2020-21.”

**For Agarwal Industrial Corporation Limited**

**Jaiprakash Agarwal**  
Managing Director  
(DIN:01379868)

Place: Mumbai  
Date : August 30, 2021

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## ANNEXURE - V

### MANAGEMENT DISCUSSION AND ANALYSIS

Please note that 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.*

### BITUMEN INDUSTRY SCENARIO

#### Indian Bitumen Market Outlook - 2026

The India bitumen market was valued at \$2.8 billion in 2018, and is projected to reach \$3.6 billion by 2026, growing at a CAGR of 2.8% from 2019 to 2026.

Bitumen is a black to dark brown sticky material, composed principally of high molecular weight hydrocarbons. It is a semi-solid hydrocarbon product of crude oil distillation, which is produced by removing the lighter fractions (such as liquid petroleum gas, petrol, and diesel) from heavy crude oil during the refining process. The physical properties of bitumen include adhesion, resistance to water, hardness and higher softening point.

The growth of Indian bitumen market is majorly driven by increase in road and building construction activities. Construction of various national highways, expressways, and airport runways boosts the demand for bitumen across the country. Bitumen is processed into asphalt for road construction. In addition, rise in investments by the government for the development of national highways and expressways, which include projects relating two-laning of highways, 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, is anticipated to drive the growth of the market. Furthermore, bitumen is widely used in the construction industry for roofs, owing to its physical properties such as adhesion, resistance to water, hardness, ductility, and higher softening point. Therefore, growth in the construction industry due to growth in population across the cities and demand for new houses led to increase in demand for bitumen across the country. In addition, government initiatives such as Pradhan Mantri Awas Yojana (PMAY) that includes construction of houses for poor people

living in both rural and urban areas is likely to increase the demand for bitumen; thereby, driving the growth of the India bitumen market.

However, human health & environmental issues associated with bitumen, fluctuating international crude oil prices, and increase in use of alternative of bitumen such as concrete in roadway construction applications are expected to restrain the growth of the market. Moreover, development of bio-based bitumen and EME (Enrobés á Module Elevé) binder is anticipated to provide lucrative opportunities for further development of the market.

The Indian bitumen market size is segmented on the basis of type, end-use industry, and region. Depending on type, the market is classified into paving grade bitumen, oxidized bitumen, polymer modified bitumen, and bitumen emulsions. By end-use industry, it is classified into road construction, waterproofing, and others. Region wise, it is analyzed across North India, East India, Northeast India, South India, and West India.

The major key players operating in the Indian bitumen market besides **Agarwal Industries Corporation Ltd**, include Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Ltd., Oil & Natural Gas Corporation Ltd., Total India, Tiki Tar Industries India Ltd, Juno Bitumix Pvt Ltd., Universal Bituminous Industries Pvt. Ltd., and Swastik Tar Industries. Other players operating in this market include Hincol, Jalnidhi Bitumen Specialities Pvt. Ltd., OOMS Polymer Modified Bitumen Pvt Ltd., Sapco, and UFTI. These major key players are adopting different strategies such as joint venture, agreement, and business expansion to stay competitive in the Indian market.

### Indian Bitumen Market, By Region - 2026

#### North India ,East India, Northern India, West India & South India

**North India would exhibit an CAGR of 3.4% during 2019-2026.**

North India accounted for the major India bitumen market share in 2018, owing to major road network development initiatives undertaken by the Government of India (GoI) in the North India Region, which include national highways projects in Uttar Pradesh and Punjab. In addition, maintenance and repair of rural roads constructed under Pradhan Mantri Gram Sadak Yojana (PMGSY) in Haryana, Rajasthan, Uttarakhand, and Himachal Pradesh is anticipated to increase the demand for bitumen across these states; thereby, driving the growth of the bitumen market across North India.

### Indian Bitumen Market, By Type

**Paving Grade Bitumen is projected as the most lucrative segment.**

Paving grade bitumen segment accounted for the major share in 2018, owing to growth in road construction development activities across the country. Government projects such as Bharatmala, various national highway projects, and construction of various economic corridors in different states fuel the demand for bitumen emulsion across the country. In addition, initiatives launched by Government of India for construction of roads in rural areas such as Pradhan Mantri Gram Sadak Yojana (PMGSY) and upgradation, maintenance, and repair work of existing rural roads, national highways, and expressways are likely to boost the demand for bitumen across India; thereby, driving the India bitumen market growth.

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## India Bitumen Market, By End-Use Industry

**Road Construction is projected as the most lucrative segment.**

Depending on end-use industry, the road construction segment accounted for the major market share. The road construction segment includes national highway, state highway, rural roads, and airport runways. Government has initiated various road projects that include construction of various national and state highways, expressways, and airports to boost the infrastructural activities. In addition, to connect the rural areas of the country to the cities the government has launched initiatives like Pradhan Mantri Gram Sadak Yojana that provide good all-weather roads. This factor is anticipated to drive the growth of the market.

### Key Benefits for Indian Bitumen Market:

- The India bitumen market analysis covers in-depth information of major industry participants.
- Porter's five forces analysis helps analyze the potential of buyers & suppliers and the competitive scenario of the industry for strategy building.
- Major countries have been mapped according to their individual revenue contribution to the regional market.
- The report provides an in-depth analysis of the India bitumen market forecast for the period 2019-2026.
- The report outlines the current India bitumen market trend and future estimations of the market from 2018 to 2026 to understand the prevailing opportunities and potential investment pockets.
- The key drivers, restraints, and India bitumen market opportunity and their detailed impact analysis is elucidated in the study. Construction of various national highways, expressways, and airport runways boosts the demand for bitumen across the country. Bitumen is processed into asphalt for road construction. In addition, rise in investments by the government for the development of national highways and expressways, which include projects relating two-laning of highways, 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, is anticipated to drive the growth of the market. Furthermore, bitumen is widely used in the construction industry for roofs, owing to its physical properties such as adhesion, resistance to water, hardness, ductility, and higher softening point. Therefore, growth in the construction industry due to growth in population across the cities and demand for new houses led to increase in demand for bitumen across the country. In addition, government initiatives such as Pradhan Mantri Awas Yojana (PMAY) that includes construction of houses for poor people living in both rural and urban areas is likely to increase the demand for bitumen; thereby, driving the growth of the Indian bitumen market. However, human health & environmental issues associated with bitumen, fluctuating international crude oil prices, and increase in use of alternative of bitumen such as concrete in roadway construction applications are expected to restrain the growth of the market. Moreover, development of bio-based bitumen and EME (Enrobés á Module Elevé) binder is anticipated to provide lucrative opportunities for further development of the market.

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*(\*Adopted from Allied Market Research reports)*

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**OUR OPERATIONS – BUSINESS SEGMENTS**

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**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, Taloja Vadodara and Cochin\*. 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.

*(\* through its wholly owned subsidiary)*

**Manufacturing Facilities at Guwahati**

Your Company's latest manufacturing facilities of Bitumen and value added Bituminous products at Guwahati, Assam, in order to expand and develop Bitumen trade in Eastern states are nearing completion (work in progress) as Bitumen is extensively used in infrastructure projects more specifically in road construction projects initiated by the State Government.

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**BULK BITUMEN IMPORT & STORAGE FACILITIES**

Your Company has excellent Bulk Bitumen Storage facilities to effectively handle and market bitumen imports at Karwar (Karnataka), Haldia Port , Dighi Port , Hazira Port (Gujarat),Mangalore (Karnataka), Mumbai (Maharashtra) & Vadodara.

**Bulk Bitumen Storage Facilities at Mangalore.**

During the period under review, your Company commenced Bulk Bitumen Storage facilities at Mangalore Port in order to cater to very potential South Indian markets and to further increase its customer base Pan India. The operations from the new storage site at Mangalore have been very encouraging and it is expected to improve further in coming years.



### **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**

#### **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 Jaisalmer, 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 F.Y ended March 31, 2021 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 (Standalone)**

The total Revenue of the Company for the Financial Year ended March 31, 2021, is ₹ 83895.26 Lakhs as compared previous year's total Revenue of ₹ 75613.45 Lakhs thus indicating an increase of 9.87% over the previous year. Further, Profit before Tax and Profit after Tax were ₹ 2963.87 Lakhs and ₹ 2155.20 Lakhs

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respectively during the year under review as against ₹ 2023.49 Lakhs and ₹ 1476.28 Lakhs in the corresponding previous year.

#### **DIVIDEND**

Your 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, 2021. The dividend distribution is subject to approval of the members of the Company at the ensuing Annual General Meeting.

Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. 1<sup>st</sup> April 2020. **No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed `5,000/-**. The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

#### **SHARE CAPITAL**

During the year under review, there was no change in the Issued and Paid up Share capital of the Company which comprised of 1,02,58,747 Equity Shares of Face Value of Rs. 10/- each amounting to Rs.10,25,87,470/- paid up capital of the Company for the financial year ended at March 31, 2021.

##### PREFERENTIAL ISSUE OF EQUITY SHARES, POST FINANCIAL YEAR ENDED MARCH 31, 2021.

However, post financial year ended on March 31, 2021, the Company has issued and allotted 11,88,042 Equity Shares at a price of Rs. 105.20 per Equity Share aggregating to Rs. 12,49,82,018.40 (Rupees Twelve Crore Forty Nine Lakhs Eighty Two Thousand and Eighteen and Forty Paise only) for consideration other than cash to the Members of Agarwal Translink Private Limited (ATPL), a group Company, in lieu of purchase of the entire equity holding of all the Members of the said group Company, in accordance with the Board Resolution dated April 09, 2021 passed by the Board of Directors of the Company and with the Shareholders' approval vide Special Resolution dated February 10, 2021 and in accordance with all related SEBI regulations / provisions of the Companies Act, 2013 and Rules made thereunder, as amended / all other regulatory compliances as applicable in this regard.

##### PREFERENTIAL ISSUE OF WARRANTS, POST FINANCIAL YEAR ENDED MARCH 31, 2021.

Furthermore, the Company, post financial year ended on March 31, 2021, has also issued and allotted 35,11,000 convertible warrants, each carrying a right to subscribe to one Equity Share per Warrant, at a price of Rs. 105.20 per Warrant aggregating to 36,93,57,200 (Rupees Thirty Six Crore Ninety Three Lakhs Fifty Seven Thousand and Two Hundred Only), to Promoters/ Promoters Group and under Public Category in accordance with the Board Resolution dated April 09, 2021 passed by the Board of Directors of the Company and with the Shareholders' approval vide Special Resolution dated February 10, 2021 and in accordance with all related SEBI regulations / provisions of the Companies Act, 2013 and Rules made thereunder, as amended / all other regulatory compliances as applicable in this regard.

*Also, the Company, post financial year ended on March 31, 2021, converted above Warrants as follows:*

(d) 4,00,000 Warrants into 4,00,000 Equity Shares of the Face Value of Rs 10/- each at a premium of Rs. 95.20/- per share, out of total 18,00,000 Warrants allotted under the Public Category in the Meeting of Board of Directors held on June 15, 2021. The newly allotted Equity Shares have been listed on BSE and NSE.

(e) 2,19,000 Warrants into 2,19,000 Equity Shares of the Face Value of Rs 10/- each at a premium of Rs. 95.20/- per share , out of total 17,11,000 Warrants allotted to Promoters / Promoters Group. The process for corporate action and applications to NSE & BSE Stock Exchanges for trading and listing approvals have been initiated by the Company.

(f) 4,00,000 Warrants into 4,00,000 Equity Shares of the Face Value of Rs 10/- each at a premium of Rs. 95.20/- per share, out of total 18,00,000 Warrants allotted under the Public Category in the Meeting of Board of Directors held on August 13, 2021. The process for corporate action and applications to NSE & BSE for trading and listing approvals have been initiated by the Company.

Keeping in view of above, the post financial year ended March 31, 2021, the Issued and Paid up Capital of the Company is comprised of 1,24,65,789 Equity Shares of Face Value of Rs.10/ each amounting to Rs.12,46,57,890/- as on date.

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

The Company has transferred ₹ 2008.87 Lakhs to the Other Equity for the F.Y. March 31, 2021 after appropriating ₹153.88 Lakhs towards dividend paid for the F.Y. ended March 31, 2020.

#### **CAPITAL EXPENDITURE**

As at March 31, 2021, the Capital Expenditure during the year under review amounted to ₹1020.33 Lakhs including Work in Progress (WIP) amounted to ₹75.90 Lakhs.

#### **SEGMENTWISE / PRODUCTWISE PERFORMANCE**

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

#### **AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

The Audited Consolidated Financial Results for the F.Y ended on March 31, 2021 include the financial results of its Wholly Owned Subsidiary (WOS) Companies- (i) *Bituminex Cochin Private Limited*, and (ii) *AICL Overseas FZ-LLC*.

However, post financial year ended on March 31, 2021, Agarwal Translink Private Limited became Wholly Owned Subsidiary Company of the Company due to acquisition of entire shareholding from the erstwhile shareholders of the company as stated under under the heading Share Capital mentioned above.

These Audited 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.

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## CoVID-19 PENDING

Your Directors assure you that the state of affairs of the Company and the Business Scenario continues to be normal in the continued COVID-19 pandemic and your Board projects bright future of the Company in coming years.

## OUR STRENGTHS

- ❖ India's first largest Bitumen Company in Private Sector.
- ❖ Promoters with profound Industry Experience of 38 plus 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 Companies incorporated in UAE under the name "AICL OVERSEAS" in Ras Al Khaimah Economic Zone (RAKEZ) in United Arab Emirates (UAE) for undertaking various ship/vessel /ocean related activities and already existing Wholly Owned Subsidiary Company named Bituminex Cochin Private Limited. Post financial year ended March 31, 2021, Agarwal Translink Private Limited (ATPL), a group Company, in lieu of purchase of the entire equity holding of all the Members of the said group Company, became Company's wholly owned subsidiary company (WOS).
- ❖ Our above overseas WOS owns fleet of 5 (Five) large Vessels having total capacity of 29,500 MT which are used in importing raw bitumen from oil producing countries. The economies we achieve with our own fleet of marine vessels and road transport vehicles enable your Company to outbid competitors, secure tenders and ensure high standards of supply and services to its valued customers.
- ❖ 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 till date 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.

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
- Cost reduction/cost minimization through consistent guidance and motivational efforts at all levels of operations.

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## 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.

There were no cases of sexual harassment received by the Company in 2020-21 & between the end of the financial year and the date of this Report.

## 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 arm's 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. 2020-21
Mr. Jaiprakash Agarwal	Managing Director	Three Years w.e.f. 01.04.2019	Remuneration	60.00
Mr. Ramchandra Agarwal	Whole Time Director	Three Years w.e.f. 01.04.2019	Remuneration	54.00
Mr. Lalit Agarwal	Whole Time Director	Three Years w.e.f. 01.04.2019	Remuneration	54.00
Mr. Lalit Agarwal	Whole Time Director	Three Years w.e.f. 01.04.2019	Rent	13.80
Mr. Jaiprakash Agarwal	Managing Director	Three Years w.e.f. 01.04.2019	Rent	10.32
Mr. Vipin Agarwal	Chief Financial Officer	Year to Year Basis	Remuneration	18.00
Mr. Sachin Ghanghas *	Company Secretary	Year to Year Basis	Remuneration	2.73
Mr. Satish Deshmukh #	Company Secretary	Year to Year Basis	Remuneration	0.61
Ms. Dipali Pitale	Company Secretary	Year to Year Basis	Remuneration	0.48
Mr. Nilesh Agarwal	Relatives of KMP	Year to Year Basis	Salary	14.40
Mr. Mukul Agarwal	Relatives of KMP	Year to Year Basis	Salary	6.00
Mr. Virel Agarwal	Relatives of KMP	Year to Year Basis	Salary	6.00
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Transportation paid	257.78
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Transportation Recd	97.53
ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Labour charges Recd	7.90



ANZ Transporters	Firm in which Directors are Partners	Year to Year Basis	Spare Parts & Oil	6.54
Agarwal Gas Carriers	Firm in which Directors are Partners	Year to Year Basis	Transportation paid	126.62
Agarwal Gas Carriers	Firm in which Directors are Partners	Year to Year Basis	Labour charges Recd	7.05
Agarwal Gas Carriers	Firm in which Directors are Partners	Year to Year Basis	Spare Parts & Oil	11.39
Agarwal Translink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Transportation paid	463.93
Agarwal Translink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Transportation Recd	346.06
Agarwal Translink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Labour charges Recd	3.67
Agarwal Translink P. Ltd	Company in which Directors are Directors	Year to Year Basis	Spare Parts & Oil	3.37
Agarwal Translink P. Ltd	Company in which Directors are Directors	Year to Year Basis	HSD/OIL	366.53
Agarwal Motor Repairs	Proprietorship	Year to Year Basis	Transportation Recd	286.21
Murlidhar Ishwardas Balotra	Concern in which Relative of KMP are interested	Year to Year Basis	Purchase of HSD/OIL	42.00
Balaji Tyres	Proprietorship	Year to Year Basis	Tyres and Spare Parts purchased	71.03
Shree Balaji Engineering Work	Proprietorship	Year to Year Basis	Fixed Asset purchased	1.75
Bituminex Cochin Pvt Ltd	100% Subsidiary	Year to Year Basis	Sale of Material to Subsidiary	94.01
AICL Overseas FZ-LLC	100% Subsidiary	No fixed duration	Interest Received	179.28

\* Resigned w.e.f December 18, 2020

# Appointed w.e.f March 9, 2021

**MANAGING DIRECTOR / CFO CERTIFICATE**

1. We have reviewed Financial Statements and the Cash Flow Statement of Agarwal Industrial Corporation Ltd for the year ended March 31, 2021 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 30, 2021

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

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

We have examined the compliance of the conditions of Corporate Governance by Agarwal Industrial Corporation Ltd. for the financial year ended March 31, 2021, as stipulated in Regulation 34 & Schedule V of SEBI LODR Regulations, 2015 as amended. 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 30, 2021**



# P. M. VALA & ASSOCIATES

## COMPANY SECRETARIES

Shop No.1, Laxmi Sadan CHS., Opp. New Rose Villa,  
Daji Ramchandra Road, Charai, Thane (W) - 400 601  
Ph: 2538 0966 / 2544 0126 Cell: 98696 99875 / 98698 12904  
E-mail: pmvala@yahoo.co.in

