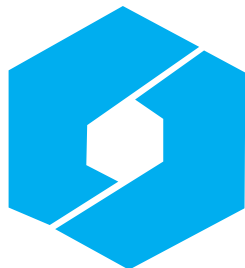


Thirty Second  
Annual Report  
2015-16



India Glycols Limited

## Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral-that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## Across the pages

• Corporate information	1
• Notice	2
• Board's Report	19
• Management Discussion & Analysis	41
• Report on Corporate Governance	47
• Independent Auditors' Report	60
• Balance Sheet	66
• Statement of Profit & Loss	67
• Cash Flow Statement	68
• Notes to the Accounts	69
• Independent Consolidated Auditors' Report	97
• Consolidated Balance Sheet	100
• Consolidated Statement of Profit & Loss	101
• Consolidated Cash Flow Statement	102
• Notes to Consolidated Financial Statements	103

# Corporate Information

## Board of Directors

U.S. Bhartia	Chairman & Managing Director
Jayshree Bhartia	Director
Pradip Kumar Khaitan	Director
Jitender Balakrishnan	Director
Ravi Jhunjhunwala	Director
Jagmohan N. Kejriwal	Director
R.C. Misra (until 28 <sup>th</sup> April, 2016)	Director
Ashwini Kumar Sharma (w.e.f. 1 <sup>st</sup> September, 2015)	Nominee Director
M.K. Rao	Executive Director

## Audit Committee

Pradip Kumar Khaitan (w.e.f. 26 <sup>th</sup> May, 2016)	Chairman
R.C. Misra (until 28 <sup>th</sup> April, 2016)	
Jagmohan N. Kejriwal	
M.K. Rao	

## Stakeholders' Relationship Committee

Pradip Kumar Khaitan (w.e.f. 26 <sup>th</sup> May, 2016)	Chairman
R.C. Misra (until 28 <sup>th</sup> April, 2016)	
U.S. Bhartia	
Jagmohan N. Kejriwal	

## Chief Executive Officer

Rakesh Bhartia

## Chief Financial Officer

Anand Singhal

## Company Secretary

Ankur Jain

## Statutory Auditors

Lodha & Co., Chartered Accountants

## Cost Auditors

R.J. Goel & Co., Cost Accountants

## Bankers

State Bank of India  
State Bank of Patiala  
Axis Bank Limited  
Punjab National Bank  
Union Bank of India  
IDBI Bank Limited  
State Bank of Hyderabad  
State Bank of Travancore  
State Bank of Bikaner & Jaipur

## Registered Office

India Glycols Limited  
CIN: L24111UR1983PLC009097  
A-1, Industrial Area,  
Bazpur Road, Kashipur -244 713  
Distt. Udham Singh Nagar, Uttarakhand  
Phone : +91-5947-269000/269500/275320  
Fax : +91-5947-275315/269535  
Website : [www.indiaglycols.com](http://www.indiaglycols.com)  
E-mail : [iglho@indiaglycols.com](mailto:iglho@indiaglycols.com)

## Corporate Office

3A, Shakespeare Sarani,  
Kolkata - 700 071

## Head Office

Plot No. 2B, Sector-126, Noida - 201304  
Distt. Gautam Budh Nagar,  
Uttar Pradesh

## Registrars & Transfer Agents

MCS Share Transfer Agent Limited  
F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I  
New Delhi - 110 020

# Notice

**Notice** is hereby given that the Thirty Second Annual General Meeting (AGM) of the members of India Glycols Limited will be held on **Saturday, the 24<sup>th</sup> day of September, 2016 at 11.00 A.M. at the Registered Office of the Company at A-1, Industrial Area, Bazpur Road, Kashipur-244713, District Udham Singh Nagar, Uttarakhand** to transact the following business:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31<sup>st</sup> March, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M. K. Rao (DIN: 02168280), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Lodha & Co., Chartered Accountants (Registration No. 301051E) as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) until the conclusion of next AGM and to fix their remuneration.

## **SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force) read with the Companies (Cost Records and Audit) Rules, 2014, remuneration payable to M/s R. J. Goel & Co., Cost Accountants, appointed by the Board of Directors (the “Board”) to conduct the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2017, amounting to ₹ 1.50 lacs (Rupees One Lac Fifty Thousand only) plus out-of-pocket expenses, if any, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps and give all directions as it may in its absolute discretion deem necessary, proper or expedient to give effect to this resolution.”

5. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force) (the “Act”) and rules made thereunder read with Schedule V of the Act and subject to the approval of the Central Government and/or other authorities, if required, approval of

the Members of the Company be and is hereby accorded for the re-appointment of Shri U.S. Bhartia (DIN: 00063091) as the Chairman and Managing Director of the Company for a further period of five (5) years w.e.f. 1<sup>st</sup> April, 2016 upto 31<sup>st</sup> March, 2021.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197, 198 and Schedule V of the Act and subject to the approval of the Central Government and/or other authorities, if required and such other approvals, sanctions, permissions, as may be required, approval of the Members of the Company be and is hereby accorded for payment of the following remuneration to Shri U.S. Bhartia, Chairman & Managing Director, for a period of three (3) years i.e. from 1<sup>st</sup> April 2016 till 31<sup>st</sup> March, 2019 along with such perquisites, benefits and amenities as mentioned below, subject to the overall ceiling of ₹ 2,67,03,153 per annum (excluding commission, if any) (as had earlier been approved by the Central Government for a period of three years from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011 vide its letter no. SRN No. A62791298/5/2009-CL-VII dated 21<sup>st</sup> April, 2010 and again for the period of three years from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2014 vide its letter no. B15242589/2/2011-CL-VII dated 24<sup>th</sup> October, 2011):

### **a) Salary:**

The Managing Director shall be paid salary of ₹ 20,00,000/- (Rupees Twenty Lacs Only) per month.

### **b) Commission:**

Not exceeding 4% of the net profits of the Company for each financial year computed in a manner laid down in section 198 of the Act.

### **c) Perquisites:**

In addition to the Salary, the Managing Director shall be entitled to the following perquisites which shall be evaluated as per Income Tax rules wherever applicable, in the absence of any such rule, perquisite(s) shall be evaluated at actual cost:

- i) Unfurnished residential accommodation;
- ii) Furnishing of residence upto an amount not exceeding ₹ 5.0 lacs per annum;
- iii) Gas, electricity, water as per bills produced to the Company;
- iv) Medical reimbursement – medical expenses incurred actually for self and family;
- v) Club fees for two clubs including admission and other fees;
- vi) Leave travel concession once in a year for self and family to any place in India by Air/ Rail/Road as per Rules of the Company;
- vii) Mediclaim and Personal Accident Insurance

- premium not exceeding ₹ 20,000 per annum;
- viii) Contribution to Provident Fund as per rules of the Company;
  - ix) Gratuity not exceeding one-half month's salary for each completed year of service;
  - x) Company's car with driver for official and personal use;
  - xi) Telephone facility at residence and mobile phone for business purposes;
  - xii) Leave encashment as per Company's rules i.e. 15 days for every completed year of service.

Provided further that the aggregate of remuneration by way of salary, commission, perquisites and allowances etc. payable to Shri U.S. Bhartia shall not exceed 5% of the Net Profits of the Company in a financial year computed in the manner laid down under Section 198 of the Act and within the overall limit prescribed under Section 197 read with Schedule V of the Act.

**RESOLVED FURTHER THAT** subject to provisions of Section 197 and Schedule V and other applicable provisions, if any, of the Act, as amended from time to time, the Board of Directors of the Company, may on the recommendation of the Nomination and Remuneration Committee annually review the salary, commission, perquisites and allowances etc. payable to Shri U.S. Bhartia and to restructure the remuneration payable within the overall limit of 5% of the Net Profits of the Company in a financial year, computed in the manner laid down under Section 198 of the Act and within the overall limit prescribed under Section 197 read with Schedule V of the Act.

**RESOLVED FURTHER THAT** notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year during the tenure of Shri U.S. Bhartia, as Chairman and Managing Director of the Company, the aforesaid remuneration or such remuneration as may be approved by the Central Government, wherever required, shall be paid as the minimum remuneration to Shri U. S. Bhartia as Chairman and Managing Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to enter into such agreement(s), deed(s) or any other documents; to settle any question, difficulty or doubt that may arise in this regard and to do all such acts, deeds, matters and things, as the Board may in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution or as otherwise considered necessary by the Board of Directors in the best interest of the Company and as may be agreed to by the Board of Directors and Shri U.S. Bhartia."

6. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force) (the "Act") and rules made thereunder read with Schedule V of the Act and subject to the approval of the Central Government and/or other authorities, if required, approval of the Members of the Company be and is hereby accorded for payment of the following monthly Remuneration (which is identical with his current remuneration including perquisites) to Shri M.K. Rao (DIN: 02168280), Executive Director, for the remaining two (2) years of his current tenure i.e. from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2018:

- a) Basic Salary : ₹ 2,97,000/-
- b) Special Allowance : ₹ 1,38,705/-
- c) Ex- gratia : ₹ 44,550/-
- d) Perquisites :

In addition to the salary, the Executive Director shall be entitled to the following perquisites which shall be evaluated as per Income Tax Rules wherever applicable, in the absence of any such rule, perquisite(s) shall be evaluated at actual cost:

- i) Unfurnished residential accommodation;
- ii) Furnishing of residence upto an amount not exceeding ₹ 2.00 lacs per annum;
- iii) Electricity, water expenses reimbursement as per Company policy;
- iv) Medical reimbursement equivalent to one month salary for self and family;
- v) Leave travel concession once in a year for an amount not exceeding ₹ 36,000/- for self and family to any place in India by Air/Rail/Road;
- vi) Medical and Accidental Insurance premium as per Company's rules;
- vii) Contribution to Provident Fund as per rules of the Company;
- viii) Gratuity not exceeding one-half month salary for each completed year of service;
- ix) Company's car with driver for official and personal use;
- x) Maintenance expenses for second car for personal purpose for an amount not exceeding ₹ 2.00 lacs per annum;
- xi) Telephone facility at residence and mobile phone for business purposes;
- xii) Leave encashment as per Company's rules.

**RESOLVED FURTHER THAT** the aggregate of remuneration by way of salary, commission, perquisites and allowances etc. payable to Shri M.K. Rao shall not exceed 5% of the Net Profits of the Company in a financial year computed in the manner laid down under Section 198 of the Act and within the overall limit prescribed under Section 197 read with Schedule V of the Act.

**RESOLVED FURTHER THAT** subject to provisions of Section 197 and Schedule V and other applicable provisions, if any, of the Act, as amended from time to time, the Board of Directors of the Company, may on the recommendation of the Nomination and Remuneration Committee annually review the salary, commission, perquisites and allowances etc. payable to Shri M.K. Rao and to restructure the remuneration payable within the overall limit of 5% of the Net Profits of the Company in a financial year, computed in the manner laid down under Section 198 of the Act and within the overall limit prescribed under Section 197 read with Schedule V of the Act.

**RESOLVED FURTHER THAT** notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year, during the tenure of Shri M.K. Rao as Executive Director of the Company, the aforesaid remuneration shall be paid as the minimum remuneration payable to him or in accordance with the limits prescribed in Schedule V of the Act or by the Central Government, wherever required.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to enter into such agreement(s), deed(s) or any other documents; to settle any question, difficulty or doubt that may arise in this regard and to do all such acts, deeds, matters and things, as the Board may in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this Resolution or as otherwise considered necessary by the Board of Directors in the best interest of the Company and as may be agreed to by the Board of Directors and Shri M.K. Rao.”

7. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 41, 42, 62 and 71 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999 (“FEMA”), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of

Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and the rules, regulations, guidelines, policies, notifications, circulars & clarifications issued / to be issued by the Government of India, Reserve Bank of India, Securities and Exchange Board of India including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”) and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Department of Industrial Policy and Promotion, Ministry of Commerce (“DIPP”), the Foreign Investment Promotion Board (“FIPB”), the Ministry of Finance (Department of Economic Affairs) and / or any other Regulatory / Statutory / Competent Authorities (hereinafter referred to as the “Appropriate Authorities”), the Memorandum and Articles of Association of the Company and subject to such other approvals, consents, permissions and sanctions of the Appropriate Authorities and subject to such conditions and modifications, as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which shall include any Committee authorized for the purpose), the consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more domestic or international offering(s), or a combination thereof, with or without Green Shoe option, including by way of a qualified institutional placement, to eligible investors (whether or not such investors are Members of the Company, or whether or not such investors are Indian or foreign, including qualified institutional buyers such as public financial institutions, scheduled commercial banks, mutual funds, foreign institutional investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital investors, state industrial development corporations, insurance companies, pension funds and provident funds), whether by way of a public offering or by way of a private placement and whether by way of circulation of an offering circular or placement document or otherwise, securities including equity shares and/or instruments or securities convertible into equity shares of the Company, Global Depository Receipts and/or American Depository Receipts and/or convertible preference shares and/or convertible debentures or bonds (compulsorily and/or optionally, fully and /



