

15th Annual Report
2008-2009



AGARWAL GROUP

AGARWAL

INDUSTRIAL CORPORATION LIMITED



BOARD OF DIRECTORS:

MR. JAIPRAKASH AGARWAL	- <i>Managing Director</i>
MR. RAMCHANDRA AGARWAL	- <i>Director</i>
MR. MAHENDRA AGARWAL	- <i>Director</i>
MR. LALIT AGARWAL	- <i>Director</i>
MR. BHAVIN SHAH	- <i>Director</i>
MR. JASWANT D.SHARMA	- <i>Director</i>
MR. HARIKRISHNA PATNI	- <i>Director</i>
MR. RAJKUMAR MEHTA	- <i>Director</i>
MR.JAWAHAR D. PATIL	- <i>Director</i>

BANKERS:

STATE BANK OF BIKANER & JAIPUR
BANK OF BARODA
UNION BANK OF INDIA
IDBI BANK
INDUSIND BANK
DEVELOPMENT CREDIT BANK
DOMBIVALI NAGRIK SAHAKARI BANK LTD

AUDITORS:

ANIL K.LODHA & CO
Chartered Accountants

REGISTERED OFFICE:

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

REGISTRARS & SHARE TRANSFER AGENT:

ANKIT CONSULTANCY PRIVATE LIMITED
2nd Floor, Alankar Point,
Gita Bhawan Chouraha,
A. B. Road, Indore (M. P.)

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of **AGARWAL INDUSTRIAL CORPORATION LIMITED** will be held on Wednesday, 30th September, 2009 at the Registered Office of the Company at Unit No. 4, B-Wing, Sita Estate, Aziz Baug, Mahul Road, Chembur, Mumbai - 400 074 at 11.00 A.M. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the year ended 31st March, 2009 along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Lalit Agarwal who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bhavin Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajkumar Mehta, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Place: Mumbai.

For and on behalf of the Board

Dated: 01/09/2009

REGISTERED OFFICE:

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

JAIPRAKASH AGARWAL
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. The proxy may not be a member of the Company. The proxies to be in order must be duly stamped and signed and delivered at the registered office of the company at least 48 hours before commencement of the meeting.
2. The Register of the Members & Share Transfer Books of the company will remain closed from Wednesday, 26th September, 2009 to Wednesday, 30th September, 2009 (Both days inclusive)
3. Member who wants to seek any information or clarification on the Accounts are requested to send in written queries to the company at least one week before the date of the Annual General Meeting.
4. The Annual Report and Attendance Slip will not be distributed at the Annual General Meeting Shareholders are requested to bring the same along with them.
5. Members are requested to intimate the change, if any, in their Registered Address directly to the company's Registrar & share transfer agents.

DETAILS OF DIRECTORS, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING, IS AS FOLLOWS:

Name of the Director	Mr. Lalit Agarwal,	Mr. Bhavin Shah,	Mr. Rajkumar Mehta
Date of Birth	12.09.1968	21.09.1966	04.08.1957
Expertise in Specific Functional Areas	Finance	Administration	Liasioning
Qualifications	B.Com, M. Com	D.E.E. & D.B.M.	B.A.
List of other companies in which directorship Held on as 31st March 2009	Agarwal Petrochem Pvt. Ltd.	—	R.K. Bulk Movers (i) Pvt. Ltd.
Chairman / Member Of the Committee of The Board of other Companies in which Committee he is a Director as on 31st March 2009	Members of Audit, Remuneration, Committee & Share Holders Grievances Committee.	—	—
No of Shares held	302000	NIL	NIL

Place: Mumbai.

For and on behalf of the Board

Dated: September 2nd, 2009

JAIPRAKASH AGARWAL
Managing Director

AGARWAL INDUSTRIAL CORPORATION LIMITED

(Formerly known as Bombay Baroda Roadways (India) Ltd.)

DIRECTOR'S REPORT

The Director's have great pleasure in presenting this Fifteenth Annual Report and Audited Statement of Accounts for the Year ended March 31st, 2009

	FINANCE REVIEW 2008-2009 (Rs. In Lacs)	FINANCIAL YEAR 2007-2008 (Rs. In Lacs)
Total Income	1436.20	933.80
Total Expenditure	978.85	621.17
Profit before Interest & Depreciation	457.35	312.62
Interest	93.37	89.03
Depreciation	195.63	121.01
Profit Before Tax	168.35	102.57
Provision for taxation		
a) Current tax	19.07	11.64
b) FBT	0.98	0.98
c) Deferred tax	22.61	(293.02)
Profit after Tax	125.69	382.97
Balance brought forward from earlier year	160.15	(222.84)
Balance carried to Balance sheet	285.84	160.15

DIVIDEND:

To enable the company to augment and conserve money for long term working capital requirement, the Board of Directors do not recommend Dividend this year.