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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, 2021** 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 in Company
1	Jai Prakash Agarwal (Managing Director)	01379868	September 30, 2010
2	Ram Chandra Agarwal (Whole Time Director)	02064854	January 01, 1995
3	Lalit Agarwal (Whole Time Director)	01335107	January 01, 1995
4	Mahendra Agarwal (Non Independent, Non Executive)	01366495	January 01, 1995
5	Rajkumar Moolraj Mehta (Independent Director)	01729041	February 14,2007
6	Harikrishna Rameshchandra Patni (Independent Director)	01316552	February 14,2007
7	Alok Bharara (Independent Director)	02720802	May 6, 2011
8	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,  
Company Secretaries

P. M. Vala  
(Proprietor)  
FCS 5193 CP 4237  
Thane, May 13, 2021  
UDIN: F005193C000298081

## 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 Vedic Mantra "Sarve Bhavantu Sukhinah, 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, Guwahati (work-in-progress), Jaisalmer, Dhulia, Talaja, Haldia, Karwar, Hazira and Mangalore 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.aicld.in/documents/AICL-CSR-POLICY.pdf>

2. The Composition of the CSR Committee:

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

3. Average net profit of the Company for last three financial years: Rs. 1824.1 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 36.48 Lakhs.
5. Details of CSR spent during the financial year ended March 31, 2021:
- a. Total amount to spent for the financial year: Rs. 42.95 Lakhs
- b. No amount left unspent
- c. Manner in which the amount spent during the financial year is detailed below:

**(DURING FINANCIAL YEAR: 2020-21)**

<b>Sr. No.</b>	<b>CSR project/activity</b>	<b>Sector</b>	<b>Agency</b>	<b>Amount expended (in Rs.)</b>
1.	Distribution of Oil, Rice and Wheat amongst poor	Social Welfare	Anshul Trading Company and Uttam Traders.	25,265/-
2.	Health care	To improve the quality of life of HIV positive people	Jodhpur Network people living with HIV SANSTHAN	1,50,000/-
3.	Orphanage/ old age homes/ destitute persons	Promoting education and healthcare of orphan children	Bal Basera Welfare Charitable Trust	1,50,000/-
4.	Health care	Meditation & Social Welfare	Vipasana Sadhana Samiti	33,00,000/-
5.	Orphanage/ old age homes/ destitute persons	Engaged in Child and Old age people welfare	Navjeevan Sansthan	40,000/-
6.	Donation for Mask	Promotion of Health & Education	Savitas Creation	6,30,000/-
<b>TOTAL</b>				<b>42,95,265/-</b>

6. 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 30, 2021

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



Results of Operations for the year ended March 31, 2021  
Audited Consolidated Financial Results

The following table sets forth financial information of the Company for the year ended March 31, 2021

Particulars	2020-2021	2019-20
	₹ in Lakhs	₹ in Lakhs
<b>Total Revenue</b>	<b>90481.93</b>	<b>78910.33</b>
Profit before Depreciation, Finance Costs and Tax	7290.70	4891.41
Less: Depreciation	1444.98	895.70
Less: Finance Costs	976.47	886.66
<b>Profit before Tax &amp; Exceptional Item</b>	<b>4869.25</b>	<b>3109.05</b>
Less: Exceptional Items		
<b>Profit/(Loss) before Tax</b>	<b>4869.25</b>	<b>3109.05</b>
Less: Tax Expense	815.93	553.66
<b>Profit/ (Loss) for the year</b>	<b>4053.32</b>	<b>2555.39</b>
Other Comprehensive Income - Loss	(39.64)	64.59
<b>Total Comprehensive Income for the year</b>	<b>4013.68</b>	<b>2619.97</b>
<b>Out of Total Comprehensive Income above</b>		
<b>(a) Profit for the year attributable to:</b>		
(i) Owners of the parent	4053.32	2,555.39
(ii) Non-controlling interests	-	-
(ii) Non-controlling interests	-	-
<b>(b) Other comprehensive income - Loss attributable to:</b>	-	-
(i) Owners of the parent	(39.64)	64.59
(ii) Non-controlling interests	-	-
<b>(c) Total comprehensive income attributable to:</b>		
(i) Owners of the parent	4013.68	2,619.97
(ii) Non-controlling interests	-	-

**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	01/04/2020 to 31/03/2021
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	89.85
6.	Total assets	114.56
7.	Total Liabilities	114.56
8.	Investments	Nil
9.	Turnover	205.07
10.	Profit before taxation	24.71
11.	Provision for taxation	7.26
12.	Profit after taxation	17.45
13.	Other Comprehensive Income	Nil
14.	Total Comprehensive Income	17.45
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

Sr. No.	Particulars	Details
1.	Name of the subsidiary	AICL Overseas FZ LLC
2.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	01/01/2020 to 31/12/2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED & Closing Rate 19.9335 & Average Rate 20.1536

4.	Share capital	190.13
5.	Other Equity	2969.08
6.	Total assets	12606.76
7.	Total Liabilities	12606.76
8.	Investments	Nil
9.	Turnover	6950.84
10.	Profit before taxation	1880.68
11.	Provision for taxation	Nil
12.	Profit after taxation	1880.68
13.	Other Comprehensive Income/(Loss)	(47.20)
14.	Total Comprehensive Income	1833.48
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

**Notes:**

- Names of subsidiaries which are yet to commence operations: NIL
- 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 INDUSTRIAL CORPORATION  
LIMITED**

**AUDITED STANDALONE  
FINANCIAL STATEMENTS FOR  
FINANCIAL YEAR ENDED**

**MARCH 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To The Members of Agarwal Industrial Corporation Limited

### Report on the Standalone Financial Statements

1. We have audited the Standalone Financial Statements of Agarwal Industrial Corporation Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, and the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows or 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, 2021, and its profit and other comprehensive income, the changes in equity 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 Standalone 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 on the Standalone Financial Statements.

### 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. **The Key Audit Matter**

Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of result for the year.

- How was the matter addressed in our audit**

Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, substantive testing of cut-off and analytical review procedure.

### 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, 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 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 in the Standalone Financial Statements 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 including other comprehensive income, the Statement of Changes in Equity and the 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, 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 as at 31 March 2021 on its financial position in note no. 35 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  
UDIN : 21104451AAAAEE2078  
Place: Mumbai  
Dated: 15<sup>th</sup> June, 2021

## **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, 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets including property plant and equipment and investment property.
- (b) The fixed assets including property plant and equipment and investment property 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 except stock-in-transit were physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.
- (iii) The Company has granted unsecured loan to one Overseas 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 loan granted to Wholly Owned Subsidiary by the Company, there is no schedule of repayment of interest and 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 unsecured loan granted to the body corporate by the Company.
- (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 granted, guarantee provided and investments made. The company has not provided any security in connection with loan to any other body corporate or person.
- (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, goods and services tax, duty of custom, profession tax, cess and any other material statutory dues, as applicable.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of employee state insurance, income tax, goods and services tax, duty of custom, profession tax or cess any other material statutory dues, as applicable were in arrears as at 31<sup>st</sup> March, 2021 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, 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, 2021 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
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	On Appeal, the matter have been set aside to the file of assessing officer by the Income Tax Appellate Tribunal with guidelines for disallowances
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	15.34	A.Y. 2015-16	Rectification pending before Assessing Officer
The Income Tax Act, 1961	Income Tax Demand	147.19	A.Y. 2016-17	--do--
The Income Tax Act, 1961	Income Tax Demand	75.21	A.Y. 2017-18	Rectification pending before the AO to give credit of remaining taxes & Appeal before Commissioner of Income Tax (Appeal) against disallowances of ₹ 10,67,459/- made by AO.
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 raised any money by way of initial public offer or further public offer (including debt instruments) during the year; On the basis of our examination, we are of the opinion that the term loans were utilized for the purpose for which the term loans were obtained.
- (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 or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; hence clause 3(xii) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by Indian Accounting Standard (Ind AS) 24, "Related Party Disclosure" specified under section 133 of the Act.
- (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  
UDIN : 21104451AAAAEE2078  
Place: Mumbai  
Dated: 15<sup>th</sup> June, 2021

## **ANNEXURE B TO THE 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, 2021.

### **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, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended 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 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 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 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 2021, 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

UDIN : 21104451AAAAEE2078

Place: Mumbai

Dated: 15<sup>th</sup> June, 2021

## BALANCE SHEET AS AT 31ST MARCH, 2021

		(₹ in Lakhs)	
Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
<b>I. ASSETS</b>			
<b>1. Non - Current Assets</b>			
Property, Plant and Equipment	2(a)	5,058.36	4,681.56
Capital work-in-progress	2(b)	75.91	332.81
Investment Property	2(c)	37.44	-
Right of Use Asset	2(d)	1,978.67	-
<b>Financial assets</b>			
(a) Investments	3	422.68	422.68
(b) Other Financial Assets	4	52.57	91.53
		<b>7,625.62</b>	<b>5,528.58</b>
<b>2. Current Assets</b>			
Inventories	5	4,532.56	2,523.67
<b>Financial assets</b>			
(a) Investments	6	605.73	679.14
(b) Trade Receivables	7	12,270.92	13,778.86
(c) Cash & Cash Equivalents	8	160.56	254.54
(d) Other Balances with Banks	9	771.86	358.74
(e) Loans	10	5,051.29	2,740.80
(f) Other Financial Assets	11	73.62	50.92
Current Tax Assets (net)	12	142.47	141.47
Other Current Assets	13	871.99	1,105.89
		<b>24,481.00</b>	<b>21,634.02</b>
		<b>32,106.62</b>	<b>27,162.60</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	14(A)	1,025.87	1,025.87
(b) Other Equity	14(B)	15,525.58	13,516.71
		<b>16,551.45</b>	<b>14,542.59</b>
<b>2. Liabilities</b>			
<b>A. Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings	15	2,109.51	185.09
(b) Lease Liabilities	33	1,465.89	-
Provisions	16	39.15	41.25
Deferred Tax Liability (Net)	32	384.28	431.67
		<b>3,998.83</b>	<b>658.00</b>
<b>B. Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings	17	8,112.62	8,385.74
(b) Lease Liabilities	33	477.86	-
(c) Trade Payables	18		
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises		67.32	6.60
(ii) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,796.46	2,687.23
(d) Other Financial Liabilities	19	429.47	595.83
Other Current Liabilities	20	423.14	285.92
Provisions	21	0.98	0.70
Current Tax Liabilities (net)	22	248.49	-
		<b>11,556.33</b>	<b>11,962.01</b>
		<b>32,106.62</b>	<b>27,162.60</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>Significant Accounting Policies</b>			
The accompanying notes are integral part of these financial statements			
	1		
	2 - 47		

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

FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF AGARWAL INDUSTRIAL CORPORATION LIMITED

(AJAY SINGHAL)

PARTNER

M.No. 104451

Place : Mumbai

Date : 15<sup>th</sup> June, 2021

(JAIPRAKASH AGARWAL)  
MANAGING DIRECTOR  
(DIN : 01379868)

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

(VIPIN AGARWAL)  
CHIEF FINANCIAL  
OFFICER

(MAHENDRA AGARWAL)  
DIRECTOR  
(DIN : 01366495)

(DIPALI PITALE)  
COMPANY SECRETARY

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>I. Revenue from Operations</b>	23	83,329.36	75,159.96
<b>II. Other Income</b>	24	565.91	453.50
<b>III. Total Income (I + II)</b>		<b>83,895.26</b>	<b>75,613.45</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	25	17,426.70	29,668.13
Purchases of Stock in Trade		57,347.89	34,723.32
Changes in inventories of Finished goods, Stock-in-Trade and Semi finished goods	26	(2,511.25)	457.00
Manufacturing, Operating and Other Direct Expenses	27	5,025.27	5,643.16
Employee Benefits Expense	28	513.73	523.44
Finance Costs	29	976.47	886.66
Depreciation and Amortization Expense	30	1,179.66	793.47
Other Expenses	31	972.92	894.77
<b>Total Expenses (IV)</b>		<b>80,931.40</b>	<b>73,589.96</b>
<b>V. Profit / (Loss) before Exceptional Items and Tax (III-IV)</b>		<b>2,963.87</b>	<b>2,023.49</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit / (Loss) Before Tax (V-VI)</b>		<b>2,963.87</b>	<b>2,023.49</b>
<b>VIII. Tax Expense:</b>	32		
(a) Current Tax		811.00	547.00
(b) Deferred Tax (Asset) / Liability		(49.93)	0.22
(c) Short Provision for Tax for earlier years		4,760,173.89	-
<b>Total Tax Expense (VIII)</b>		<b>808.67</b>	<b>547.22</b>
<b>IX. Profit / (Loss) for the Year (VII - VIII)</b>		<b>2,155.20</b>	<b>1,476.28</b>
<b>X. OTHER COMPREHENSIVE INCOME</b>			
A. Items that will not be reclassified to Profit or Loss-Income/(Expense)			
(i) Remeasurement of the defined benefit plans		10.09	(7.52)
(ii) Income tax on remeasurement of the defined benefit plans		(2.54)	1.89
<b>XI. TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX + X)</b>		<b>2,162.75</b>	<b>1,470.65</b>
<b>XII. Earnings Per Equity Share of ₹10/- each :</b>			
Weighted average no. of shares (Basic & Diluted)	37	10,258,747	10,258,747
(1) Basic Earning Per Share (₹)		21.01	14.39
(2) Diluted Earning Per Share (₹)		21.01	14.39
Significant Accounting Policies	1		
The accompanying notes are integral part of these financial statements	2 - 47		

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

**FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF AGARWAL INDUSTRIAL CORPORATION LIMITED**

**(AJAY SINGHAL)**  
**PARTNER**  
M.No. 104451  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2021

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

**(JAIPRAKASH AGARWAL)**  
**MANAGING DIRECTOR**  
(DIN : 01379868)

**(VIPIN AGARWAL)**  
**CHIEF FINANCIAL  
OFFICER**

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

**(DIPALI PITALE)**  
**COMPANY SECRETARY**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

PARTICULARS	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	2963.87	2023.49
<b>Adjustments for :</b>		
Depreciation	787.33	793.47
Amortisation of Right of Use	392.33	-
Interest & Finance Charges	859.43	886.66
Interest on Lease Liabilities	117.04	-
Interest Received	(381.76)	(211.01)
Guarantee Commission	(50.00)	-
Dividend received	(2.52)	(15.90)
Rent from Investment Property	(25.28)	-
(Profit) / Loss on sale of Mutual Funds	(33.85)	(56.06)
(Profit) / Loss on sale of fixed assets	(2.02)	(7.80)
Expected credit loss allowance	65.07	2.43
Bad Debts written off	212.27	102.28
Fair valuation impact on Financial Assets	(59.47)	68.88
<b>Operating Profit Before Working Capital Adjustments</b>	<b>4842.43</b>	<b>3586.46</b>
<b>Changes in Working Capital</b>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(2008.89)	176.47
Trade receivables	1230.60	(2583.15)
Other financial assets (Current & Non-Current)	(403.60)	(255.19)
Other assets (Current & Non-Current)	233.90	424.77
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(830.04)	2022.68
Other financial liabilities (Current & Non-Current)	(166.36)	(428.70)
Other liabilities (Current & Non-Current)	145.50	(91.24)
<b>Cash generated from operations</b>	<b>3043.54</b>	<b>2852.10</b>
Income Tax Paid (net of refund)	(611.11)	(729.16)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>2432.42</b>	<b>2122.94</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets	(1020.33)	(354.27)
Proceeds from sale of fixed assets	77.69	43.00
Loan to Subsidiary	(2316.74)	(2699.65)
Dividend Received	2.52	15.90
Sale of Mutual Fund-Current Investment	804.18	1027.20
Investments in Subsidiary	-	(190.13)
Interest Received	381.76	211.01
Rent from Investment Property	25.28	-
Guarantee Commission	50.00	-
Purchase of Mutual Fund-Current Investment	(642.28)	(784.32)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(2637.93)</b>	<b>(2731.27)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest & Finance Charges	(838.09)	(886.66)
Net Increase / (Decrease) in Working Capital Borrowing	(284.72)	2107.69
Proceeds / (Repayment) from / of Long Term Borrowings (Net)	1914.69	(309.94)
Payment of Lease Liabilities	(526.46)	-
Dividend Paid	(153.88)	(184.66)
Dividend Tax Paid	-	(37.96)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>111.53</b>	<b>688.47</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(93.97)</b>	<b>80.15</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>254.54</b>	<b>174.38</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>160.56</b>	<b>254.54</b>

**NOTES:**

**(1) Net Debt Reconciliations**

	(₹ in Lakhs)			
	As at March 31, 2020	Cash Flows	Other - Borrowing Cost	As at March 31, 2021
Borrowings (Current)	8385.74	(284.72)	11.60	8112.62
Borrowings (Non-Current)	185.09	1914.69	9.73	2109.51
<b>Total</b>	<b>8570.83</b>	<b>1629.97</b>	<b>21.33</b>	<b>10222.13</b>

**Notes:**

- 1) The above Statement of Cash Flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.
- 2) During the year, the Company has incurred an amount of ₹ 69,37,795 in cash (31 March 2020 ₹ 28,49,812) towards corporate social responsibility (CSR) expenditure (Refer note 38).

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

**FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF AGARWAL INDUSTRIAL CORPORATION LIMITED**

**(AJAY SINGHAL)**  
PARTNER  
M.No. 104451  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2021

**(JAIPRAKASH AGARWAL)**  
MANAGING DIRECTOR  
(DIN : 01379868)

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

**(VIPIN AGARWAL)**  
CHIEF FINANCIAL  
OFFICER

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

**(DIPALI PITALE)**  
COMPANY SECRETARY



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

### (A) Equity Share Capital

	(₹ in Lakhs)
	<b>Amount</b>
<b>Balance as at April 01, 2019</b>	<b>1,025.87</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>1,025.87</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>1,025.87</b>

### (B) Other Equity

Particulars	Reserves and Surplus					Total
	Securities premium	Retained Earning	Other Comprehensive income	Share Forfeiture	Capital Reserve	
<b>Balance as at April 01, 2019</b>	<b>5126.58</b>	<b>6713.64</b>	<b>1.33</b>	<b>82.12</b>	<b>345.00</b>	<b>12,268.68</b>
Profit for the year	-	1476.28	-	-	-	1476.28
Other comprehensive income for the year	-	-	(5.63)	-	-	(5.63)
Dividend paid during the year	-	(184.66)	-	-	-	(184.66)
Tax on Dividends	-	(37.96)	-	-	-	(37.96)
<b>Balance as at March 31, 2020</b>	<b>5126.58</b>	<b>7967.30</b>	<b>(4.29)</b>	<b>82.12</b>	<b>345.00</b>	<b>13516.71</b>
Profit for the year	-	2155.20	-	-	-	2155.20
Other comprehensive income for the year	-	-	7.55	-	-	7.55
Dividend paid during the year	-	(153.88)	-	-	-	(153.88)
<b>Balance as at March 31, 2021</b>	<b>5126.58</b>	<b>9968.62</b>	<b>3.26</b>	<b>82.12</b>	<b>345.00</b>	<b>15525.58</b>

The accompanying notes 1 to 47 are integral part of these financial statements.