or partly), and/or non-convertible debentures with warrants and/or securities with or without detachable/non-detachable warrants and / or warrants with a right exercisable by the warrant-holder to subscribe for equity shares and /or Foreign Currency Convertible Bonds (FCCBs) convertible into equity shares at the option of the Company or the holder(s) thereof, up to an aggregate amount of ₹ 250.00 Crores (Rupees Two Hundred Fifty Crores only) or its equivalent in any other currency, (hereinafter referred to as "Securities") to be denominated in foreign currency or Indian rupees, as the case may be, which, at the option of the Company or the holders of the Securities may be surrendered for the purpose of cancellation against receipt of corresponding number of underlying equity shares of the Company, as the case may be, and such issue and allotment to be made, in one or more tranche(s), at such price (premium/discount) as may be determined in accordance with relevant guidelines, for cash or otherwise, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment, considering the prevailing market conditions and other relevant factors.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of Securities may have all or any terms or combination of terms as are provided in issue of securities of such nature internationally including terms relating to surrender of the Securities for the purposes of cancellation against receipt of the corresponding number of underlying equity shares and the Board be and is hereby authorized to enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities in one or more stock exchanges outside India and the listing of equity shares underlying the Securities in one or more Stock Exchanges in India.

**RESOLVED FURTHER THAT** in the event of issue of Securities by way of Global Depository Receipts and / or American Depository Receipts or FCCBs, the relevant date on the basis of which price of the resultant equity shares shall be determined as specified under applicable laws or regulations of the Appropriate Authorities, shall be the date of the meeting in which the Board decides to open the proposed issue of such Securities.

**RESOLVED FURTHER THAT** in the event of issue of Securities by way of a qualified institutional placement:

- i) the relevant date on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board decides to open the proposed issue of Securities;
- ii) the allotment of Securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by the SEBI Guidelines from time to time; and
- iii) the Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time by the SEBI Guidelines.

**RESOLVED FURTHER THAT** such of Share Warrants or FCCBs as are not subscribed, may be disposed off by the Board in its absolute discretion in such a manner, as the Board may deem fit and as permissible by law.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize and approve the offering circular / placement document for the proposed issue of the Securities and to authorize any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with the authority to amend, vary or modify the same as such authorized persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorized person(s), be required from time to time, and to arrange for the submission of the offering circular / placement document, and any amendments and supplements thereto, with any applicable stock exchanges (whether in India or abroad), government and regulatory authorities, institutions or bodies, as may be required.

**RESOLVED FURTHER THAT** the Securities issued in foreign markets shall be treated to have been issued abroad and / or in the international market and / or at the place of issue of the Securities in the international market and may be governed by applicable foreign laws.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted for the issue of the Securities referred above or as may be necessary in accordance with the terms of the offering, all such equity shares being *pari-passu* with the then existing equity shares of the Company in all respects.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with the issue of the Securities and to give effect to these resolutions, including, without limitation, the following:

- i) approve, adopt, sign, execute, issue and file, wherever required all documents, agreements, undertakings, deeds, declarations etc. as may be necessary in connection with the issue of the Securities including the offer documents such as Red Herring Prospectus/Prospectus, listing application(s) with Registrar of Companies, SEBI, Stock Exchanges (whether in India or abroad) and other Appropriate Authorities;
- ii) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities;
- iii) giving or authorizing the giving, by concerned persons, of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- iv) settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment of Securities as it may in its absolute discretion deem fit; and
- v) enter into and execute arrangements / agreements with Lead Managers / Underwriters / Guarantors / Depository(ies) / Custodians / Payment & Collection Agents / Advisors / Banks / Trustees/ Merchant Bankers / Practising Chartered Accountant / Practising Cost Accountant / Practising Company Secretary and all such agencies as may be involved or concerned and to remunerate all such Lead Managers, Underwriters and all other Advisors and Agencies by way of commission, brokerage, fees, expenses incurred in relation to the issue of equity shares or FCCBs and other expenses, if any or the like.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine the terms of issue including the class of investors, time, securities to be offered, number of securities, series, tranches, issue price, tenor, interest rate, premium/discount, listing or otherwise howsoever, as it may think fit and to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary,

expedient or desirable including appointment of intermediaries and to sign and execute any deed(s) / document(s) / undertaking(s) / agreement(s) / paper(s) / underwriting(s) and also to delegate all or any of the above powers, as may be required to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company."