PERFORMANCE OF THE COMPANY:

The Company has recorded a profit of 168.35 lacs which shows an increase of 64.13% as compared to last year. The company has a set up of Authorised Service Centre of Ashok Leyland at National Highway no.3 village Asangaon in the district of Thane which is getting a very good response.

The Company is setting up a factory at Belgaum in the state of Karnataka for Manufacturing of Bitumen's products, which includes Paving Grade Bitumen, Industrial Grade Bitumen, Modified Bitumen (CRMB/PMB), Bitumen Felts, Bitumen Emulsions, Expansion Jointing Boards and other Waterproofing compounds. The cost of the project including working capital will be around Rs.1000 lacs.

The Company is also planning to add 15 new Bitumen Tankers into its fleet worth Rs.300 lacs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Management discussion and Analysis Report as required under clause 49 of the listing agreement is annexed as Annexure III forming part of this report.

PUBLIC DEPOSITS:

The Company has not accepted any deposits from the public during the year.

LISTING OF SHARES:

The equity shares of the company are listed on the Stock Exchange, Mumbai. (BSE code 531921) the listing fees for the year 2009-10 have been duly paid.

CORPORATE GOVERNANCE:

In terms of clause 49, of the listing agreement, the Corporate Governance report is annexed hereto and forms part of this report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

1. In the preparation of annual accounts for the year ended, March 31, 2009 the applicable Accounting Standards have been followed. There are no material departures from the applicable accounting standards;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that year;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

The Directors have prepared the attached statement of accounts for the year ended March 31, 2009 on a going concern basis.

INDUSTRIAL RELATIONS:

Industrial relation continued to be cordial during the year.

DIRECTORS:

Mr. Lalit Agarwal, Mr. Bhavin Shah and Mr. Rajkumar Mehta retire by rotation at the forth coming Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS:

The Auditors of your company M/s. ANIL K. LODHA & CO. Chartered Accountants retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**(A) Conservation of Energy and Technology Absorption:**

The information required to be given U/s 217(i)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is not applicable since the company is not engaged in manufacturing business.

(B) Foreign Exchange Earning and Outgo:

During the year under review, the company did not have any Foreign Exchange Earning or Outgo.

PARTICULARS OF EMPLOYEES:

There are no employees of the Company for whom the provisions of section 217(2A) of the Companies Act, 1956 are applicable.

ACKNOWLEDGMENT:

The Directors wish to express their gratitude to the Banks, Clients and all the business associates for their continuous support to the company and to the shareholders for the confidence reposed in the Company's Management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

Place: Mumbai.

FOR AND ON BEHALF OF THE BOARD.

Dated: September 2nd, 2009

JAIPRAKASH AGARWAL.

Managing Director



AGARWAL INDUSTRIAL CORPORATION LIMITED

(Formerly known as Bombay Baroda Roadways (India) Ltd.)

ANNEXURE- II TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance.

Your Company's Corporate Governance system is based on certain key principles, including fairness and integrity, transparency and disclosure, accountability, equal treatment of all shareholders, and social responsibility. Corporate Governance extends beyond corporate laws. Its Fundamental objective is not the mere fulfillment of the requirements of law, but also the institution of, and adherence to systems and procedures ensuring commitment of the Board in managing a company in a transparent manner for the maximization of long-term shareholder value.

Your company has adopted an appropriate Corporate Governance framework to ensure timely and accurate disclosure of all material matters, including financial position, performance, ownership, and governance. Significantly, your company adopted Corporate Governance and Disclosure practices much before these became applicable to it.

Your Company's policies and practices relating to corporate Governance are discussed in the following sections.

2. Board of Directors

(i) Composition of the Board

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors so as to have a balanced Board Structure. The Board has nine Directors, four of them are Executive Director and the rest five, Non Executive Directors. Of the nine, four are Non Executive and Independent Directors and one is Non Executive and Non Independent director. The number of Independent Directors is more than one-third the total number of Directors. The number of Non-Executive Directors is more than 50% of the total number of Directors.

None of the Directors on the Board of your Company is a member of more than 10 Committees and Chairman of more than five Committees (in compliance with Clause 49 of the Listing Agreement), considering all the companies in which they are Directors.

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

Category & Designation	Name of Director	No. of Other Directorship & Committee membership / Chairmanship.			
		Public Co. Membership	Pvt. Co. Membership	Committee Chairmanship	Committee Membership
Promoter & Executive	Mr. Jaiprakash Agarwal Managing Director		1		
Whole Time Director	Mr. Lalit Agarwal Director	2	1		3
Whole Time Director	Mr. Ramchandra Agarwal Director		1		
Whole Time Director	Mr. Jawahar D. Patil Director		1		
Non Independent Non Executive	Mr. Mahendra Agarwal Director		1		
Independent Non Executive	Mr. Bhavin A. Shah Director				
Independent Non Executive	Mr. Jaswant D. Sharma Director				
Independent Non Executive	Mr. Harikrishna Patni Director				
Independent Non Executive	Mr. Rajkumar Mehta Director		1		

(ii) Board Meetings and Annual General Meeting:

During the financial year 2008-09, Seven Board Meetings were held on 28th May 08, 28th June 08, 31st July, 3rd Nov. 08, 30th January 09, 6th March 09 and 31st March 09.