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

**FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF AGARWAL INDUSTRIAL CORPORATION LIMITED**

**(AJAY SINGHAL)**  
PARTNER  
M.No. 104451  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2021

**(JAIPRAKASH AGARWAL)**  
MANAGING DIRECTOR  
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**(LALIT AGARWAL)**  
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(DIN : 01366495)

**(VIPIN AGARWAL)**  
CHIEF FINANCIAL  
OFFICER

**(DIPALI PITALE)**  
COMPANY SECRETARY

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**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 National Stock Exchange (NSE) and Bombay Stock Exchange (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 judgments 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 judgments and key source of estimation uncertainty**

The Company is required to make judgments, 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
- (c) Estimation of Right-of-Use and Lease Liabilities - Refer note no. - 17

### **Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipments, investments, inventories, receivables, and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. There is no material adverse impact of CoVID - 19 pandemic on the Company and its operations/profitability during the financial year ended March 31, 2021. However, CoVID - 19 pandemic effect if any, on the Company's operation / profitability in the current financial year 2021-22 can only be assessed in due course.

### **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 and 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 Investment Property is provided using the written down value method based on the useful lives specified in Schedule II to 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 and 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 company 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 whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset that give rise on specified dates 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 payment to be made or to be reimbursed to the holder for a loss it incurs because the specified debtor 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 net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, 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. Investment in subsidiaries:**

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

#### **14. Employee Benefits:**

The Company has provided 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.



#### **15. 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.

#### **16. 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.

#### **17. Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### **18. 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.

#### **19. Leases:**

The Company has adopted Ind AS 116-Leases using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application.

The Company's lease asset classes primarily consist of leases for Land, Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (a) the contract involves the use of an identified asset
- (b) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (c) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## **20. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the company 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 2021**

**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
Gross carrying amount															
Balance as at March 31, 2019	139.21	109.46	4119.60	75.88	10.36	24.50	87.64	3.65	312.91	277.57	25.47	1745.60	4.42	711.03	7647.28
Additions	-	-	11.00	0.21	1.22	1.19	-	-	-	19.70	-	38.73	-	-	72.05
Disposals	-	-	(130.04)	-	-	-	-	-	-	(8.86)	-	(1.07)	-	-	(139.97)
Balance as at March 31, 2020	139.21	109.46	4000.56	76.09	11.58	25.68	87.64	3.65	312.91	288.41	25.47	1783.26	4.42	711.03	7579.36
Additions	-	423.56	448.39	0.76	2.07	5.49	-	-	-	0.72	-	396.24	-	-	1277.24
Disposals	-	-	(293.52)	-	-	-	-	-	-	(5.23)	-	-	-	-	(298.75)
Transferred to Investment Property	(37.44)	-	-	-	-	-	-	-	-	-	-	-	-	-	(37.44)
Balance as at March 31, 2021	101.77	533.02	4,155.43	76.85	13.65	31.18	87.64	3.65	312.91	283.90	25.47	2179.50	4.42	711.03	8520.41
Accumulated depreciation															
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	2210.93
Depreciation charge for the year	-	-	583.16	8.60	1.64	3.61	9.23	0.31	9.90	29.42	1.08	98.96	0.82	46.74	793.47
Disposals	-	-	(101.14)	-	-	-	-	-	-	(4.87)	-	(0.59)	-	-	(106.59)
Accumulated depreciation as at March 31, 2020	-	-	2,126.58	32.52	9.53	18.41	33.85	2.72	36.97	108.05	4.32	334.84	3.04	186.97	2897.80
Depreciation charge for the year	-	-	568.88	8.01	1.43	3.55	8.14	0.30	9.90	29.95	1.08	108.86	0.48	46.74	787.33
Disposals	-	-	(220.06)	-	-	-	-	-	-	(3.03)	-	-	-	-	(223.09)
Accumulated depreciation as at March 31, 2021	-	-	2,475.41	40.54	10.96	21.96	41.99	3.02	46.87	134.97	5.40	443.70	3.52	233.71	3462.05
Net carrying amount as at March 31, 2020	139.21	109.46	1,873.98	43.57	2.04	7.28	53.79	0.93	275.93	180.36	21.15	1448.42	1.37	524.06	4681.56
Net carrying amount as at March 31, 2021	101.77	533.02	1,680.02	36.32	2.69	9.22	45.65	0.63	266.03	148.93	20.07	1735.80	0.90	477.32	5058.36

**Notes:**

1. Refer note no. 36 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

**Note 2(b) - Capital work-in-progress**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Building	7.60	7.60
Bulk Liquid Storage Terminal	-	42.99
Storage Tank	-	240.92
Plant & Machinery	68.31	41.30
<b>Total</b>	<b>75.91</b>	<b>332.81</b>

**Note 2(c) - Investment Property**

**Reconciliation of carrying amount :**

Particulars	(₹ in Lakhs)	
	Land	Total
<b>Gross carrying amount</b>		
<b>Balance as at March 31, 2019</b>	-	-
Additions	-	-
Balance as at March 31, 2020	-	-
Additions	-	-
Transferred from PPE	37.44	37.44
<b>Balance as at March 31, 2021</b>	<b>37.44</b>	<b>37.44</b>
<b>Accumulated depreciation</b>		
<b>Accumulated depreciation as at March 31, 2019</b>	-	-
Depreciation charge for the year	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	-	-
Depreciation charge for the year	-	-
<b>Accumulated depreciation as at March 31, 2021</b>	-	-
<b>Net carrying amount as at March 31, 2020</b>	-	-
<b>Net carrying amount as at March 31, 2021</b>	<b>37.44</b>	<b>37.44</b>

**Information regarding income and expenditure of Investment Property**

Particulars	As at	
	31st March, 2021	31st March, 2020
Rental income derived from Investment Property	25.28	-
Direct Operating Expenses	-	-
Profit arising from investment property before depreciation	25.28	-
Less: Depreciation	-	-
<b>Profit arising from Investment Property</b>	<b>25.28</b>	<b>-</b>

- (a) The Company's investment property consists of land in India.
- (b) Based on the intention, land owned by the Company, which was classified as Property, Plant and Equipment has been considered as being held for generating rental income rather than for business purposes. Hence, the Company has reclassified the same from Property, Plant and Equipment to Investment Property during the year.

**Note 2(d) - Right of Use Assets**

**Movement in Net Carrying Amount**

Particulars	(₹ in Lakhs)			
	Land	Building	Plant & Machinery	Total
<b>Net Carrying Amount</b>				
<b>Balance as at 1<sup>st</sup> April 2020</b>	-	-	-	-
Additions	204.20	49.13	2117.67	2371.00
Depreciation	7.56	24.57	360.20	392.33
Deletions	-	-	-	-
<b>Balance at 31<sup>st</sup> March 2021</b>	<b>196.63</b>	<b>24.57</b>	<b>1757.47</b>	<b>1978.67</b>

### Note 3 : Investments - Non-current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Trade - Unquoted</b>		
Investment in Equity Shares - At Cost		
6200 (as at March 31, 2020 - 6200) Equity shares of wholly owned subsidiary, M/s Bituminex Cochin Pvt Ltd of ₹ 100/- each, fully paid up	232.50	232.50
1000 (as at March 31, 2020 - 1000) Equity shares of wholly owned subsidiary, M/s AICL Overseas FZ LLC of AED 1000/- each, fully paid up	190.13	190.13
<b>Investment in Government Securities - At Cost</b>		
National Saving Certificate (lying with government authority)	0.05	0.05
<b>TOTAL</b>	<b>422.68</b>	<b>422.68</b>
<b>Note:</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	<b>422.68</b>	<b>422.68</b>

### Note 4 : Other Financial Assets - Non-current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered good</b>		
Security Deposit	52.57	91.53
<b>TOTAL</b>	<b>52.57</b>	<b>91.53</b>

### Note 5 : Inventories

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>(Valued at lower of Cost or Net Realizable Value)</b>		
Finished Goods	57.93	82.28
Semi Finished Goods	91.19	107.64
Raw Material	314.69	815.06
Stock in trade (acquired for trading) (Including stock in transit ₹ 1362.06 Lakhs PY ₹ Nil)	4,041.87	1,489.83
Stores, Spares & Packing Material	26.87	28.86
<b>TOTAL</b>	<b>4,532.56</b>	<b>2,523.67</b>

### Note 6 : Investments - Current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Investment in Mutual Fund</b>		
<b>Fair Value through Profit &amp; loss Account</b>		
<b>Non Trade - Quoted</b>		
Nil (811522.912) units of ICICI Prudential Equity Arbitrage Fund - Dividend	-	110.97
Nil (1655441.196) units of Nippon India Arbitrage Fund	-	176.65
43838.499 (43838.499) units of Tata Multi Cap Fund Regular Plan Growth	5.89	3.78
Nil (258189.51) units of ICICI Prudential equity arbitrage fund direct dividend	-	37.62
2067.671 (2067.671) units of DSP Equity Opportunities Fund	6.09	3.48
431725.782 (431725.782) units of Nippon India Equity Saving Fund-Segregated Portfolio	1.25	1.25
500000 (500000) units of ICICI Prudential Manufacture in India Fund Growth	69.50	36.05

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(₹ in Lakhs)		
Particulars	As at 31st March 2021	As at 31st March 2020
93305.465 (829664.276) units of ICICI Prudential Ultra Short Term Fund - Growth	20.12	168.97
1977538.067 (497582.932 ) units of ICICI Prudential Ultra Short Term Fund - Monthly Dividend	452.41	106.85
1671.255 (Nil) units of Nippon India Low Duration Fund - Direct Growth Plan	50.48	-
Nil (15898.047) units of ICICI Prudential Multi Assets Fund - Growth	-	33.54
<b>TOTAL</b>	<b>605.73</b>	<b>679.14</b>
<b>Note:</b>		
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>605.73</b>	<b>679.14</b>
<b>Aggregate amount of unquoted investments</b>	<b>-</b>	<b>-</b>

**Note 7 : Trade Receivables**

(₹ in Lakhs)		
Particulars	As at 31st March 2021	As at 31st March 2020
<b>Trade Receivables considered good - Secured</b>	-	-
<b>Trade Receivables considered good - Unsecured</b>	<b>9,084.67</b>	<b>11,310.74</b>
Less: Expected Credit Loss Allowance	(23.86)	(33.60)
<b>Trade Receivables which have significant increase in Credit Risk</b>	<b>3,308.67</b>	<b>2,525.47</b>
Less: Expected Credit Loss Allowance	(98.57)	(23.76)
<b>Trade Receivables - credit impaired</b>	-	-
<b>TOTAL</b>	<b>12,270.92</b>	<b>13,778.86</b>

**Note 8 : Cash and Cash Equivalents**

(₹ in Lakhs)		
Particulars	As at 31st March 2021	As at 31st March 2020
Cash on Hand	35.84	69.64
<b>Balance with Scheduled Banks</b>		
- In Current Accounts	117.82	184.89
- In Other Accounts	-	-
Cheques, Drafts on Hand	6.90	-
<b>TOTAL</b>	<b>160.56</b>	<b>254.54</b>

**Note 9 : Other Balances with Banks**

(₹ in Lakhs)		
Particulars	As at 31st March 2021	As at 31st March 2020
<b>Balance with banks</b>		
- In Dividend Accounts	11.44	13.32
- In Fixed Deposit Account (Includes FDR for ₹ 14.18 Lakhs earmarked against guarantee issued)	760.42	345.42
<b>TOTAL</b>	<b>771.86</b>	<b>358.74</b>

## Note 10 : Loans

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured		
- To Wholly Owned Subsidiaries	5,037.39	2,720.65
- Advances to Staff	13.90	20.15
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
<b>TOTAL</b>	<b>5,051.29</b>	<b>2,740.80</b>

## Note 11 : Other Financial Assets - Current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Accrued Interest on Fixed Deposit	73.62	50.92
<b>TOTAL</b>	<b>73.62</b>	<b>50.92</b>

## Note 12 : Current Tax Assets (net)

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Advance Income Tax and Tax Deducted at Source (Net of Provision)	142.47	141.47
<b>TOTAL</b>	<b>142.47</b>	<b>141.47</b>

## Note 13 : Other Current Assets

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered good</b>		
<b>Other Loan and Advances</b>		
- Advances recoverable in cash or in kind or for value to be received (Includes ₹ 149.03 lakhs due from a company in which directors and relative of directors are directors)	268.10	637.36
- Advance to Supplier	240.47	101.85
- Prepaid Expenses	2.42	5.13
<b>Balance with Government Authorities</b>		
- Deposit with Sales Tax Authority - Under Appeal	28.23	28.23
- Income Tax Paid - Under Appeal	109.00	109.00
- GST Paid - Under Appeal	4.94	-
- Input Tax Credit under GST Receivable	193.30	139.08
- VAT Refund Receivable	-	0.14
- Custom Duty Refund Receivable	25.53	85.09
<b>TOTAL</b>	<b>871.99</b>	<b>1,105.89</b>

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

	(₹ in Lakhs)	
Particulars	As at 31st March 2021	As at 31st March 2020
<b>Authorised:</b>		
1,70,00,000 (PY 1,30,00,000) Equity Shares of ₹ 10/- each	1,700.00	1,300.00
<b>TOTAL</b>	<b>1,700.00</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 2021	As at 31st March 2020
Number of shares at the beginning of the year	10,258,747	10,258,747
Add: Issue of Shares during the year	-	-
Number of shares at the end of the year	10,258,747	10,258,747

**(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 2021		As at 31st March 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ramchandra Agarwal	532,525	5.19	532,525	5.19
Jaiprakash Agarwal	641,850	6.26	641,850	6.26

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

	(₹ in Lakhs)	
Particulars	As at 31st March 2021	As at 31st March 2020
<b>a) Security Premium</b>	5,126.58	5,126.58
Amount received (on issue of shares) in excess of the par value has been classified as securities premium		
<b>b) Retained Earning</b>	9,968.62	7,967.30
These are Retained earnings that comprises prior year's undistributed earning after taxes increased by undistributed profits for the year		
<b>c) Other comprehensive income</b>	3.26	(4.29)
Other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability		
<b>d) Share Forfeiture</b>	82.12	82.12
Shares allotted being forfeited on account of calls remained unpaid		
<b>e) Capital Reserve</b>	345.00	345.00
Amount transferred on account of share warrants that lapsed due to non-compliance being forfeited		
	<b>15,525.58</b>	<b>13,516.71</b>



### Note 15 : Borrowings - Non- Current

Particulars	(₹ in Lakhs)			
	Non-Current Portion		Current Portion	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
<b>Secured Loans</b>				
<b>Term Loans - From Banks</b>				
(i) Vehicle Loans	332.51	185.09	299.57	456.52
(ii) Working Capital Term Loans	1,777.00	-	-	-
	<b>2,109.51</b>	<b>185.09</b>	<b>299.57</b>	<b>456.52</b>
Less: Unamortised borrowing cost	-	-	-	-
<b>TOTAL</b>	<b>2,109.51</b>	<b>185.09</b>	<b>299.57</b>	<b>456.52</b>

**Note:**

- Vehicle Loans from Banks is secured against Hypothecation of specific vehicle financed and is repayable in equated monthly installment over the tenure of the loans. These loans carries interest rate of 7.40% to 8.75%.
- Working Capital Term Loan (WCTL) availed by way of Guaranteed Emergency Credit Line (GECL) under ECLGS Scheme of National Credit Guarantee Trustee Company Limited (NCGTC) is secured against existing Hypothecation of Current Assets, Movable & Immovable fixed assets of the Company. The WCTL, after a moratorium period of 12 months, is repayable in 48 equated monthly installments, commencing from the next month after completion of moratorium. The WCTL is availed at interest rate of 7.50%.

### Note 16 : Provisions - Non Current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits expense	39.15	41.25
<b>TOTAL</b>	<b>39.15</b>	<b>41.25</b>

### Note 17 : Borrowings - Current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Secured Loans</b>		
<b>(i) From Banks</b>		
Working Capital Finance (Secured against Hypothecation of Stock, Book Debts, Current Assets, Movable & Immovable fixed assets of the Company, Immovable property of its directors, Personal guarantee of some of the Directors and Factory Plot of land of Subsidiary M/s Bituminex Cochin Private Limited)	8,112.62	8,385.74
<b>TOTAL</b>	<b>8,112.62</b>	<b>8,385.74</b>

### Note 18 : Trade Payables

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Trade Payables:</b>		
Payable for Goods & Services		
Due to micro and small enterprises*	67.32	6.60
Due to others	1,796.46	2,687.23
<b>TOTAL</b>	<b>1,863.78</b>	<b>2,693.83</b>

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\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2021 and 31 March 2020 :

Particulars	31 March 2021 (₹)	31 March 2020 (₹)
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	67.32	6.60
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 Company.