**By order of the Board**  
For India Glycols Limited

Place : Noida  
Date : 5<sup>th</sup> August, 2016  
Registered Office:  
A-1, Industrial Area, Bazpur Road,  
Kashipur-244713, District Udham Singh Nagar,  
Uttarakhand  
CIN: L24111UR1983PLC009097  
Telephone No.: +91-5947-269000, 269500  
Fax: +91-5947-275315, 269535  
Website: www.indiaglycols.com  
e-mail: iglho@indiaglycols.com

**Ankur Jain**  
**Company Secretary**

**NOTES:**

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself. The proxy need not be a member of the Company. The instrument of Proxy(ies), in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is enclosed.**  
**A person can act as proxy on behalf of members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the company carrying voting rights. A member holding more than 10% (Ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company a certified copy of the relevant Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM. Members, Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of the DP ID and Client ID / Folio No. etc.
3. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, in respect of Special Business under Item nos. 4, 5, 6 and 7 of the Notice, is appended hereto, and forms part of this Notice.



4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 20<sup>th</sup> September, 2016 to Saturday, the 24<sup>th</sup> September, 2016 (both days inclusive) for AGM. The names of the shareholders, whose share transfer request are received in order, either at the Head office/ Registered office of the Company or at the Registrars & Share Transfer Agents, M/s MCS Share Transfer Agent Limited, F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 ('RTA'), before the book closure, shall be included in the members register as on the date of the AGM.
5. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, dividend for the financial year ended 31<sup>st</sup> March, 2009, which remain unclaimed/unpaid for a period of 7 years from the date such dividend first become due for payment, will be transferred on or before 20<sup>th</sup> September, 2016 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.indiaglycols.com) under 'Investor Relations' section. It has been noticed that some shareholders have not encashed the dividend warrant(s) so far for financial year ended 31<sup>st</sup> March, 2009 or any subsequent financial years. Such shareholders are requested to make their claim to the Company in respect of their unclaimed/unpaid dividend, before the same is transferred to IEPF as aforesaid. The Shareholders are requested to note that no claim shall lie against the Company in respect of said unclaimed and unpaid dividend, if transferred to the IEPF on due dates.
6. As the present number of rotational Directors is less than 2/3<sup>rd</sup> of the total number of Directors, Shri M.K. Rao, Executive Director whose appointment is not subject to retire by rotation shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment as per Item No. 2 of this notice. His retirement and simultaneous re-appointment shall not affect his holding and continuing to hold the office of Executive Director in terms of his appointment.
7. **Voting through electronic means:**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company is pleased to provide the Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and all the business may be transacted through e-voting services. The Members are provided with the facility of casting the votes using an electronic voting system from a place other than venue of the AGM ("remote e-voting") as provided by National Securities Depository Limited (NSDL). Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
- II. The facility for voting through ballot paper shall be made available at the venue of the AGM and the Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
- IV. **The remote e-voting period commences on Tuesday, the 20<sup>th</sup> September, 2016 (9:00 A.M.) and ends on Friday, the 23<sup>rd</sup> September, 2016 (5:00 P.M.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17<sup>th</sup> September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.**
- V. Members can opt for only one mode of voting i.e. either by Ballot Form or remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
- VI. The process and manner for remote e-voting are as under:
- A. In case a Member receives an e-mail from NSDL [for Members whose email addresses are registered with the Company/ Depository Participant(s)]:
- |     |   |
|-----|---|
| (1) | Open e-mail and open PDF file viz; "IGL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. |
|-----|---|

(2)	Launch internet browser by typing the following–URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
(3)	Click on “Shareholder – Login”
(4)	Put user ID and password as initial password/PIN noted in step (1) above. Click Login.
(5)	Then Password change menu appears. Change the password/ PIN with new password of your choice. The new password shall comprise of minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
(6)	Home page of remote “e-voting” will open. Click on remote “e-Voting: Active Voting Cycles”.
(7)	Select “REVEN” (Electronic Voting Event Number) of India Glycols Limited.
(8)	Now you are ready for e-voting as “Cast Vote” page opens.
(9)	On the voting page, you may cast your vote by selecting appropriate option and click “Submit” and also “Confirm” when prompted.
(10)	Upon confirmation, the message “Vote cast successfully” will be displayed.
(11)	Once you have voted on the resolution, you will not be allowed to change/modify your vote.
(12)	Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to <a href="mailto:ashish@asandco.net">ashish@asandco.net</a> (e-mail address of Scrutinizer) with a copy marked to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a>

B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/

Depository Participant(s) or requesting physical copy]:

i) Initial password is provided in the below given format in the communication with respect to voting by electronic means and is enclosed with the Notice and forms integral part of it:

REVEN (Remote E-Voting event number)	User ID	Pass- word/PIN

ii) Please follow all steps from Sl. No. (2) to Sl. No.(12) above, to cast vote.

- VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for members available at the ‘Downloads’ section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 222 990
- VIII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IX. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- X. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Saturday, the 17<sup>th</sup> September, 2016. A person who is not a Member as on the cut off date should treat this Notice for information only.
- XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date of Saturday, the 17<sup>th</sup> September, 2016, may obtain the login ID and password by sending a request at [e-voting@nsdl.co.in](mailto:e-voting@nsdl.co.in) or [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. : 1800-222-990.
- XII. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Shri Ashish Saxena (FCS no. 6560) of Ashish Saxena & Co., Company Secretaries, having

their office at A-32, Nyay Khand-I, Indirapuram, Ghaziabad-201014, Uttar Pradesh has been appointed by the Board of Directors as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make, not later than 48 (Forty Eight) hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results of the AGM shall be declared by the Chairman or person authorized or any one of the director of the Company after the AGM within the prescribed time limits.
- XVII. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.indiaglycols.com](http://www.indiaglycols.com) and on the website of NSDL and communicated to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), accordingly.

8. MEMBERS ARE REQUESTED TO:

- A. Immediately notify any change of address, e-mail address, change of name, contact numbers, bank details such as bank account number, name of the bank and branch details, MICR code, IFSC code, bank mandates, nominations, power of attorney, etc. and their Permanent Account Number (PAN) to their depository participant (DP) in respect of their holding in Electronic Form and to the Company's RTA in respect of their holding in physical form. SEBI has mandated the submission of Permanent Account Member (PAN) by every participant in securities market. Non-resident Indian members are requested to immediately inform the RTA, change in their residential address on return to India for permanent settlement and the particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

- B. Send their queries, if any, on the financial statements or on any agenda item proposed in the notice of AGM at least 10 days prior to the date of AGM at the Company's Head Office at Plot No. 2-B, Sector-126, Distt. Gautam Budh Nagar, Noida-201304, Uttar Pradesh, to enable the Company to collect the relevant information and make available at the AGM.
- C. Fill the attendance slip for attending the meeting and those who hold the shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the AGM.
- D. Send their shares for dematerialization to the Company's RTA, if so far, are not held in dematerialized form, as the Company comes under compulsory demat as per directive issued by the SEBI.
- E. Note that relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the AGM and shall also be available for inspection at the AGM.
- F. Note that in terms of the provisions of Section 136 of the Companies Act, 2013 ("the Act") read with Rule 11 of the Companies (Accounts) Rules, 2014, service of notices/documents to the members can be made through electronic mode. Members who have registered their e-mail IDs with depositories or with the Company/RTA are being sent this Notice along with the Annual Report of the Company with Attendance Slip and Proxy Form by e-mail. Also, the Members who have not registered their e-mail address, the physical copies are being sent to them through any recognized mode of delivery as specified under Section 20 of the Act.

The notice of the 32<sup>nd</sup> AGM along with Annual Report of the Company, attendance slip and proxy form will also be available on the Company's website [www.Indiaglycols.com](http://www.Indiaglycols.com) under "Investor Relations" section.

**In order to receive faster communication and enable the Company to serve the members better and to promote the "Green Initiative", members are requested to register their e-mail address(es) and changes there in from time to time, by directly sending the relevant e-mail address along with the details of name, address, Folio No., shares held:**

- i) **To the Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited at the address at Note No. 4 above for shares held in physical form and;**

**ii) In respect of shares held in demat mode, also provide DP ID/ Client ID with the above details and register the same with their respective Depository Participants.**

Upon registration of the e-mail address(es), the Company proposes to send Notices, Annual Report and such other documents to those Members via electronic mode/e-mail.