The last Annual General Meeting of the company was held on 30th September 2008. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows:-

Director	No of meetings		Attended last
	Held	Attended	AGM
Shri Jaiprakash Agarwal	7	7	Yes
Shri Lalit Agarwal	7	6	Yes
Shri Mahendra Agarwal	7	5	Yes
Shri Ramchandra Agarwal	7	5	Yes
Shri.Bhavin. Shah	7	7	Yes
Shri.Jaswant D.Sharma	7	5	Yes
Shri.Harikrishna Patni	7	5	Yes
Shri.Rajkumar Mehta	7	5	Yes
Shri Jawahar D. Patil	7	5	Yes

(iii) Board Membership Criteria

The members of the Board of Directors of your Company are expected to possess the required expertise, skill and experience to effectively manage and direct your company so that it can attain its organizational goals. They are expected to be persons with vision, leadership qualities, a strategic bent of mind, proven competence, and integrity.

Each Member of the Board of Directors of your Company is expected to ensure that his personal interest does not run in conflict with your Company's interests. Moreover, each member is expected to sue his professional judgment to maintain both the substance and appearance of independence and objectivity.

(iv) Membership Term and Retirement Policy

According to the Articles of Association of your company, at every Annual General meeting, one-third of such of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Director on the same day those who are to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

3. Code of Conduct

The Board has laid down a code of conduct for all Board members and senior management of the company.

The Company has obtained the confirmation of the Compliance with the Code from all its Board members and senior management personnel. As required by Clause 49 of the Listing Agreement, the declaration on compliance of the Company's code of conduct signed by Whole-Time Director forms a part of this Annual Report.

4. Board Committees

In compliance with both the mandatory and non-mandatory requirements under the listing Agreement, and the applicable laws, the Board of Directors of your Company has constituted the following Committees:

Audit Committee

Remuneration Committee

Shareholder's/Investor's Grievance Committee

The Chairman of the Board, in consultation with the respective Chairman of these Committees, determines the Frequency of the meetings of these Committees. The recommendations of the Committees are submitted to the Board for approval.

AGARWAL INDUSTRIAL CORPORATION LIMITED

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(I) Audit Committee

The Audit Committee of the Board of Directors of your Company consists of Four Non Executive Directors of whom three are Independent Directors. The Audit Committee of the Board met five times during the year 2008-09: on 28th May 08, 28th June 08, 31st July 08, 3rd November 08, and 31st January 09.

The following table presents the details of attendance at the Audit Committee meetings held during the year 2008-09

Director	No of Meetings Held	No of Meetings Attended
Mr. Rajkumar Mehta	5	4
Mr. Bhavin Shah	5	4
Mr. Jaswant D. Sharma	5	3
Mr. Jawahar D. Patil	5	2

The terms of reference/Scope of the Audit Committee include:

- Oversight of the company's financial reporting process, disclosure of financial information, to ensure accuracy of information.
- Recommending to the Board, the appointment, reappointment, replacement, removal of statutory auditors and fixation of audit fees.
- Approval of payment to statutory auditors for any other service so rendered.
- Reviewing, with the management, the annual financial statement 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 under Section 217 (2AA) of the Companies Act, 1956 Changes, if any, in accounting policies and practices and the reasons for the same.

Major accounting entries involving estimates based on the exercise of judgment by management, Significant adjustments made in the financial statement arising out of audit findings, Compliance with listing and other legal requirements relating to financial statements, Disclosure of any related -party transactions, and

Reviewing with the management, the quarterly financial statement before submission to the Board, performance of statutory and internal auditors, and adequacy of internal control.

The Audit Committee shall mandatorily review the following information:

Management discussion and analysis of financial condition and results of operation.

Statement of significant related -party transactions.

Management letters/letters of internal control weakness issued by statutory auditors,

Internal audit report relating to internal control weakness and Appointment, removal and terms of remuneration of internal auditor.

(II) Remuneration Committee

The Remuneration Committee consists of four Non Executive Directors, and they met one time during the year 2008-09 on 3rd November 2008.

The following table presents the details of attendance at the Remuneration Committee meetings held during the year 2008-09.

Director	No of Committee Meetings Held	No of Meetings Attended
Mr. Harikrishna Patni	1	1
Mr. Bhavin Shah	1	1
Mr. Jaswant D.Sharma	1	1
Mr. Rajkumar Mehta	1	1