**Note 19 : Other Financial Liabilities**

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Current maturity of Long Term Borrowings (Refer Note No 15)	299.57	456.52
Payable for Expenses	48.83	80.33
Payable for Capital Goods	54.71	38.16
Unclaimed Dividend	11.44	13.31
Interest Accrued	4.90	-
Other Liability	10.01	7.50
<b>TOTAL</b>	<b>429.47</b>	<b>595.83</b>

**Note 20 : Other Current Liabilities**

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Statutory Remittances	157.35	113.31
Advances From Customer	247.74	172.61
Revenue received in advance	18.06	-
<b>TOTAL</b>	<b>423.14</b>	<b>285.92</b>

**Note 21 : Provisions - Current**

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Provision for Employee benefits expense	0.98	0.70
<b>TOTAL</b>	<b>0.98</b>	<b>0.70</b>

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

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Provision for Taxation (Net of Taxes Paid)	248.49	-
<b>TOTAL</b>	<b>248.49</b>	<b>-</b>

### Note 23 : Revenue from Operations

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Sales of goods	78,849.40	69,839.91
<b>Sale of Services</b>		
Vehicle Freight Income	4,363.62	5,176.80
Labour Charges	17.60	20.38
<b>Other operating revenue</b>		
Sale of Power - Wind mill	98.74	122.86
<b>TOTAL</b>	<b>83,329.36</b>	<b>75,159.96</b>

### Note 24 : Other Income

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Foreign exchange fluctuation gain	-	161.90
Interest on fixed deposits with banks	24.38	31.73
Interest on Loan to Subsidiary	357.38	179.28
Interest - Other	9.08	0.52
Rent from Investment Property	25.28	-
Dividend Income	2.52	15.90
Income from Current Investments	33.85	56.06
Guarantee Commission from Subsidiary	50.00	-
Gain on Fair valuation of Financial assets	59.47	-
Miscellaneous Income	3.94	8.12
<b>TOTAL</b>	<b>565.91</b>	<b>453.50</b>

### Note 25 : Cost of Materials Consumed

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock	815.06	502.54
Add:- Purchases during the year	16,926.34	29,980.65
	<b>17,741.39</b>	<b>30,483.18</b>
Less: - Closing Stock	314.69	815.06
<b>TOTAL</b>	<b>17,426.70</b>	<b>29,668.13</b>

### Note 26 : Changes in inventories of Finished goods, Stock-in-Trade and Semi finished goods

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Opening Stock</b>		
Finished Goods as at the beginning of the year	82.28	51.52
Stock in trade (acquired for trading)	1,489.83	1,960.58
Semi Finished Goods as at the beginning of the year	107.64	124.64
<b>Less : Closing Stock</b>		
Finished Goods as at the end of the year	57.93	82.28
Stock in trade (acquired for trading)	4,041.87	1,489.83
Semi Finished Goods as at the end of the year	91.19	107.64
<b>TOTAL</b>	<b>(2,511.25)</b>	<b>457.00</b>

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

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Transportation Charges	976.24	716.13
Labour Charges	55.87	54.50
Repairs & Maintenance - Machinery	62.38	19.48
Electricity, Power & Fuel	48.82	48.68
Storage Terminal Rent	124.84	389.80
Heating and Fuel Charges	152.69	189.14
Other Direct Expenses	63.20	62.36
Vehicle Running & Maintenance Expenses	3,369.37	4,008.10
Freight Paid	136.56	138.47
Wind Mill Expenses	35.30	16.50
<b>TOTAL</b>	<b>5,025.27</b>	<b>5,643.16</b>

**Note 28 : Employee Benefits Expense**

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and Wages	303.70	323.64
Directors Remuneration	168.00	150.00
Contribution towards employees welfare fund	0.53	0.69
Gratuity	8.28	6.98
Staff Welfare	33.22	42.13
<b>TOTAL</b>	<b>513.73</b>	<b>523.44</b>

**Note 29 : Finance Costs**

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on bank borrowings	793.38	841.20
Others Interest	1.32	3.14
Interest on Lease Liabilities	117.04	-
Exchange Loss on Working Capital Loan	6.09	-
Bank Guarantee Commission	37.30	-
Other Borrowing Cost - On working capital loan	21.33	42.32
<b>TOTAL</b>	<b>976.47</b>	<b>886.66</b>

**Note 30 : Depreciation and Amortization Expense**

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation on Property plant & equipment	787.33	793.47
Amortisation of Right of use	392.33	-
<b>TOTAL</b>	<b>1,179.66</b>	<b>793.47</b>

## Note 31 : Other Expenses

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>(A) Administrative Expenses</b>		
Rent, Rates & Taxes	72.96	101.01
Payment to Auditors		
- Statutory Audit fees	2.50	2.50
- Tax Audit Fees	1.00	1.00
- Certification Work	0.75	0.75
- Other Services	0.14	0.14
Insurance	16.06	10.21
Share Transfer Fees	2.55	1.51
Legal & Professional Charges	76.28	66.70
Bank Charges & Commission	11.76	12.19
Electricity Expenses	6.18	8.42
Listing Fees & Custodian Charges	10.20	6.30
Postage and Telephone	5.01	6.82
Security Charges	16.32	15.88
Printing & Stationery	6.97	10.31
Foreign exchange fluctuation loss	65.94	-
Loss on Fair valuation of Financial assets	-	68.88
Vehicle Expenses	9.11	9.25
Travelling & Conveyance	21.42	116.69
Bad Debts written off	212.27	102.28
Expected credit loss allowance	65.07	2.43
Repairs to Building	23.53	21.58
Repairs - Other	52.14	25.48
Expenditure on Corporate Social Responsibility	36.51	32.51
Miscellaneous Expenses	55.80	46.77
	<b>770.46</b>	<b>669.61</b>
<b>(B) Selling and Distribution Expenses</b>		
Advertisement & Business Promotion Expenses	10.67	45.06
Commission Paid	191.78	180.10
	<b>202.46</b>	<b>225.16</b>
<b>TOTAL</b>	<b>972.92</b>	<b>894.77</b>

## 32 Income Tax

### (a) Tax expense recognised in the Statement of profit and loss:

	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax</b>		
Current year	811.00	547.00
Short Provision for Tax for earlier years	47.60	-
<b>Total current tax</b>	<b>858.60</b>	<b>547.00</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	(49.93)	0.22
<b>Total deferred income tax expense/(credit)</b>	<b>(49.93)</b>	<b>0.22</b>
<b>Total income tax expense/(credit)</b>	<b>808.67</b>	<b>547.22</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)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit /(loss) before taxation	2963.87	2023.49
Enacted income tax rate in India	25.17%	25.17%
Tax at the enacted income tax rate	745.95	509.27
<b>Reconciliation line items:</b>		
Effect of non-deductible expenses	12.33	12.00
Due to non-taxable income for Indian tax purposes	(0.61)	-
Tax pertaining to Earlier Years	47.60	-
Others (Including the effect of change in the tax rate)	3.40	25.94
<b>Tax expense/ (credit)</b>	<b>808.67</b>	<b>547.22</b>

**(c) The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2020:**

For the year Ended March 31, 2020	As at April 01, 2019	Charge / (Credit) in Statement of profit and loss	As at March 31, 2020
<b>Deferred tax liabilities / (assets) (net)</b>			
On Account of Depreciation	442.83	18.13	460.96
Due to disallowances under Income Tax	(9.59)	(15.40)	(24.99)
On account of Fair valuation of Financial assets and liabilities	0.10	(4.40)	(4.31)
	<b>433.34</b>	<b>(1.68)</b>	<b>431.67</b>

For the year Ended March 31, 2021	As at April 01, 2020	Charge / (Credit) in Statement of profit and loss	As at March 31, 2021
<b>Deferred tax liabilities / (assets) (net)</b>			
On Account of Depreciation	460.96	(32.73)	428.23
Due to disallowances under Income Tax	(24.99)	(15.92)	(40.91)
On account of Fair valuation of Financial assets and liabilities	(4.31)	10.05	5.74
On Right of Use	-	(8.79)	(8.79)
	<b>431.67</b>	<b>(47.39)</b>	<b>384.28</b>

**33 Leases**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116 "Leases" using modified retrospective approach. The Company's lease asset classes primarily consist of leases for Land, buildings and Plant & Machinery. These leases were classified as "Operating Leases" under Ind AS 17. On transition to Ind AS 116 "Leases", for these leases, lease liabilities were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019. Right to Use if measured either at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

Due to transition, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right-of-use assets and for interest accrued on lease liability respectively.

**The Company has used following practical expedient, when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.**

- (1) The Company didn't recognize Right to Use assets and Lease liabilities for lease for which the lease term ends within 12 months on the date of initial transition and low value assets.
- (2) The Company excluded initial direct cost from measurement of the Right to Use assets at the date of initial application.
- (3) The Company uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 9%.

The difference between the lease obligation under Ind AS 17 and the value of the lease liability is primarily on account of inclusion of extension and termination options reasonably certain to be exercised in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

During previous year, the Company has considered the land taken on lease from Dighi Port Ltd in the nature of operating lease considering the lease period of 30 years and there being no reasonable certainty about its renewal. During the year, pursuant to the company's proposed plan to expand business and accordingly, there are increased certainty of its option for lease renewal. Considering the same, the Company has considered the leasehold land in the nature of finance lease.

**Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:**

(₹ in Lakhs)				
Particulars	Land	Building	Plant & Machinery	Total
<b>Balance as at 1<sup>st</sup> April 2020</b>				
Additions	204.20	49.13	2,117.67	2,371.00
Deletions	-	-	-	-
Depreciation and amortisation expenses	7.56	24.57	360.20	392.33
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>196.63</b>	<b>24.57</b>	<b>1,757.47</b>	<b>1,978.67</b>

**Following is the movement in lease liabilities during the year ended March 31, 2021:**

(₹ in Lakhs)				
Particulars	Land	Building	Plant & Machinery	Total
<b>Balance as at 1<sup>st</sup> April 2020</b>	-	-	-	-
Additions	182.53	49.13	2,099.84	2,331.51
Interest accrued during the year	16.43	3.53	97.09	117.04
Deletions	-	-	-	-
Payment of lease liabilities	12.00	25.56	467.24	504.80
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>186.96</b>	<b>27.10</b>	<b>1,729.69</b>	<b>1,943.75</b>

**Break-up of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:**

(₹ in Lakhs)				
Particulars	Land	Building	Plant & Machinery	Total
Less than one year	(4.83)	27.10	455.59	477.86
One to five years	(14.91)	-	1,274.11	1,259.19
More than 5 years	206.70	-	-	206.70

**Short-term leases expenses incurred for the year ended 31<sup>st</sup> March, 2021:**

(₹ in Lakhs)	
Particulars	Amount
Rental expense	165.35

**34 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, 2021	As at March 31, 2020
Present value of plan liabilities	40.13	41.94
Fair value of plan assets	-	-
<b>Asset/(Liability) recognised</b>	<b>40.13</b>	<b>41.94</b>

**B. Movements in plan assets and plan liabilities** (₹ in Lakhs)

	Present value of obligations	Fair Value of Plan assets
<b>As at 1<sup>st</sup> April 2020</b>	41.94	-
Current service cost	5.42	-
Past service cost	-	-
Interest Cost/(Income)	2.86	-
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	0.28	-
Actuarial (gain)/loss arising from experience adjustments	(10.37)	-
Employer contributions	-	-
Benefit payments	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>40.13</b>	<b>-</b>

	Present value of obligations	Fair Value of Plan assets
<b>As at 1<sup>st</sup> April 2019</b>	27.44	-
Current service cost	4.89	-
Past service cost	-	-
Interest Cost/(Income)	2.10	-
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	4.12	-
Actuarial (gain)/loss arising from experience adjustments	3.40	-
Employer contributions	-	-
Benefit payments	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>41.94</b>	<b>-</b>

**C. Statement of Profit and Loss** (₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Employee Benefit Expenses:</b>		
Current service cost	5.42	4.89
Interest cost/(income)	2.86	2.10
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>8.28</b>	<b>6.98</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	0.28	4.12
Experience gains/(losses)	(10.37)	3.40
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(10.09)</b>	<b>7.52</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:

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Financial Assumptions</b>		
Discount rate	6.77%	6.82%
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%	35.16	46.22
Salary Escalation Rate	1.00%	46.46	34.89

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 31<sup>st</sup> March, 2021 as follows:

	(₹ in Lakhs)
Year ending March 31, 2021	Defined benefit obligation
2021	0.98
2022	4.53
2023	0.67
2024	0.72
2025	8.78
Thereafter	24.45

#### 35 Contingent liabilities

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a) Stand-by Letter of Credit (SBLC) issued by banker in favor of overseas subsidiary	2500.00	-
	<b>2500.00</b>	<b>-</b>
b) Claims against the Company not acknowledged as debts liabilities that may arise in respect of disputed matters in relation to :		
- Entry tax	43.72	43.72
- Goods and Services Tax	4.94	-
- Income tax	533.35	533.35
- Local Body Tax	14.11	14.11
	<b>596.13</b>	<b>591.18</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.

**36 Commitments**

The Company does not have any commitments (including capital commitments) as on the Balance sheet date. (As at March 31, 2020 - Nil)

**37 Earning Per share**

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax available for equity shareholders	2155.20	1476.28
Weighted average number of equity shares	10,258,747	10,258,747
Nominal value of equity shares	10.00	10.00
Basic and diluted Earning Per Share	21.01	14.39

**38 Corporate Social Responsibility (CSR) expenditure**

- a) The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time.
- b) During the year ended 31 March 2021, the Company has incurred an expenditure of ₹ 69,37,795/- (31 March 2020: ₹ 28,49,812/-) towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act.
- c) Amount required to be spent and amount spent towards CSR activities by the Company-

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Amount required to be spent as per section 135 of the Act</b>		
(i) Unspent amount as at the beginning of the year	30.45	26.44
(ii) Amount provisioned during the year based on average of preceding three year profits	36.51	32.51
<b>Total amount required to be spent</b>	<b>66.96</b>	<b>58.95</b>
<b>Amount spent during the year on :</b>		
(i) Construction/acquisition of assets	-	-
(ii) On purpose other than above	69.38	28.50
<b>(Excess) / Unspent amount as at the end of the year</b>	<b>(2.42)</b>	<b>30.45</b>

**39 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 Company 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, 2021**

(₹ in Lakhs)

<b>Financial assets</b>	<b>FVTOCI</b>	<b>FVTPL</b>	<b>Amortised cost</b>	<b>Total fair value</b>	<b>Carrying amount</b>
Investments	-	605.73	422.68	1028.41	1028.41
Trade receivables	-	-	12270.92	12270.92	12270.92
Cash and cash equivalents	-	-	160.56	160.56	160.56
Other balances with bank	-	-	771.86	771.86	771.86
Loans	-	-	5051.29	5051.29	5051.29
Other financial assets	-	-	126.19	126.19	126.19
<b>Total</b>	<b>-</b>	<b>605.73</b>	<b>18803.51</b>	<b>19409.24</b>	<b>19409.24</b>

**Financial liabilities**

Borrowings	-	-	10222.13	10222.13	10222.13
Lease Liabilities	-	-	1943.75	1943.75	1943.75
Trade payables	-	-	1863.78	1863.78	1863.78
Others	-	-	429.47	429.47	429.47
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>14459.13</b>	<b>14459.13</b>	<b>14459.13</b>

**As at March 31, 2020**

<b>Financial assets</b>	<b>FVTOCI</b>	<b>FVTPL</b>	<b>Amortised cost</b>	<b>Total fair value</b>	<b>Carrying amount</b>
Investments	-	679.14	422.68	1101.82	1101.82
Trade receivables	-	-	13778.86	13778.86	13778.86
Cash and cash equivalents	-	-	254.54	254.54	254.54
Other balances with bank	-	-	358.74	358.74	358.74
Loans	-	-	2740.80	2740.80	2740.80
Other financial assets	-	-	142.45	142.45	142.45
<b>Total</b>	<b>-</b>	<b>679.14</b>	<b>17698.06</b>	<b>18377.20</b>	<b>18377.20</b>

**Financial liabilities**

Borrowings	-	-	8570.83	8570.83	8570.83
Trade payables	-	-	2693.83	2693.83	2693.83
Others	-	-	595.83	595.83	595.83
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>11860.48</b>	<b>11860.48</b>	<b>11860.48</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:

<b>March 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Assets at fair value - Investments	605.73	-	-
<b>March 31, 2020</b>			
Assets at fair value - Investments	679.14	-	-

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.

#### **40 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 March 31, 2021	As at March 31, 2020
Secured working capital credit facility from Banks	1537.38	1264.26

##### **(ii) The following is the contractual maturities of the financial liabilities:**

	(₹ in Lakhs)			
<b>As at March 31, 2021</b>	<b>Carrying amount</b>	<b>Payable on demand</b>	<b>1-12 months</b>	<b>More than 12 months</b>
<b>Non-derivative liabilities</b>				
Borrowings	10222.13	-	8112.62	2109.51
Lease Liabilities	1943.75	-	477.86	1465.89
Trade payables	1863.78	-	1863.78	-
Other financial liabilities	429.47	-	429.47	-
	<b>14459.13</b>	<b>-</b>	<b>10883.73</b>	<b>3575.40</b>

	Carrying amount	Payable on demand	1-12 months	More than 12 months
<b>As at March 31, 2020</b>				
<b>Non-derivative liabilities</b>				
Borrowings	8570.83	-	8385.74	185.09
Trade payables	2693.83	-	2693.83	-
Other financial liabilities	595.83	-	595.83	-
	<b>11860.48</b>	<b>-</b>	<b>11675.39</b>	<b>185.09</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 borrowing and 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**

	(₹ in Lakhs)			
As at March 31, 2021	Foreign Currency Loan from Bank	Trade payables	Loan to Subsidiary	Advances Recoverable & Advances to Suppliers
- In AED	-	74.81	252.71	10.10
- In USD	19.22	-	-	-
- In equivalent INR	1406.66	1491.27	5037.39	200.91
<b>As at March 31, 2020</b>				
- In AED	-	100.83	132.71	-
- In equivalent INR	-	2051.21	2699.65	-

**(ii) 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 March 31, 2021</b>	<b>As at March 31, 2020</b>
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
- Loans	5,051.29	2,740.80
- Other Financial Assets	126.19	142.45

<b>Exposure to the Credit risks</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	12,270.92	13,778.86

#### **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 counter party.

#### **Ageing of the accounts receivables**

(₹ in Lakhs)		
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
0-90 days	6592.35	7667.77
90-180 days	303.15	863.79
>180 days	5497.84	5304.65
	<b>12393.35</b>	<b>13836.21</b>

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2021 and March 31, 2020.

#### **41 (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 March 31, 2021	As at March 31, 2020
Total equity	16551.45	14542.59
Net debt (Total borrowings including current maturities less cash and cash equivalents)	9589.28	8414.08
<b>Total capital (Borrowings and Equity)</b>	<b>26140.74</b>	<b>22956.66</b>
<b>Gearing ratio</b>	<b>36.68%</b>	<b>36.65%</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's dividend policy.