9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. As per the provisions of Section 72 of the Act, the facility for making nomination or cancellation/variation in nomination already made is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 for making nomination and Form No. SH-14 for cancellation/variation as the case may be. The said forms can be downloaded from the Company's website [www.indiaglycols.com](http://www.indiaglycols.com) (under 'Investor Relations' section). Members holding shares in physical form may submit the same to M/s MCS Share Transfer Agent Limited, the Registrar & Share Transfer Agent. Members holding shares in electronic form may submit the same to their respective depository participant(s).
11. The relevant details as required under Regulation 36(3) of SEBI Listing Regulations for the Director(s) to be appointed/re-appointed are as under:

<b>Name of Director</b>	<b>Shri M.K. Rao</b>	<b>Shri U. S. Bhartia</b>
Age	58	62
Date of appointment on the Board	01.05.2008	29.11.1996
Qualifications	B.Tech. (Chemical Engineering) from Andhra University College of Engineering and M.Tech. (Chemical Plant Design) from IIT, Madras	Bachelor of Commerce with Honours from Calcutta University
Expertise in Specific functional Area	Shri Rao has an overall experience of over 30 years of Plant operations, maintenance and projects execution. Shri Rao is involved in the day to day management of the Manufacturing Plant at Kashipur and various on-going projects with regard to conception, planning and execution thereof and has been guiding the activities all through. Shri Rao has lead the team of processing engineers in developing engineering packages for various debottlenecking/plant expansions, process improvement schemes and cost effective energy conservation schemes.	Shri U.S. Bhartia is an industrialist and has over 37 years of experience of managing various types of Industries. Shri Bhartia is involved in the day to day managerial activities of the Company and takes keen interest in various on-going projects right from conception, planning and execution and has been guiding the activities of the Company. Shri Bhartia is associated with the Company for over 19 years as Managing Director and is the Chairman of the Company since March, 2008.
Directorships of other Listed Companies	Nil	1. Hindustan Wires Ltd. 2. Polylink Polymers (I) Ltd.
Committee membership(s)/ Chairmanship(s) of other Listed Companies	Nil	1. Hindustan Wires Ltd. – Member - Audit Committee, Nomination and Remuneration Committee 2. Polylink Polymers (I) Ltd. – Chairman - Stakeholders' Relationship Committee Member - Audit Committee, Nomination and Remuneration Committee
Share holding as on 31.03.2016	Nil	4,48,722
Relationship between Directors inter-se	Nil	Smt. Jayshree Bhartia is the spouse of Shri U.S. Bhartia

12. Route map showing directions to reach the venue of the Thirty Second AGM is annexed to the Notice.
13. No gifts / coupons will be distributed at the AGM.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 4

The Board of Directors (the "Board") of the Company on the recommendation of this Audit Committee, approved the appointment of M/s R. J. Goel & Co., Cost Accountants to conduct the audit of cost records of the Company for the financial year ended 31<sup>st</sup> March, 2017.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company.

Accordingly, consent of the members is being sought by way of an ordinary resolution for ratification of the remuneration paid to the Cost Auditor for the financial year 2016-17.

None of the Directors / Key Managerial Personnel of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution at Item No. 4 of the Notice.

The Board recommends the resolution set out at Item No. 4 of the notice for approval of the members as an *Ordinary Resolution*.

### ITEM NO. 5

The Members of the Company at their Annual General Meeting held on 27<sup>th</sup> September, 2011 appointed Shri U.S. Bhartia, as Chairman and Managing Director of the Company for a period of 5 years from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2016.

Shri Bhartia, aged about 62 years is a Bachelor of Commerce with Honours from Calcutta University. Shri Bhartia was appointed as a Director and Managing Director of the Company w.e.f. 29<sup>th</sup> November, 1996 and is the Chairman of the Company since March, 2008. Shri Bhartia is involved in the day to day management of the Company and takes keen interest in all the on-going projects right from conception and planning till its execution and has been guiding the activities of the Company all through. Shri Bhartia holds 4,48,722 shares of the Company.

Considering Shri Bhartia's involvement and contribution to the growth of the Company and for the future benefits of the Company, the Board of Directors on the recommendation of the Nomination and Remuneration Committee at its meeting held on 11<sup>th</sup> February, 2016, has approved the re-appointment of Shri Bhartia as Chairman and Managing Director for a further period of 5 years from 1<sup>st</sup> April, 2016 till 31<sup>st</sup> March, 2021 subject to the approval of the members of the Company.

Shri Bhartia is also a Director on the Board of Hindustan Wires Ltd., Polylink Polymers (I) Ltd., Lund & Blockley Pvt. Ltd., Kashipur Holdings Ltd., IGL Finance Ltd., JB Commercial Co. Pvt. Ltd., Facit Commosales Pvt. Ltd.,

Ajay Commercial Co. Pvt. Ltd., J. Boseck & Co. Pvt. Ltd., Supreet Vyapaar Pvt. Ltd., IGL Infrastructure Pvt. Ltd., JB Trustee Pvt. Ltd., PB Trustee Pvt. Ltd., PJ Trustee Pvt. Ltd. and USB Trustee Pvt. Ltd.