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Final Dividend paid</b>		
Final dividend for the year ended March 31, 2020 of ₹ 1.50 (as at 31-March 2019 ₹ 1.80) Per fully paid up share [Including dividend distribution tax of ₹ Nil (as at 31-March 2019 ₹ 37.96 Lakhs)]	153.88	222.61
<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, 2020 - ₹ 1.50 per fully paid up equity shares)	184.66	153.88

## 42 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, 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

- Petrochemical business - Bitumen products
- Transportation - Bitumen and LPG
- Sale of power - Wind mill

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Segment Revenue</b>		
a) Transportation	4417.49	5237.40
b) Windmill	98.74	122.86
c) Petrochemicals (Bituminous & Allied Products)	78905.37	69840.06
d) Other (Unallocable)	473.66	413.13
<b>Total</b>	<b>83895.26</b>	<b>75613.45</b>
Less Intersegment Revenue	-	-
<b>Net Sales/Income From Operations</b>	<b>83895.26</b>	<b>75613.45</b>

	(₹ in Lakhs)	
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Segment Result Profit/(Loss) before tax and interest from Each Segment</b>		
a) Transportation	29.19	175.81
b) Windmill	16.31	59.62
c) Petrochemicals (Bituminous & Allied Products)	3487.11	2333.72
<b>Total</b>	<b>3532.62</b>	<b>2569.15</b>
Less: i) Interest	976.47	886.66
ii) Other Un-allocable Expenditure net off	65.94	72.13
iii) Un-allocable Income	(473.66)	(413.13)
<b>Total Profit Before Tax</b>	<b>2963.87</b>	<b>2023.49</b>
 <b>Segment assets &amp; liabilities</b>		
	(₹ in Lakhs)	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Segment Assets</b>		
a) Transportation	2632.93	3217.84
b) Windmill	539.93	623.04
c) Petrochemicals (Bituminous & Allied Products)	22567.66	19235.50
d) Others	6366.10	4086.22
<b>Total Assets</b>	<b>32106.62</b>	<b>27162.60</b>
 <b>Segment Liabilities</b>		
a) Transportation	845.10	879.64
b) Windmill	-	-
c) Petrochemicals (Bituminous & Allied Products)	14025.73	11253.43
d) Others	684.34	486.93
<b>Total Liability</b>	<b>15555.17</b>	<b>12620.01</b>

**43 Related party disclosure under Ind AS 24**

**Name and description of related parties**

**(a) Key Managerial Personnel (KMP)**

Mr. Jaiprakash Agarwal, Managing Director

Mr. Ramchandra Agarwal, Whole Time Director

Mr. Lalit Agarwal, Whole Time Director

Mr. Vipin Agarwal, Chief Financial Officer

Ms. Lucinda D'Souza, Company Secretary (resigned w.e.f 31.03..2020)

Mr. Sachin Ghanghas, Company Secretary (w.e.f 01.02.2020 till 18.12.2020)

Mr. Satish Deshmukh, Company Secretary (w.e.f 18.12.2020 till 09.03.2021)

Ms. Dipali Pitale, Company Secretary (appointed w.e.f 10.03.2021)

**(b) Wholly Owned Subsidiary**

Bituminex Cochin Private Limited (Indian Subsidiary)

AICL Overseas FZ-LLC (Overseas Subsidiary)



**(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 Private Limited  
Agarwal Motor Repairs

**(e) Concerns in which Relatives of KMP are interested**

Balaji Tyre  
Shree Balaji Engineering Work  
Murlidhar Ishwardas

**Transaction with the related parties during the year**

Name of Party	(₹ in Lakhs)	
	For the year Ended 31st March 2021	For the year Ended 31st March 2020
<b>Key Managerial Personnel (KMP)</b>		
<u>Directors remuneration</u>	6,000,000	5,400,000
Jaiprakash Agarwal	5,400,000	4,800,000
Ramchandra Agarwal	5,400,000	4,800,000
Lalit Agarwal		
<u>Salary</u>	1,800,000	1,800,000
Vipin Agarwal	-	570,884
Lucinda Dsouza	273,200	84,000
Sachin Ghanghas	48,000	-
Dipali Pitale	61,600	-
Satish Deshmukh		
<u>Rent Paid</u>	1,200,000	1,032,000
Jaiprakash Agarwal	1,536,000	1,380,000
Lalit Agarwal		
<b>Relatives of KMP</b>		
<u>Salary</u>	1,440,000	1,440,000
Nilesh Agarwal	600,000	600,000
Mukul Agarwal	600,000	600,000
Virel Agarwal		

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Name of Party	(₹ in Lakhs)	
	For the year Ended 31st March 2021	For the year Ended 31st March 2020
<b>Subsidiary</b>		
<u>Sale of Material</u> Bituminex Cochin Private Limited	9,401,187	13,504,099
<u>Interest received</u> AICL Overseas FZ-LLC	35,738,074	17,927,670
<u>Guarantee Commission received</u> AICL Overseas FZ-LLC	5,000,000	-
<u>Loan Given during the year (*)</u> AICL Overseas FZ-LLC	233,774,161	269,965,318
<u>Loan received back during the year (*)</u> Bituminex Cochin Private Limited	2,100,000	-
<u>Guarantee issued for Borrowing (*)</u> AICL Overseas FZ-LLC * Loan received back during the year	250,000,000	-

Name of Party	(₹ in Lakhs)	
	For the year Ended 31st March 2021	For the year Ended 31st March 2020
<b>Concern in which KMP are interested</b>		
<b><u>Freight Paid</u></b>		
ANZ Transporters	25,777,449	22,565,926
Agarwal Translink Private Limited	46,393,750	34,074,662
Agarwal Gas Carriers	12,661,969	11,453,504
<b><u>Transportation Charges Received</u></b>		
ANZ Transporters	9,752,594	6,740,279
Agarwal Translink Private Limited	34,606,228	33,112,020
Agarwal Gas Carriers	-	233,575
Agarwal Motor Repairs	28,620,880	28,638,961
<b><u>Labour Charges Received</u></b>		
ANZ Transporters	789,600	626,400
Agarwal Translink Private Limited	366,600	208,466
Agarwal Gas Carriers	705,000	150,698
<b><u>Sale of Spare Parts &amp; Oil</u></b>		
ANZ Transporters	653,875	801,638
Agarwal Translink Private Limited	337,455	379,861
Agarwal Gas Carriers	810,136	1,138,524
<b><u>Purchase of HSD &amp; Oil</u></b>		
Agarwal Translink Private Limited	36,653,187	46,872,184
<b>Concern in which relatives of KMP are interested</b>		
<b><u>Purchase of HSD &amp; Oil</u></b>		
Muridhar Ishwardas	4,200,619	3,244,028
<b>Concern in which relatives of KMP are interested</b>		
<b>Purchase of HSD &amp; Oil</b>		
Muridhar Ishwardas	4,200,619	3,244,028

Name of Party	(₹ in Lakhs)	
	For the year Ended 31st March 2021	For the year Ended 31st March 2020
Purchase of Tyre & Spare Parts		
Balaji Tyres	7,102,666	7,496,721
Shree Balaji Engineering Work	-	991,526
Purchase of Fixed Assets		
Shree Balaji Engineering Work	-	1,100,000
Vehicle Running Expenses - Repairing charges		
Shree Balaji Engineering Work	174,640	1,568,990

Name of Party	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Balance outstanding as at year end</b>		
<b>Subsidiary</b>		
<u>Investment in equity shares*</u>		
Bituminex Cochin Private Limited	23,250,000	23,250,000
AICL Overseas FZ-LLC	19,013,000	19,013,000
<u>Loan Given (*)</u>		
Bituminex Cochin Pvt Ltd	-	2,100,000
AICL Overseas FZ-LLC	503,739,479	269,965,318
<u>Gaurentee issued for Borrowing (*)</u>		
AICL Overseas FZ-LLC	250,000,000	-
<u>Receivable (*)</u>		
AICL Overseas FZ-LLC	5,000,000	-
<b>Key Managerial Personnel (KMP)</b>		
<u>Salary Payable</u>		
Vipin Agarwal	-	552,200
<b>Relatives of KMP</b>		
<u>Salary Payable</u>		
Nilesh Agarwal	-	2,647,378
Mukul Agarwal	-	48,800
<b>Concern in which KMP are interested</b>		
<u>Receivables</u>		
Agarwal Translink Private Limited	14,902,871	54,654,594
<b>Concern in which relatives of KMP are interested</b>		
<u>Payable</u>		
Balaji Tyres	1,707,698	5,249,725
Shree Balaji Engineering Work	751,580	1,265,110
Muridhar Ishwardas	-	883,984

\* The information given covers the disclosure requirements of Section 186(4) of the Companies Act, 2013 and Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulation.

**44 Recent accounting pronouncements**

- (a) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Employee Benefit Plan. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- (b) Ministry of Corporate Affairs issued notifications dated March 24, 2021 to amend Schedule - III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the Financial Year starting 1<sup>st</sup> April 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by the Law.
- 45** 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.
- 46** The financial statements were approved for issue by the Board of Directors on June 15, 2021.
- 47** 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 Registration No : 120241W)

**FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF AGARWAL INDUSTRIAL CORPORATION LIMITED**

**(AJAY SINGHAL)**  
**PARTNER**  
M.No. 104451  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2021

**(JAIPRAKASH AGARWAL)**  
**MANAGING DIRECTOR**  
(DIN : 01379868)

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

**(VIPIN AGARWAL)**  
**CHIEF FINANCIAL  
OFFICER**

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

**(DIPALI PITALE)**  
**COMPANY SECRETARY**

**AGARWAL INDUSTRIAL CORPORATION  
LIMITED**

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS FOR  
FINANCIAL YEAR ENDED  
MARCH 31, 2021**

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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 Consolidated Financial Statements of **Agarwal Industrial Corporation Limited** (hereinafter referred to as "the Holding Group") and its subsidiaries, **Bituminex Cochin Private Limited and AICL Overseas FZ LLC** (the Holding Group and its Subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and 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, 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, 2021, and of its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows statement 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 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 on the Consolidated Financial Statements.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 5. The Key Audit Matter

Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of result for the year.

#### How was the matter addressed in our audit

Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, substantive testing of cut-off and analytical review procedure.

### 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 Consolidated 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective management and board of directors of the companies included in the group for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of each company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated 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 Consolidated Financial Statements, respective management and Board of Directors of the companies included in the group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective board of directors intends to liquidate the Company 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 also 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 internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls based on our audit.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Consolidated Financial Statements 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 Group'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 Group 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 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 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 Bituminex Cochin Private Limited and AICL Overseas FZ-LLC, subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets (before consolidation adjustment) of ₹ 1,27,21,31,278/- as at 31<sup>st</sup> March, 2021, total revenues (before consolidation adjustment) of ₹ 71,55,96,492/-, total net profit after tax (before consolidation adjustment) of ₹ 18,98,12,947/-, total comprehensive income of ₹ 18,50,93,569/- and cash flows (before consolidation adjustment) (net) of ₹ 24,08,13,349/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, 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 subsidiaries, is based solely on the report of the other auditors.
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 which were not audited by us, we report that the Holding Company, and its Subsidiary Company incorporated in India and 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 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 auditors.



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of Change in Equity and the 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2021, 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 companies incorporated in India, none of the directors is disqualified as on 31<sup>st</sup> March, 2021, 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" which is based on the Auditors' Reports of the Parent Company and Subsidiary Company incorporated in India.
- 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 2021 on the Consolidated Financial Position of the Group – Refer Note 35 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 Parent and its Subsidiary Company incorporated in India.

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

**Ajay Singhal**  
(Partner)  
M. No. 104451  
UDIN : 21104451AAAAEF4528  
Place: Mumbai  
Dated: 15<sup>th</sup> June, 2021

## **ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT**

Referred to as 'Annexure A' in paragraph 19(f) of the Independent Auditors' Report of even date to the members of **Agarwal Industrial Corporation Limited** on the consolidated financial statements for the year ended on 31<sup>st</sup> March, 2021.

### **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, 2021 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2021, 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.
10. Our opinion is not modified in respect of the above matters.

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

**Ajay Singhal**  
(Partner)  
M. No. 104451  
UDIN : 21104451AAAAEF4528  
Place: Mumbai  
Dated: 15<sup>th</sup> June, 2021

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021**

(₹ in Lakhs)			
Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
<b>I. ASSETS</b>			
<b>1. Non - Current Assets</b>			
Property, Plant and Equipment	2(a)	13,709.73	9,957.19
Capital work-in-progress	2(b)	75.91	332.81
Investment Property	2(c)	37.44	-
Right of Use Asset	2(d)	1,978.67	-
Goodwill on Consolidation		226.30	226.30
<b>Financial assets</b>			
(a) Investments	3	0.05	0.05
(b) Other Financial Assets	4	57.10	96.10
		<u>16,085.19</u>	<u>10,612.45</u>
<b>2. Current Assets</b>			
Inventories	5	4,772.39	2,755.67
<b>Financial assets</b>			
(a) Investments	6	605.73	679.14
(b) Trade Receivables	7	13,486.13	13,789.18
(c) Cash & Cash Equivalents	8	2,763.10	478.32
(d) Other Balances with Banks	9	772.74	359.57
(e) Loans	10	14.06	20.37
(f) Other Financial Assets	11	73.62	50.92
Current Tax Assets (net)	12	142.57	137.86
Other Current Assets	13	828.44	1,118.65
		<u>23,458.78</u>	<u>19,389.70</u>
<b>TOTAL ASSETS</b>		<u><b>39,543.97</b></u>	<u><b>30,002.15</b></u>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	14(A)	1,025.87	1,025.87
(b) Other Equity	14(B)	18,584.51	14,724.70
		<u>19,610.38</u>	<u>15,750.58</u>
<b>2. Liabilities</b>			
<b>A. Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings	15	4,132.88	185.09
(b) Lease Liabilities	33	1,465.89	-
Provisions	16	39.15	41.25
Deferred Tax Liability (Net)	32	383.84	431.28
		<u>6,021.76</u>	<u>657.62</u>
<b>B. Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings	17	8,112.62	8,385.74
(b) Lease Liabilities	33	477.86	-
(c) Trade Payables	18		
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises		67.95	6.84
(ii) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		3,291.38	4,243.29
(d) Other Financial Liabilities	19	906.39	590.96
Other Current Liabilities	20	801.23	366.43
Provisions	21	0.98	0.70
Current Tax Liabilities (net)	22	253.42	-
		<u>13,911.83</u>	<u>13,593.95</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>39,543.97</b></u>	<u><b>30,002.15</b></u>
<b>Significant Accounting Policies</b>	1		
<b>The accompanying notes are integral part of these Consolidated financial statements</b>	2 - 48		

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

FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF AGARWAL INDUSTRIAL CORPORATION LIMITED

(AJAY SINGHAL)  
PARTNER

M.No. 104451  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2021

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

(JAIPRAKASH AGARWAL)  
MANAGING DIRECTOR  
(DIN : 01379868)

(VIPIN AGARWAL)  
CHIEF FINANCIAL  
OFFICER

(MAHENDRA AGARWAL)  
DIRECTOR  
(DIN : 01366495)

(DIPALI PITALE)  
COMPANY SECRETARY

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)			
Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>I. Revenue from Operations</b>	23	90,390.22	78,702.58
<b>II. Other Income</b>	24	159.62	276.63
<b>III. Total Income (I + II)</b>		<b>90,549.84</b>	<b>78,979.21</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	25	17,555.73	29,822.48
Purchases of Stock in Trade		57,257.38	34,603.37
Changes in inventories of Finished goods, Stock-in-Trade and Semi finished goods	26	(2,510.10)	454.55
Manufacturing, Operating and Other Direct Expenses	27	9,135.06	7,596.07
Employee Benefits Expense	28	539.63	549.80
Finance Costs	29	976.47	886.66
Depreciation and Amortization Expense	30	1,444.98	895.70
Other Expenses	31	1,281.43	1,061.54
<b>Total Expenses (IV)</b>		<b>85,680.58</b>	<b>75,870.16</b>
<b>V. Profit / (Loss) before Exceptional Items and Tax (III-IV)</b>		4,869.25	3,109.05
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit / (Loss) Before Tax (V-VI)</b>		<b>4,869.25</b>	<b>3,109.05</b>
<b>VIII. Tax Expense:</b>	32		
(a) Current Tax		818.24	552.95
(b) Deferred Tax (Asset) / Liability		(49.98)	0.39
(c) Short Provision for Tax for earlier years		47.67	0.33
<b>Total Tax Expense (VIII)</b>		<b>815.93</b>	<b>553.66</b>
<b>IX. Profit / (Loss) for the Year (VII - VIII)</b>		<b>4,053.32</b>	<b>2,555.39</b>
<b>X. OTHER COMPREHENSIVE INCOME</b>			
A. Items that will not be reclassified to Profit or Loss-Income/(Expense)			
(i) Remeasurement of the defined benefit plans		10.09	(7.52)
(ii) Income tax on remeasurement of the defined benefit plans		(2.54)	1.89
B. Items that will be reclassified to Profit or Loss-Income/(Expense)			
(i) Exchange difference arising on translation of financial statements of foreign operations		(47.19)	70.21
<b>XI. TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX + X)</b>		<b>4,013.68</b>	<b>2,619.97</b>
<b>Out of the Total Comprehensive Income above</b>			
<b>(a) Profit for the year attributable to:</b>			
(i) Owners of the Company		4,053.32	2,555.39
(ii) Non-controlling interests		-	-
<b>(b) Other comprehensive income - Loss attributable to:</b>			
(i) Owners of the Company		(39.64)	64.59
(ii) Non-controlling interests		-	-
<b>(c) Total comprehensive income attributable to:</b>			
(i) Owners of the Company		4,013.68	2,619.97
(ii) Non-controlling interests		-	-
<b>XII. Earnings Per Equity Share of ₹10/- each :</b>			
Weighted average no. of shares (Basic & Diluted)	37	10,258,747	10,258,747
(1) Basic Earning Per Share (₹)		-	-
(2) Diluted Earning Per Share (₹)		-	-
<b>Significant Accounting Policies</b>	1	39.51	24.91
<b>The accompanying notes are integral part of these Consolidated financial statements</b>	2 - 48	39.51	24.91

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

FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF AGARWAL INDUSTRIAL CORPORATION LIMITED

**(AJAY SINGHAL)**  
PARTNER

M.No. 104451  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2021

**(JAIPRAKASH AGARWAL)**  
MANAGING DIRECTOR  
(DIN : 01379868)

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

**(VIPIN AGARWAL)**  
CHIEF FINANCIAL  
OFFICER

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

**(DIPALI PITALE)**  
COMPANY SECRETARY

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

PARTICULARS	For the year ended 31st March 2021	For the year ended 31st March 2020
	(₹ in Lakhs)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	4,869.25	3,109.05
<b>Adjustments for :</b>		
Depreciation	1,052.65	895.70
Amortisation of Right of Use	392.33	-
Interest & Finance Charges	859.43	886.66
Interest on Lease Liabilities	117.04	-
Interest Received	(24.38)	(31.73)
Dividend received	(2.52)	(15.90)
Rent from Investment Property	(25.28)	-
(Profit) / Loss on sale of Mutual Funds	(33.85)	(56.06)
(Profit) / Loss on sale of fixed assets	(2.02)	(7.80)
Expected credit loss allowance	65.07	2.43
Bad Debts written off	215.02	105.13
Fair valuation impact on Financial Assets	(59.47)	68.88
<b>Operating Profit Before Working Capital Adjustments</b>	<b>7,423.26</b>	<b>4,956.37</b>
<b>Changes in Working Capital</b>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(2,016.72)	(37.07)
Trade receivables	22.96	(2,583.81)
Other financial assets (Current & Non-Current)	(403.54)	(257.01)
Other assets (Current & Non-Current)	290.21	414.85
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(890.80)	3,557.96
Other financial liabilities (Current & Non-Current)	315.43	(426.04)
Other liabilities (Current & Non-Current)	443.08	(12.15)
Adjustments for increase / (decrease) in Foreign Currency Translation Reserve	(47.19)	70.21
<b>Cash generated from operations</b>	<b>5,136.69</b>	<b>5,683.31</b>
Income Tax Paid (net of refund)	(617.19)	(736.94)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>4,519.50</b>	<b>4,946.37</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets	(4,661.39)	(5,720.51)
Proceeds from sale of fixed assets	77.69	43.00
Dividend Received	2.52	15.90
Sale of Mutual Fund-Current Investment	804.18	1,027.20
Interest Received	24.38	31.73
Rent from Investment Property	25.28	-
Purchase of Mutual Fund-Current Investment	(642.28)	(784.32)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(4,369.63)</b>	<b>(5,387.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest & Finance Charges	(838.09)	(886.66)
Net Increase / (Decrease) in Working Capital Borrowing	(284.72)	2,107.69
Proceeds / (Repayment) from / of Long Term Borrowings (Net)	3,938.06	(309.94)
Payment of Lease Liabilities	(526.46)	-
Dividend Paid	(153.88)	(184.66)
Dividend Tax Paid	-	(37.96)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>2,134.90</b>	<b>688.47</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,284.78</b>	<b>247.84</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>478.32</b>	<b>230.48</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,763.10</b>	<b>478.32</b>

**NOTES:**

**(1) Net Debt Reconciliations**

	(₹ in Lakhs)			
	As at March 31, 2020	Cash Flows	Other - Borrowing Cost	As at March 31, 2021
Borrowings (Current)	8,385.74	(284.72)	11.60	8,112.62
Borrowings (Non-Current)	185.09	3,938.06	9.73	4,132.88
<b>Total</b>	<b>8,570.83</b>	<b>3,653.34</b>	<b>21.33</b>	<b>12,245.50</b>

The accompanying notes 1 to 48 are integral part of these consolidated financial statements.

**Notes:**

- 1) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.
- 2) During the year, the Group has incurred an amount of ₹ 69,37,795 in cash (31 March 2020: ₹ 28,49,812) towards corporate social responsibility (CSR) expenditure (Refer note 38).

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

**FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF AGARWAL INDUSTRIAL CORPORATION LIMITED**

**(JAIPRAKASH AGARWAL)**  
**MANAGING DIRECTOR**  
(DIN : 01379868)

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

**(AJAY SINGHAL)**  
**PARTNER**  
M.No. 104451  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2021

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

**(VIPIN AGARWAL)**  
**CHIEF FINANCIAL  
OFFICER**

**(DIPALI PITALE)**  
**COMPANY SECRETARY**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021**

**(A) Equity Share Capital**

	(₹ in Lakhs)
	<b>Amount</b>
<b>Balance as at April 01, 2019</b>	1,025.87
Changes in share capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>1,025.87</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>1,025.87</b>

**(B) Other Equity**

	Reserves and Surplus							(₹ in Lakhs)
	Securities premium	Capital Investment Subsidy	Investment Allowance Reserve (Utilised)	Retained Earning	Other Comprehensive income	Share Forfeiture	Capital Reserve	
<b>Balance as at April 01, 2019</b>	<b>5,126.58</b>	<b>0.76</b>	<b>0.62</b>	<b>6,770.93</b>	<b>1.33</b>	<b>82.12</b>	<b>345.00</b>	<b>12,327.34</b>
Profit for the year	-	-	-	2,555.39	-	-	-	2,555.39
Other comprehensive income for the year	-	-	-	-	64.59	-	-	64.59
Dividend paid during the year	-	-	-	(184.66)	-	-	-	(184.66)
Tax on Dividends	-	-	-	(37.96)	-	-	-	(37.96)
<b>Balance as at March 31, 2020</b>	<b>5,126.58</b>	<b>0.76</b>	<b>0.62</b>	<b>9,103.70</b>	<b>65.92</b>	<b>82.12</b>	<b>345.00</b>	<b>14,724.70</b>
Profit for the year	-	-	-	4,053.32	-	-	-	4,053.32
Other comprehensive income for the year	-	-	-	-	(39.64)	-	-	(39.64)
Dividend paid during the year	-	-	-	(153.88)	-	-	-	(153.88)
<b>Balance as at March 31, 2021</b>	<b>5,126.58</b>	<b>0.76</b>	<b>0.62</b>	<b>13,003.14</b>	<b>26.28</b>	<b>82.12</b>	<b>345.00</b>	<b>18,584.51</b>

The accompanying notes 1 to 48 are integral part of these consolidated financial statements.

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

**FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF AGARWAL INDUSTRIAL CORPORATION LIMITED**

**(AJAY SINGHAL)**  
PARTNER

M.No. 104451  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2021

**(JAIPRAKASH AGARWAL)**  
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**(DIPALI PITALE)**  
COMPANY SECRETARY



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### 1 (A) CORPORATE INFORMATION:

The consolidated financial statements comprises financial statements of **Agarwal Industrial Corporation Limited** (Parent Company ) and its wholly owned subsidiaries, Bituminex Cochin Private Limited and AICL Overseas FZ LLC (hereinafter to be referred as the Group) for the year ended March 31, 2021.

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 Parent Company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Group is principally engaged in the business activities of manufacturing and trading of Petrochemical Product (Bitumen and Bituminous Products), Logistics of Bitumen and Liquefied Petroleum Gas (LPG), energy generation through Wind Mills and Ship Operating and Chartering.

### 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 Company and its subsidiaries as at March 31, 2021.

#### **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.

- (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.
- (d) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the noncontrolling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (e) 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
- (c) Estimation of Right-of-Use and Lease Liabilities - Refer note no. - 18

### **Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipments, investments, inventories, receivables, and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information. There is no material adverse impact of CoVID - 19 pandemic on the Group and its operations/profitability during the financial year ended March 31, 2021. However, CoVID - 19 pandemic effect if any, on the Group's operation / profitability in the current financial year 2021-22 can only be assessed in due course.

### **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 and 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 Group, based on technical assessment made by technical experts, have estimated the useful live of 35 years of ocean going bulk carriers ship from their making year which, management believes is realistic and reflect fair approximation of the period over which ships are likely to be used.

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 Investment Property is provided using the written down value method based on the useful lives specified in Schedule II to 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 and 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 that 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 require payment to be made or to be reimbursed to the holder for a loss it incurs because the specified debtor 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.

##### c) Translation of Financial Statements of foreign entities

On Consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, group uses an average rate to translate income and expenses items. The exchange difference arising on translation for consolidation are recognised in Consolidated Statement of OCI.

#### 12. Revenue Recognition:

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are 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 provides following post-employment plans:

- (a) Defined benefit plans such as 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.



#### 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. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker of the Parent Company.

#### 17. 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.

#### 18. Leases:

The Group has adopted Ind AS 116-Leases using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application.

The Group's lease asset classes primarily consist of leases for Land, Buildings and Plant & Machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (a) the contract involves the use of an identified asset
- (b) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (c) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**19. 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 31<sup>st</sup> March, 2021**

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

Particulars	(₹ in Lakhs)															
	Land - Lease Hold	Land - Commercial Vehicles	Furniture & Fixtures	Computers & Printers	Office Equipments	Electrical Fittings	Borewell	Factory Building	Motor Car & Other Vehicles	Workshop	Plant & Machinery	Laboratory Equipment	Ship / Vessels	Wind Mill	Total	
<b>Gross carrying amount</b>																
Balance as at March 31, 2019	139.88	109.46	4,119.60	75.98	10.40	24.54	87.74	3.65	315.09	277.57	25.47	1,772.56	4.48	-	711.03	7,677.45
Additions	-	-	11.00	0.21	1.22	1.19	-	-	-	19.70	-	38.73	-	-	5,366.24	5,438.29
Disposals	-	-	(130.04)	-	-	-	-	-	-	(8.88)	-	(1.07)	-	-	-	(139.97)
Translation Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>139.88</b>	<b>109.46</b>	<b>4,000.56</b>	<b>76.19</b>	<b>11.62</b>	<b>25.73</b>	<b>87.74</b>	<b>3.65</b>	<b>315.09</b>	<b>288.41</b>	<b>25.47</b>	<b>1,810.22</b>	<b>4.48</b>	<b>5,366.24</b>	<b>711.03</b>	<b>12,975.77</b>
Additions	-	423.56	448.39	0.76	2.07	5.49	-	-	-	0.72	-	396.24	-	-	3,743.97	5,021.21
Disposals	-	-	(293.52)	-	-	-	-	-	-	(5.23)	-	-	-	-	-	(298.75)
Translation Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to Investment Property	(37.44)	-	-	-	-	-	-	-	-	-	-	-	-	-	(107.89)	(107.89)
<b>Balance as at March 31, 2021</b>	<b>102.44</b>	<b>533.02</b>	<b>4,155.43</b>	<b>76.96</b>	<b>13.69</b>	<b>31.22</b>	<b>87.74</b>	<b>3.65</b>	<b>315.09</b>	<b>283.90</b>	<b>25.47</b>	<b>2,206.46</b>	<b>4.48</b>	<b>9,002.33</b>	<b>711.03</b>	<b>17,552.90</b>
<b>Accumulated depreciation as at March 31, 2019</b>	-	-	1,644.56	24.00	7.89	14.80	24.67	2.41	27.60	83.50	3.24	249.03	2.26	-	140.23	2,224.16
Depreciation charge for the year	-	-	583.16	8.60	1.64	3.61	9.23	0.31	10.05	29.42	1.08	101.65	0.83	99.38	46.74	895.70
Disposals	-	-	(101.14)	-	-	-	-	-	-	(4.87)	-	(0.59)	-	-	-	(106.59)
Translation Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.31	5.31
<b>Accumulated depreciation as at March 31, 2020</b>	-	-	2,126.58	32.60	9.53	18.41	33.90	2.72	37.64	108.05	4.32	350.10	3.09	104.69	186.97	3,018.58
Depreciation charge for the year	-	-	568.88	8.02	1.43	3.55	8.15	0.30	10.03	29.95	1.08	111.03	0.48	263.01	46.74	1,052.65
Disposals	-	-	(220.06)	-	-	-	-	-	-	(3.03)	-	-	-	-	-	(223.09)
Translation Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.98)	-	(4.98)
<b>Accumulated depreciation as at March 31, 2021</b>	-	-	2,475.41	40.61	10.96	21.96	42.04	3.02	47.67	134.97	5.40	461.13	3.57	362.72	233.71	3,843.17
<b>Net carrying amount as at March 31, 2020</b>	<b>139.88</b>	<b>109.46</b>	<b>1,873.98</b>	<b>43.59</b>	<b>2.09</b>	<b>7.32</b>	<b>53.85</b>	<b>0.93</b>	<b>277.45</b>	<b>180.36</b>	<b>21.15</b>	<b>1,460.12</b>	<b>1.39</b>	<b>5,261.56</b>	<b>524.06</b>	<b>9,957.19</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>102.44</b>	<b>533.02</b>	<b>1,680.02</b>	<b>36.34</b>	<b>2.73</b>	<b>9.26</b>	<b>45.70</b>	<b>0.63</b>	<b>267.41</b>	<b>148.93</b>	<b>20.07</b>	<b>1,745.33</b>	<b>0.91</b>	<b>8,639.60</b>	<b>477.32</b>	<b>13,709.73</b>

**Notes:**

1. Refer note no. 36 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2021**

**Note 2(b) - Capital work-in-progress :**

	(₹ in Lakhs)	
Particulars	As at 31st March, 2021	As at 31st March, 2020
Building	7.60	7.60
Bulk Liquid Storage Terminal	-	42.99
Storage Tank	-	240.92
Plant & Machinery	68.31	41.30
<b>Total</b>	<b>75.91</b>	<b>332.81</b>

**Note 2(c) - Investment Property :**

**Reconciliation of carrying amount :**

	(₹ in Lakhs)	
Particulars	Land	Total
<b>Gross carrying amount</b>		
<b>Balance as at March 31, 2019</b>	-	-
Additions	-	-
<b>Balance as at March 31, 2020</b>	-	-
Additions	-	-
Transferred from PPE	37.44	37.44
<b>Balance as at March 31, 2021</b>	<b>37.44</b>	<b>37.44</b>
<b>Accumulated depreciation</b>		
<b>Accumulated depreciation as at March 31, 2019</b>	-	-
Depreciation charge for the year	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	-	-
Depreciation charge for the year	-	-
<b>Accumulated depreciation as at March 31, 2021</b>	-	-
<b>Net carrying amount as at March 31, 2020</b>	-	-
<b>Net carrying amount as at March 31, 2021</b>	<b>37.44</b>	<b>37.44</b>

**Information regarding income and expenditure of Investment Property**

	As at 31st March, 2021	As at 31st March, 2020
Rental income derived from Investment Property	25.28	-
Direct Operating Expenses	-	-
Profit arising from investment property before depreciation	25.28	-
Less: Depreciation	-	-
<b>Profit arising from Investment Property</b>	<b>25.28</b>	<b>-</b>

- (a) The Group's investment property consists of land in India.
- (b) Based on the intention, land owned by the Group, which was classified as Property, Plant and Equipment has been considered as being held for generating rental income rather than for business purposes. Hence, the Group has reclassified the same from Property, Plant and Equipment to Investment Property during the year.

**Note 2(d) - Right of Use Assets :**

**Movement in Net Carrying Amount**

	(₹ in Lakhs)			
Particulars	Land	Building	Plant & Machinery	Total
<b>Net Carrying Amount</b>				
<b>Balance as at 1<sup>st</sup> April 2020</b>	-	-	-	-
Additions	204.20	49.13	2,117.67	2,371.00
Depreciation	7.56	24.57	360.20	392.33
Deletions	-	-	-	-
<b>Balance at 31<sup>st</sup> March 2021</b>	<b>196.63</b>	<b>24.57</b>	<b>1,757.47</b>	<b>1,978.67</b>

### Note 3 : Investments - Non-current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<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>		
<b>Aggregate amount of quoted investments and market value thereof</b>	-	-
<b>Aggregate amount of unquoted investments</b>	<b>0.05</b>	<b>0.05</b>

### Note 4 : Other Financial Assets - Non-current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered good</b>		
Security Deposit	57.10	96.10
<b>TOTAL</b>	<b>57.10</b>	<b>96.10</b>

### Note 5 : Inventories

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>(Valued at lower of Cost or Net Realizable Value)</b>		
Finished Goods	65.72	91.70
Semi Finished Goods	91.73	107.69
Raw Material	318.70	821.88
Stock in trade (acquired for trading) (Including stock in transit ₹ 1,362.07 PY ₹ Nil)	4,041.87	1,489.83
Stores, Spares & Packing Material	254.37	244.57
<b>TOTAL</b>	<b>4,772.39</b>	<b>2,755.67</b>

### Note 6 : Investments - Current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Investment in Mutual Fund</b>		
<b>Fair Value through Profit &amp; loss Account</b>		
<b>Non Trade - Quoted</b>		
Nil (811522.912) units of ICICI Prudential Equity Arbitrage Fund - Dividend	-	110.97
Nil (1655441.196) units of Nippon India Arbitrage Fund	-	176.65
43838.499 (43838.499) units of Tata Multi Cap Fund Regular Plan Growth	5.89	3.78
Nil (258189.51) units of ICICI Prudential equity arbitrage fund direct dividend	-	37.62
2067.671 (2067.671) units of DSP Equity Opportunities Fund	6.09	3.48
431725.782 (431725.782) units of Nippon India Equity Saving Fund-Segregated Portfolio	1.25	1.25
500000 (500000) units of ICICI Prudential Manufacture in India Fund Growth	69.50	36.05
93305.465 (829664.276) units of ICICI Prudential Ultra Short Term Fund - Growth	20.12	168.97
1977538.067 (497582.932 ) units of ICICI Prudential Ultra Short Term Fund - Monthly Dividend	452.41	106.85
1671.255 (Nil) units of Nippon India Low Duration Fund - Direct Growth Plan	50.48	-
Nil (15898.047) units of ICICI Prudential Multi Assets Fund - Growth	-	33.54
<b>TOTAL</b>	<b>605.73</b>	<b>679.14</b>
<b>Note:</b>		
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>605.73</b>	<b>679.14</b>
<b>Aggregate amount of unquoted investments</b>	-	-

**Note 7 : Trade Receivables**

(₹ in Lakhs)		
Particulars	As at 31st March 2021	As at 31st March 2020
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	10,299.89	11,321.07
Less: Expected Credit Loss Allowance	(23.86)	(33.60)
<b>Trade Receivables which have significant increase in Credit Risk</b>	<b>3,308.67</b>	<b>2,525.47</b>
Less: Expected Credit Loss Allowance	(98.57)	(23.76)
Trade Receivables - credit impaired	-	-
<b>TOTAL</b>	<b>13,486.13</b>	<b>13,789.18</b>

**Note 8 : Cash and Cash Equivalents**

(₹ in Lakhs)		
Particulars	As at 31st March 2021	As at 31st March 2020
Cash on Hand	37.96	71.06
Balance with Scheduled Banks		
- In Current Accounts	2,718.24	254.27
- In Other Accounts	-	152.99
Cheques, Drafts on Hand	6.90	-
<b>TOTAL</b>	<b>2,763.10</b>	<b>478.32</b>

**Note 9 : Other Balances with Banks**

(₹ in Lakhs)		
Particulars	As at 31st March 2021	As at 31st March 2020
<b>Balance with banks</b>		
- In Dividend Accounts	11.44	13.32
- In Fixed Deposit Account (Includes FDR for ₹ 14.18 Lakhs earmarked against guarantee issued)	761.30	346.25
<b>TOTAL</b>	<b>772.74</b>	<b>359.57</b>

**Note 10 : Loans**

(₹ in Lakhs)		
Particulars	As at 31st March 2021	As at 31st March 2020
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured		
- Advances to Staff	14.06	20.37
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
<b>TOTAL</b>	<b>14.06</b>	<b>20.37</b>

### Note 11 : Other Financial Assets - Current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Accrued Interest on Fixed Deposit	73.62	50.92
<b>TOTAL</b>	<b>73.62</b>	<b>50.92</b>

### Note 12 : Current Tax Assets (net)

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Advance Income Tax and Tax Deducted at Source (Net of Provision)	142.57	137.86
<b>TOTAL</b>	<b>142.57</b>	<b>137.86</b>

### Note 13 : Other Current Assets

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered good</b>		
<b>Other Loan and Advances</b>		
- Advances recoverable in cash or in kind or for value to be received (Includes ₹ 149.03 lakhs due from a company in which directors and relative of directors are directors)	224.33	649.01
- Advance to Supplier	240.67	102.91
- Prepaid Expenses	2.42	5.13
<b>Balance with Government Authorities</b>		
- Deposit with Sales Tax Authority - Under Appeal	28.23	28.23
- Income Tax Paid - Under Appeal	109.00	109.00
- GST Paid - Under Appeal	4.94	-
- Input Tax Credit under GST Receivable	193.33	139.13
- VAT Refund Receivable	-	0.14
- Custom Duty Refund Receivable	25.53	85.09
<b>TOTAL</b>	<b>828.44</b>	<b>1,118.65</b>

### Note 14(A) : Equity Share Capital

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Authorised:</b>		
1,70,00,000 (PY 1,30,00,000) Equity Shares of ₹ 10/- each	1,700.00	1,300.00
<b>TOTAL</b>	<b>1,700.00</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 2021	As at 31st March 2020
Number of shares at the beginning of the year	10,258,747	10,258,747
Add: Issue of Shares during the year	-	-
<b>Number of shares at the end of the year</b>	<b>10,258,747</b>	<b>10,258,747</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 2021		As at 31st March 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ramchandra Agarwal	532,525	5.19	532,525	5.19
Jaiprakash Agarwal	641,850	6.26	641,850	6.26

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

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>a) Security Premium</b>	5,126.58	5,126.58
Amount received (on issue of shares) in excess of the par value has been classified as securities premium		
<b>b) Capital Investment Subsidy</b>	0.76	0.76
The reserve was created in compliance of prevailing provisions of Income Tax Act, 1961 to avail certain tax benefits		
<b>c) Investment Allowance Reserve (Utilised)</b>	0.62	0.62
The reserve was created in compliance of prevailing provisions of Income Tax Act, 1961 to avail certain tax benefits		
<b>d) Retained Earning</b>	13,003.14	9,103.70
These are Retained earnings that comprises prior year's undistributed earning after taxes increased by undistributed profits for the year		
<b>e) Other comprehensive income</b>	26.28	65.92
Other comprehensive income consist of FVOCI financial assets and financial liabilities, remeasurement of defined benefit assets and liability and foreign currency translation reserve		
<b>f) Share Forfeiture</b>	82.12	82.12
Shares allotted being forfeited on account of calls remained unpaid		
<b>g) Capital Reserve</b>	345.00	345.00
Amount transferred on account of share warrants that lapsed due to non-compliance being forfeited	-	-
	<b>18,584.51</b>	<b>14,724.70</b>



## Note 15 : Borrowings - Non- Current

Particulars	(₹ in Lakhs)			
	Non-Current Portion		Current Portion	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
<b>Secured Loans</b>				
<b>Term Loans - From Banks</b>				
(i) Vehicle Loans	332.51	185.09	299.57	456.52
(ii) Working Capital Term Loans	1,777.00	-	-	-
(iii) Term Loan	2,023.36	-	473.55	-
	<b>4,132.88</b>	<b>185.09</b>	<b>773.13</b>	<b>456.52</b>
Less: Unamortised borrowing cost	-	-	-	-
<b>TOTAL</b>	<b>4,132.88</b>	<b>185.09</b>	<b>773.13</b>	<b>456.52</b>

### Note:

- Vehicle finance from Banks is secured against Hypothecation of specific vehicle financed and is repayable in equated monthly installment over the tenure of the loans. These loans carries interest rate of 7.40% to 8.75%.
- Working Capital Term Loan (WCTL) availed by way of Guaranteed Emergency Credit Line (GECL) under ECLGS Scheme of National Credit Guarantee Trustee Company Limited (NCGTC) is secured against existing Hypothecation of Current Assets, Movable & Immovable fixed assets of the Company. The WCTL, after a moratorium period of 12 months, is repayable in 48 equated monthly installments, commencing from the next month after completion of moratorium. The WCTL is availed at interest rate of 7.50%.
- Term Loan availed by subsidiary against the Stand By Letter of Credit Facility of Parent Company is secured against Hypothecation of Stock, Book Debts, Current Assets, Movable & Immovable fixed assets of the Parent Company, Immovable property of its directors, and Personal guarantee of some of the Directors. The Term Loan is availed at interest rate of Libor + 2.50%.

## Note 16 : Provisions - Non Current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits expense	39.15	41.25
<b>TOTAL</b>	<b>39.15</b>	<b>41.25</b>

## Note 17 : Borrowings - Current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Secured Loans</b>		
<b>(i) From Banks</b>		
Working Capital Finance (Secured against Hypothecation of Stock, Book Debts, Current Assets, Movable & Immovable fixed assets of Parent Company, Immovable property of its directors, Personal guarantee of some of the Directors and Factory Plot of land of Subsidiary M/s Bituminex Cochin Private Limited)	8,112.62	8,385.74
<b>TOTAL</b>	<b>8,112.62</b>	<b>8,385.74</b>

**Note 18 : Trade Payables**

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Trade Payables:</b>		
<b>Payable for Goods &amp; Services</b>		
Due to micro and small enterprises*	67.95	6.84
Due to others	3,291.38	4,243.29
<b>TOTAL</b>	<b>3,359.33</b>	<b>4,250.13</b>

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2021 and 31 March 2020 :

Particulars	31 March 2021 (₹)	31 March 2020 (₹)
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	67.95	6.84
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 Financial Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Current maturity of Long Term Borrowings (Refer Note No 15)	773.13	456.52
Payable for Expenses	52.20	75.46
Payable for Capital Goods	54.71	38.16
Unclaimed Dividend	11.44	13.31
Interest Accrued	4.90	-
Other Liability	10.01	7.50
<b>TOTAL</b>	<b>906.39</b>	<b>590.96</b>

**Note 20 : Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Statutory Remittances	159.60	115.17
Advances From Customer	251.85	177.75
Revenue received in advance	389.78	73.51
	<b>801.23</b>	<b>366.43</b>

### Note 21 : Provisions - Current

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Provision for Employee benefits expense	0.98	0.70
<b>TOTAL</b>	<b>0.98</b>	<b>0.70</b>

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

Particulars	(₹ in Lakhs)	
	As at 31st March 2021	As at 31st March 2020
Provision for Taxation (Net of Taxes Paid)	253.42	-
<b>TOTAL</b>	<b>253.42</b>	<b>-</b>

### Note 23 : Revenue from Operations

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Sales of goods	78,959.43	69,955.91
<b>Sale of Services</b>		
Vehicle Freight Income	4,363.62	5,176.80
Ship Operating & Chartering Income	6,950.84	3,426.63
Labour Charges	17.60	20.38
<b>Other operating revenue</b>		
Sale of Power - Wind mill	98.74	122.86
<b>TOTAL</b>	<b>90,390.22</b>	<b>78,702.58</b>

### Note 24 : Other Income

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Foreign exchange fluctuation gain	-	164.20
Interest on fixed deposits with banks	24.38	31.73
Interest - Other	9.08	0.57
Rent from Investment Property	25.28	-
Dividend Income	2.52	15.90
Income from Current Investments	33.85	56.06
Miscellaneous Income	5.03	8.17
Gain on Fair valuation of Financial assets	59.47	-
<b>TOTAL</b>	<b>159.62</b>	<b>276.63</b>

**Note 25 : Cost of Materials Consumed**

	(₹ in Lakhs)	
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Opening Stock	824.16	513.98
Add:- Purchases during the year	17,051.87	30,132.66
	<b>17,876.02</b>	<b>30,646.63</b>
Less: - Closing Stock	320.29	824.16
<b>TOTAL</b>	<b>17,555.73</b>	<b>29,822.48</b>

**Note 26 : Changes in inventories of Finished goods, Stock-in-Trade and Semi finished goods**

	(₹ in Lakhs)	
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
<b>Opening Stock</b>		
Finished Goods as at the beginning of the year	91.70	58.40
Stock in trade (acquired for trading)	1,489.83	1,960.58
Semi Finished Goods as at the beginning of the year	107.69	124.78
<b>Less : Closing Stock</b>		
Finished Goods as at the end of the year	65.72	91.70
Stock in trade (acquired for trading)	4,041.87	1,489.83
Semi Finished Goods as at the end of the year	91.73	107.69
<b>TOTAL</b>	<b>(2,510.10)</b>	<b>454.55</b>

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

	(₹ in Lakhs)	
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Transportation Charges	980.10	732.21
Labour Charges	55.87	54.50
Port Charges	597.17	360.06
Repairs & Maintenance - Machinery	201.93	40.80
Electricity, Power & Fuel	1,502.09	954.34
Storage Terminal Rent	124.84	389.80
Heating and Fuel Charges	152.69	189.14
Crew Charges	1,138.72	411.53
Other Direct Expenses	65.88	66.53
Other Vessel Running Expenses	774.55	234.07
Vehicle Running & Maintenance Expenses	3,369.37	4,008.10
Freight Paid	136.56	138.47
Wind Mill Expenses	35.30	16.50
<b>TOTAL</b>	<b>9,135.06</b>	<b>7,596.07</b>

## Note 28 : Employee Benefits Expense

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and Wages	327.19	347.54
Directors Remuneration	168.00	150.00
Contribution towards employees welfare fund	1.64	0.84
Gratuity	8.28	6.98
Staff Welfare	34.53	44.44
<b>TOTAL</b>	<b>539.63</b>	<b>549.80</b>

## Note 29 : Finance Cost

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on bank borrowings	793.38	841.20
Interest - Others	1.32	3.14
Interest on Lease Liability	117.04	-
Exchange Loss on Working Capital Loan	6.09	-
Bank Guarantee Commission	37.30	-
Other Borrowing Cost - On working capital loan	21.33	42.32
<b>TOTAL</b>	<b>976.47</b>	<b>886.66</b>

## Note 30 : Depreciation and Amortisation Expense

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation on Property plant & equipment	1,052.65	895.70
Amortisation of Right of use	392.33	-
<b>TOTAL</b>	<b>1,444.98</b>	<b>895.70</b>

## Note 31 : Other Expenses

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>(A) Administrative Expenses</b>		
Rent, Rates & Taxes	73.75	102.51
Payment to Auditors		
- Statutory Audit fees	5.48	2.73
- Tax Audit Fees	1.00	1.18
- Certification Work	0.75	0.75
- Other Services	1.19	0.14
Insurance	158.11	80.35
Share Transfer Fees	2.55	1.51
Legal & Professional Charges	119.46	76.85
Bank Charges & Commission	11.79	12.42
Electricity Expenses	6.18	8.42
Listing Fees & Custodian Charges	10.20	6.30
Postage and Telephone	5.31	7.12
Security Charges	22.34	17.08
Printing & Stationery	33.26	18.21

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Foreign exchange fluctuation loss	67.91	-
Loss on Fair valuation of Financial assets	-	68.88
Vehicle Expenses	9.11	9.25
Travelling & Conveyance	22.55	117.67
Bad Debts written off	215.02	105.13
Expected credit loss allowance	65.07	2.43
Repairs to Building	24.23	22.44
Repairs - Other	52.32	25.83
Expenditure on Corporate Social Responsibility	36.51	32.51
Miscellaneous Expenses	115.15	116.67
	<b>1,059.26</b>	<b>836.38</b>
<b>(B) Selling and Distribution Expenses</b>		
Advertisement & Business Promotion Expenses	10.67	45.06
Commission Paid	211.50	180.10
	<b>222.17</b>	<b>225.16</b>
<b>TOTAL</b>	<b>1,281.43</b>	<b>1,061.54</b>

### 32. Income Tax

	(₹ in Lakhs)	
<b>(a) Tax expense recognised in the Statement of profit and loss:</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Current tax</b>		
Current year	818.24	552.95
Short Provision for Tax for earlier years	47.67	0.33
<b>Total current tax</b>	<b>865.91</b>	<b>553.28</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	(49.98)	0.39
<b>Total deferred income tax expense/(credit)</b>	<b>(49.98)</b>	<b>0.39</b>
<b>Total income tax expense/(credit)</b>	<b>815.93</b>	<b>553.66</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 :

	(₹ in Lakhs)	
<b>(b) Reconciliation of effective tax rate</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Profit /(loss) before taxation	4869.25	3109.05
Enacted income tax rate in India	25.17%	25.17%
Tax at the enacted income tax rate	1225.49	782.49
<b>Reconciliation line items:</b>		
Effect of non-deductible expenses	12.58	12.00
Due to non-taxable income for Indian tax purposes	(473.93)	(268.14)
Tax pertaining to Earlier Years	47.67	-
Others (Including the effect of change in the tax rate)	4.12	27.31
<b>Tax expense/ (credit)</b>	<b>815.93</b>	<b>553.66</b>

### (c) The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2020:

	(₹ in Lakhs)		
<b>For the year Ended March 31, 2020</b>	<b>As at April 01, 2019</b>	<b>Charge / (Credit) in Statement of profit and loss</b>	<b>As at March 31, 2020</b>
<b>Deferred tax liabilities / (assets) (net)</b>			
On Account of Depreciation	442.28	18.30	460.58
Due to disallowances under Income Tax	(9.59)	(15.40)	(24.99)
On account of Fair valuation of Financial assets and liabilities	0.10	(4.40)	(4.31)
	<b>432.78</b>	<b>(1.50)</b>	<b>431.28</b>

(₹ in Lakhs)

For the year Ended March 31, 2021	As at April 01, 2020	Charge / (Credit) in Statement of profit and loss	As at March 31, 2021
<b>Deferred tax liabilities / (assets) (net)</b>			
On Account of Depreciation	460.58	(32.78)	427.80
Due to disallowances under Income Tax	(24.99)	(15.92)	(40.91)
On account of Fair valuation of Financial assets and liabilities	(4.31)	10.05	5.74
On Right of Use	-	(8.79)	(8.79)
	<b>431.28</b>	<b>(47.44)</b>	<b>383.84</b>

### 33 Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Group has adopted Ind AS 116 "Leases" using modified retrospective approach. The Company's lease asset classes primarily consist of leases for Land, buildings and Plant & Machinery. These leases were classified as "Operating Leases" under Ind AS 17. On transition to Ind AS 116 "Leases", for these leases, lease liabilities were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019. Right to Use if measured either at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

Due to transition, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right-of-use assets and for interest accrued on lease liability respectively.

**The Group has used following practical expedient, when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.**

- (1) The Group didn't recognized Right to Use and Lease liabilities for lease for which the lease terms ends within 12 months on the date of initial transition and low value assets.
- (2) The Group excluded initial direct cost from measurement of the Right to Use assets at the date of initial application.
- (3) The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 9%.

The difference between the lease obligation under Ind AS 17 and the value of the lease liability is primarily on account of inclusion of extension and termination options reasonably certain to be exercised in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

During previous year, the Group has considered the land taken on lease from Dighi Port Ltd in the nature of operating lease considering the lease period of 30 years and there being no reasonable certainty about its renewal. During the year, pursuant to the group's proposed plan to expand business and accordingly, there are increased certainty of its option for lease renewal. Considering the same, the group has considered the leasehold land in the nature of finance lease.

**Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:**

(₹ in Lakhs)

Particulars	Land	Building	Plant & Machinery	Total
<b>Balance as at 1<sup>st</sup> April 2020</b>	-	-	-	-
Additions	204.20	49.13	2117.67	2371.00
Deletions	-	-	-	-
Depreciation and amortisation expenses	7.56	24.57	360.20	392.33
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>196.63</b>	<b>24.57</b>	<b>1757.47</b>	<b>1978.67</b>

Following is the movement in lease liabilities during the year ended March 31, 2021:

(₹ in Lakhs)				
Particulars	Land	Building	Plant & Machinery	Total
<b>Balance as at 1<sup>st</sup> April 2020</b>	-	-	-	-
Additions	182.53	49.13	2099.84	2331.51
Interest accrued during the year	16.43	3.53	97.09	117.04
Deletions	-	-	-	-
Payment of lease liabilities	12.00	25.56	467.24	504.80
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>186.96</b>	<b>27.10</b>	<b>1729.69</b>	<b>1943.75</b>

Break-up of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

(₹ in Lakhs)				
Particulars	Land	Building	Plant & Machinery	Total
Less than one year	(4.83)	27.10	455.59	477.86
One to five years	(14.91)	-	1274.11	1259.19
More than 5 years	206.70	-	-	206.70

Short-term leases expenses incurred for the year ended 31<sup>st</sup> March, 2021:

(₹ in Lakhs)	
Particulars	Amount
Rental expense	165.35

#### 34 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, 2021	As at March 31, 2020
Present value of plan liabilities	40.13	41.94
Fair value of plan assets	-	-
Asset/(Liability) recognised	40.13	41.94

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

(₹ in Lakhs)		
	Present value of obligations	Fair Value of Plan assets
<b>As at 1<sup>st</sup> April 2020</b>	<b>41.94</b>	-
Current service cost	5.42	-
Past service cost	-	-
Interest Cost/(Income)	2.86	-
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	0.28	-
Actuarial (gain)/loss arising from experience adjustments	(10.37)	-
Employer contributions	-	-
Benefit payments	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>40.13</b>	-



	Present value of obligations	Fair Value of Plan assets
<b>As at 1<sup>st</sup> April 2019</b>	27.44	-
Current service cost	4.89	-
Past service cost	-	-
Interest Cost/(Income)	2.10	-
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	4.12	-
Actuarial (gain)/loss arising from experience adjustments	3.40	-
Employer contributions	-	-
Benefit payments	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>41.94</b>	<b>-</b>

### C. Statement of Profit and Loss

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Employee Benefit Expenses:</b>		
Current service cost	5.42	4.89
Interest cost/(income)	2.86	2.10
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>8.28</b>	<b>6.98</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	0.28	4.12
Experience gains/(losses)	(10.37)	3.40
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(10.09)</b>	<b>7.52</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, 2021	As at March 31, 2020
<b>Financial Assumptions</b>		
Discount rate	6.77%	6.82%
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)		
	<b>Impact on defined benefit obligation</b>		
	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	1.00%	35.16	46.22
Salary Escalation Rate	1.00%	46.46	34.89

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 31<sup>st</sup> March, 2021 as follows:**

	(₹ in Lakhs)
Year ending March 31, 2021	Defined benefit obligation
2021	0.98
2022	4.53
2023	0.67
2024	0.72
2025	8.78
Thereafter	24.45

**35 Contingent liabilities**

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a) Claims against the Group not acknowledged as debts : liabilities that may arise in respect of disputed matters in relation to :		
- Entry tax	43.72	43.72
- Goods and Services Tax	4.94	-
- Income tax	533.35	533.35
- Local Body Tax	14.11	14.11
	<b>596.13</b>	<b>591.18</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.

**36 Commitments**

The Group does not have any commitments (including capital commitments) as on the Balance sheet date.

(As at March 31, 2020 - Nil)

**37 Earning Per share**

	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax available for equity shareholders	4053.32	2555.39
Weighted average number of equity shares	10,258,747	10,258,747
Nominal value of equity shares	10.00	10.00
Basic and diluted Earning Per Share	39.51	24.91

**38 Corporate Social Responsibility (CSR) expenditure**

- a) The CSR activities of the Group shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time.
- b) During the year ended 31 March 2021, the Group has incurred an expenditure of ₹ 69,37,795/- (31 March 2020: ₹ 28,49,812/-) towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act.

c) Amount required to be spent and amount spent towards CSR activities by the group-

	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Amount required to be spent as per section 135 of the Act</b>		
(i) Unspent amount as at the beginning of the year	30.45	26.44
(ii) Amount provisioned during the year based on average of preceding three year profits	36.51	32.51
<b>Total amount required to be spent</b>	<b>66.96</b>	<b>58.95</b>
<b>Amount spent during the year on :</b>		
(i) Construction/acquisition of assets	-	-
(ii) On purpose other than above	69.38	28.50
<b>(Excess) / Unspent amount as at the end of the year</b>	<b>(2.42)</b>	<b>30.45</b>

### 39 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 Group 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, 2021					(₹ in Lakhs)	
Financial assets	FVTOCI	FVTPL	Amortised cost	Total fair value	Carrying amount	
Investments	-	605.73	0.05	605.78	605.78	
Trade receivables	-	-	13486.13	13486.13	13486.13	
Cash and cash equivalents	-	-	2763.10	2763.10	2763.10	
Other bank balances	-	-	772.74	772.74	772.74	
Loans	-	-	14.06	14.06	14.06	
Other financial assets	-	-	130.72	130.72	130.72	
<b>Total</b>	<b>-</b>	<b>605.73</b>	<b>17166.80</b>	<b>17772.53</b>	<b>17772.53</b>	

<b>As at March 31, 2021</b>						(₹ in Lakhs)
<b>Financial assets</b>	<b>FVTOCI</b>	<b>FVTPL</b>	<b>Amortised cost</b>	<b>Total fair value</b>	<b>Carrying amount</b>	
<b>Financial liabilities</b>						
Borrowings	-	-	12245.50	12245.50	12245.50	
Lease Liabilities	-	-	1943.75	1943.75	1943.75	
Trade payables	-	-	3359.33	3359.33	3359.33	
Others	-	-	906.39	906.39	906.39	
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>18454.97</b>	<b>18454.97</b>	<b>18454.97</b>	

<b>As at March 31, 2020</b>						(₹ in Lakhs)
<b>Financial assets</b>	<b>FVTOCI</b>	<b>FVTPL</b>	<b>Amortised cost</b>	<b>Total fair value</b>	<b>Carrying amount</b>	
Investments	-	679.14	0.05	679.19	679.19	
Trade receivables	-	-	13789.18	13789.18	13789.18	
Cash and cash equivalents	-	-	478.32	478.32	478.32	
Other bank balances	-	-	359.57	359.57	359.57	
Loans	-	-	20.37	20.37	20.37	
Other financial assets	-	-	147.02	147.02	147.02	
<b>Total</b>	<b>-</b>	<b>679.14</b>	<b>14794.51</b>	<b>15473.66</b>	<b>15473.66</b>	
<b>Financial liabilities</b>						
Borrowings	-	-	8570.83	8570.83	8570.83	
Trade payables	-	-	4250.13	4250.13	4250.13	
Others	-	-	590.96	590.96	590.96	
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>13411.92</b>	<b>13411.92</b>	<b>13411.92</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:

<b>March 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Assets at fair value - Investments	605.73		
<b>March 31, 2020</b>			
Assets at fair value - Investments	679.14	-	-

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.

#### **40 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)	
	As at March 31, 2021	As at April 01, 2020
Secured working capital credit facility from Banks	1537.38	1264.26

**(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, 2021</b>				
<b>Non-derivative liabilities</b>				
Borrowings	12245.50	-	8112.62	4132.88
Lease Liabilities	1943.75	-	477.86	1465.89
Trade payables	3359.33	-	3359.33	-
Other financial liabilities	906.39	-	906.39	-
	<b>18454.97</b>	<b>-</b>	<b>12856.20</b>	<b>5598.77</b>
<b>As at March 31, 2020</b>				
<b>Non-derivative liabilities</b>				
Borrowings	8570.83	-	8385.74	185.09
Trade payables	4250.13	-	4250.13	-
Other financial liabilities	590.96	-	590.96	-
	<b>13411.92</b>	<b>-</b>	<b>13226.83</b>	<b>185.09</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 borrowing and 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**

(₹ in Lakhs)			
As at March 31, 2021	Foreign Currency Loan from Bank	Trade payables	Advances to Suppliers
- In AED	-	74.81	7.60
- In USD	53.30	-	-
- In equivalent INR	3903.58	1491.27	150.91
<b>As at March 31, 2020</b>			
- In AED	-	100.83	-
- In equivalent INR	-	2051.21	-

**(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.

**(c) 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, 2021	As at April 1, 2020	
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
- Loans	14.06	20.37	
- Other Financial Assets	130.72	147.02	
Exposure to the Credit risks	As at March 31, 2021	As at April 1, 2020	
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
- Trade Receivables	13486.13	13789.18	

### 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 counter party.

Ageing of the accounts receivables

	(₹ in Lakhs)	
	As at March 31, 2021	As at April 1, 2020
0-90 days	7804.66	7672.45
90-180 days	303.15	863.79
>180 days	5500.74	5310.30
	<b>13608.56</b>	<b>13846.54</b>

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2021 and March 31, 2020.

## 41 (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.

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, 2021	As at March 31, 2020
<b>Total equity</b>	19610.38	15750.58
Net debt (Total borrowings including current maturities less cash and cash equivalents)	9482.78	8189.46
<b>Total capital (Borrowings and Equity)</b>	<b>29093.16</b>	<b>23940.04</b>
<b>Gearing ratio</b>	<b>32.59%</b>	<b>34.21%</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's dividend policy

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Final Dividend paid</b>		
Final dividend for the year ended March 31, 2020 of ₹ 1.50 (as at 31-March 2019 ₹ 1.80) Per fully paid up share [Including dividend distribution tax of ₹ Nil (as at 31-March 2019 - ₹ 37.96 Lakhs)]	153.88	222.61
<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, 2020 - ₹ 1.50 per fully paid up equity shares)	184.66	153.88

## 42 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 and trading of petrochemical products (Bitumen & Bituminous products), Logistic business - Bitumen and LPG, Sale of Power - Wind mill and Ship Operating and Chartering. The Group has accordingly identified these 4 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
- (d) Ship Operating and Chartering

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Segment Revenue</b>		
a) Transportation	4417.49	5237.40
b) Windmill	98.74	122.86
c) Petrochemicals (Bituminous & Allied Products)	79016.48	69959.41
d) Ship Operating & Chartering	6950.84	3426.63
e) Other (Unallocable)	473.66	409.89
<b>Total</b>	<b>90957.22</b>	<b>79156.19</b>
Less Intersegment Revenue	407.38	176.97
<b>Net Sales/Income From Operations</b>	<b>90549.84</b>	<b>78979.21</b>
<b>Segment Result Profit/(Loss) before tax and interest from Each Segment</b>		
a) Transportation	29.19	175.81
b) Windmill	16.31	59.62
c) Petrochemicals (Bituminous & Allied Products)	3511.82	2353.89
d) Ship Operating & Chartering	1880.68	1065.38
<b>Total</b>	<b>5438.00</b>	<b>3654.70</b>
Less: i) Interest	976.47	886.66
ii) Other Un-allocable Expenditure net off	65.94	68.88
iii) Un-allocable Income	-473.66	-409.89
<b>Total Profit Before Tax</b>	<b>4869.25</b>	<b>3109.05</b>



(₹ in Lakhs)

<b>Segment assets &amp; liabilities</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Segment Assets</b>		
a) Transportation	2632.93	3217.85
b) Windmill	539.93	623.04
c) Petrochemicals (Bituminous & Allied Products)	22681.68	19355.22
d) Ship Operating & Chartering	12556.95	5640.41
e) Others	1132.48	1165.62
<b>Total Assets</b>	<b>39543.97</b>	<b>30002.15</b>
<b>Segment Liabilities</b>		
a) Transportation	845.10	879.65
b) Windmill	-	-
c) Petrochemicals (Bituminous & Allied Products)	14039.32	11270.35
d) Ship Operating & Chartering	4360.35	1615.03
e) Others (Including Shareholders Funds)	688.83	486.54
<b>Total Liability</b>	<b>19933.59</b>	<b>14251.57</b>

#### 43 Related party disclosure under Ind AS 24

##### Name and description of related parties

##### (a) Key Managerial Personnel (KMP)

Mr. Jaiprakash Agarwal, Managing Director  
 Mr. Ramchandra Agarwal, Whole Time Director  
 Mr. Lalit Agarwal, Whole Time Director  
 Mr. Vipin Agarwal, Chief Financial Officer  
 Ms. Lucinda D'Souza, Company Secretary (resigned w.e.f 31.03..2020)  
 Mr. Sachin Ghanghas, Company Secretary (w.e.f 01.02.2020 till 18.12.2020)  
 Mr. Satish Deshmukh, Company Secretary (w.e.f 18.12.2020 till 09.03.2021)  
 Ms. Dipali Pitale, Company Secretary (appointed w.e.f 10.03.2021)

##### (b) Relatives of KMP

Mr. Nilesh Agarwal  
 Mr. Mukul Agarwal  
 Mr. Virel Agarwal

##### (c) Concerns in which KMP are interested

ANZ Transporters  
 Agarwal Gas Carriers  
 Agarwal Translink Private Limited  
 Agarwal Motor Repairs

##### (d) Concerns in which Relatives of KMP are interested

Balaji Tyre  
 Shree Balaji Engineering Work  
 Murlidhar Ishwardas

**Transaction with the related parties during the year**

Name of Party	(₹ in Lakhs)	
	For the year Ended 31st March 2021	For the year Ended 31st March 2020
<b>Key Managerial Personnel (KMP)</b>		
<b>Directors remuneration</b>		
Jaiprakash Agarwal	60.00	54.00
Ramchandra Agarwal	54.00	48.00
Lalit Agarwal	54.00	48.00
<b>Salary</b>		
Vipin Agarwal	18.00	18.00
Sachin Ghanghas	2.73	0.84
Lucinda Dsouza	-	5.71
Dipali Pitale	0.48	-
Satish Deshmukh	0.62	-
<b>Rent Paid</b>		
Jaiprakash Agarwal	12.00	10.32
Lalit Agarwal	15.36	13.80
<b>Relatives of KMP</b>		
<b>Salary</b>		
Nilesh Agarwal	14.40	14.40
Mukul Agarwal	6.00	6.00
Virel Agarwal	6.00	6.00
<b>Concern in which KMP are interested</b>		
<b>Freight Paid</b>		
ANZ Transporters	257.77	225.66
Agarwal Translink Private Limited	463.94	340.75
Agarwal Gas Carriers	126.62	114.54
<b>Transportation Charges Received</b>		
ANZ Transporters	97.53	67.40
Agarwal Translink Private Limited	346.06	331.12
Agarwal Gas Carriers	-	2.34
Agarwal Motor Repairs	286.21	286.39
<b>Labour Charges Received</b>		
ANZ Transporters	7.90	6.26
Agarwal Translink Private Limited	3.67	2.08
Agarwal Gas Carriers	7.05	1.51
<b>Sale of Spare Parts &amp; Oil</b>		
ANZ Transporters	6.54	8.02
Agarwal Translink Private Limited	3.37	3.80
Agarwal Gas Carriers	8.10	11.39
<b>Purchase of HSD &amp; Oil</b>		
Agarwal Translink Private Limited	366.53	468.72

(₹ in Lakhs)

Name of Party	For the year Ended 31st March 2021	For the year Ended 31st March 2020
<b>Concern in which relatives of KMP are interested</b>		
<b>Purchase of HSD &amp; Oil</b>		
Murlidhar Ishwardas	42.01	32.44
<b>Purchase of Tyre &amp; Spare Parts</b>		
Balaji Tyres	71.03	74.97
Shree Balaji Engineering Work	-	9.92
<b>Purchase of Fixed Assets</b>		
Shree Balaji Engineering Work	-	11
<b>Vehicle Running Expenses - Repairing charges</b>		
Shree Balaji Engineering Work	1.75	15.69

**Balance outstanding as at year end** (₹ in Lakhs)

Name of Party	As at March 31, 2021	As at March 31, 2020
<b>Key Managerial Personnel (KMP)</b>		
<b>Salary Payable</b>		
Vipin Agarwal	-	5.52
<b>Relatives of KMP</b>		
<b>Salary Payable</b>		
Nilesh Agarwal	-	26.47
Mukul Agarwal	-	0.49
<b>Concern in which KMP are interested</b>		
<b>Receivables</b>		
Agarwal Translink Private Limited	149.03	546.55
<b>Concern in which relatives of KMP are interested</b>		
<b>Payable</b>		
Balaji Tyres	17.08	52.50
Shree Balaji Engineering Work	7.52	12.65
Murlidhar Ishwardas	-	8.84

#### 44 Recent accounting pronouncements

- The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the group towards Employee Benefits Plan. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- Ministry of Corporate Affairs issued notifications dated March 24, 2021 to amend Schedule - III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the Financial Year starting 1<sup>st</sup> April 2021. The amendments are extensive and the Group will evaluate the same to give effect to them as required by the Law.

**45 Additional disclosure mandated by Schedule III of Companies Act, 2013**

Particulars	Parent Company - Agarwal Industrial Corporation Limited	Wholly Owned Indian Subsidiary - Bituminex Cochin Private Limited	Wholly Owned Foreign Subsidiary - AICL Overseas FZ-LLC, RAKEZ, UAE	Adjustment arising on consolidation	Total
<b>Net assets i.e. total assets - total liabilities</b>					
Amount	16551.45	96.05	3159.21	(196.33)	19610.38
As a % of Consolidated net assets	84.40%	0.49%	16.11%	(1.00%)	100.00%
<b>Share in Profit &amp; Loss</b>					
Amount	2155.20	17.45	1880.68	-	4053.32
As a % of Consolidated Profit or Loss	53.17%	0.43%	46.40%	-	100.00%
<b>Share in Other Comprehensive Income / (Loss)</b>					
Amount	7.55	-	(47.19)	-	(39.64)
As a % of Consolidated other Comprehensive Income	(19.05%)	-	119.05%	-	100.00%
<b>Share in Total Comprehensive Income</b>					
Amount	2162.75	17.45	1833.48	-	4013.68
As a % of Consolidated total Comprehensive Income	53.88%	0.43%	45.68%	-	100.00%

**46** 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.

**47** The consolidated financial statements were approved for issue by the Board of Directors of Parent Company on June 15, 2021.

**48** 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 Registration No : 120241W)

**FOR & ON BEHALF OF BOARD OF DIRECTORS  
OF AGARWAL INDUSTRIAL CORPORATION LIMITED**

**(AJAY SINGHAL)**  
**PARTNER**  
M.No. 104451  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2021

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

**(JAIPRAKASH AGARWAL)**  
**MANAGING DIRECTOR**  
(DIN : 01379868)

**(VIPIN AGARWAL)**  
**CHIEF FINANCIAL  
OFFICER**

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

**(DIPALI PITALE)**  
**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	01/04/2020 to 31/03/2021
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	89.85
6.	Total assets	114.56
7.	Total Liabilities	114.56
8.	Investments	Nil
9.	Turnover	205.07
10.	Profit before taxation	24.71
11.	Provision for taxation	7.26
12.	Profit after taxation	17.45
13.	Other Comprehensive Income	Nil
14.	Total Comprehensive Income	17.45
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

Sr. No.	Particulars	Details
1.	Name of the subsidiary	AICL Overseas FZ LLC
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/01/2020 to 31/12/2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED & Closing Rate 19.9335 & Average Rate 20.1536

4.	Share capital	190.13
5.	Other Equity	2969.08
6.	Total assets	12606.76
7.	Total Liabilities	12606.76
8.	Investments	Nil
9.	Turnover	6950.84
10.	Profit before taxation	1880.68
11.	Provision for taxation	Nil
12.	Profit after taxation	1880.68
13.	Other Comprehensive Income/(Loss)	(47.20)
14.	Total Comprehensive Income	1833.48
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

**Notes:**

1. Names of subsidiaries which are yet to commence operations: NIL

2. Names of subsidiaries which have been liquidated or sold during the year: NIL

**Part “B”: Associates and Joint Ventures**

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





#### INVESTING IN RENEWABLE ENERGY

Power Generation Through Windmill

#### FOR SUSTAINABLE DEVELOPMENT

Keeping in view of the likely shortage of energy resources in future, we have diversified business into Non - Conventional energy generation by installing two wind mills at Jaisalmer, Rajasthan and one at Dhulia, Maharashtra. The electricity generated through them are sold to respective state electricity boards.



**AGARWAL GROUP**

#### REGISTERED OFFICE:

### AGARWAL INDUSTRIAL CORPORATION LIMITED

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