He is the member of Stakeholders' Relationship Committee and Member/Chairman of the Finance Committee, CSR Committee, Risk Management Committee and Share Transfer Committee of the Company.

Shri Bhartia is also the member of the Audit Committee and Nomination and Remuneration Committee of Hindustan Wires Ltd. and Polylink Polymers (I) Ltd. Also, he is the Chairman of the Stakeholders' Relationship Committee of Polylink Polymers (I) Ltd.

During the FY 2015-16, Shri Bhartia attended all the meetings of the Board/Committee(s) of the Company.

Members may note that, in view of the losses being incurred by the Company since FY 2012-13 including during the FY 2015-16, managerial remuneration is restricted to the limits as specified under Section 197 and Schedule V of the Companies Act, 2013 ("the Act"). However, keeping in view of Shri Bhartia's present and future responsibilities, his previous remuneration paid, industry norms and his role in placing the Company in pre-eminent position in the Industry, the same is not the adequate compensation. Accordingly, the Board in pursuance to the provisions of Section 197 read with Schedule V of the Act, approved the remuneration for a period of 3 years from 1<sup>st</sup> April, 2016 which is at a reasonable level in line with the remuneration levels prevailing in the Industry, as per the details as mentioned in the resolution at Item No. 5 which shall be further subject to the approval of Members and Central Government in terms of the provisions of the Act, if required.

The information required pursuant to the provisions of Section II of Part II to Schedule V of the Act is as under:

#### I. GENERAL INFORMATION:

##### (i) Nature of Industry

India Glycols Limited is engaged in the manufacturing and marketing of Chemicals including specialty Chemicals, Ethyl Alcohol (Potable), Nutraceutical and herbal extraction, Natural Gum & its derivatives, Industrial Gases, etc. having a turnover of approx. ₹ 2,330 Crores. The Company has the advantage of producing Chemicals through agro route (green route) while the other manufacturers are manufacturing through Petroleum. The Company has diversified its activities from Mono Ethyl Glycols (MEG) and Ethylene Oxide (EO) derivatives to other specialty chemicals, Ethyl Alcohol (potable), Natural Gums and its derivatives, nutraceuticals and Herbal extractions and Industrial Gases.

India Glycols Limited is a growing industry in the current economic scenario due to inevitable



demand of Pharmaceutical & Nutraceutical industries, Food industries, Textile industry, Automobile industry and Potable segment. India Glycols Limited is the leading manufacturer of Chemicals including MEG, Ethoxylates and Glycol Ethers through Molasses route, which is most appreciable due to eco-friendly nature in all over world.

(ii) **Date of commencement of commercial production**

1<sup>st</sup> January, 1990.

(iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

Not Applicable

(iv) **Financial Performance based on given indicators**

The relevant financial figures (Audited) for the last 5 years are as under:-

(Amount in ₹ crores)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Paid up share capital	27.88	30.96	30.96	30.96	30.96
Reserves and surplus	454	598	475	424	396
Total Turnover including other income	2633	3347	2914	2601	2329
Profit / (loss) before Depreciation, exceptional item and Tax	234	247	105	22	61
Depreciation and exceptional item	77	82	275	138	113
Profit / (loss) before Tax	157	165	(170)	(116)	(52)
Provision for Tax	52	44	(50)	(55)	(18)
Profit / (loss) after Tax	105	121	(120)	(61)	(34)

(v) **Foreign Investments or collaborators, if any:**  
NIL

**II. INFORMATION ABOUT THE APPOINTEE:**

(a) **Background Details**

Shri U.S. Bhartia aged about 62 years has overall experience of over 37 years of managing various types of Industries. Shri Bhartia is associated with India Glycols Limited for over 19 years as Managing Director and involved in the day to day managerial activities of the Company. As is evident from his experience and industrialist

background, Shri Bhartia is ideally suited to the nature of our Industry, the benefits of which, the Company has reaped over the years.

(b) **Past Remuneration**

(i) For FY 2013-14: ₹ 267.03 lacs

(ii) For FY 2014-15: ₹ 137.30 lacs

(iii) For FY 2015-16: ₹ 137.33 lacs

(c) **Recognition or Awards**

Shri Bhartia is a renowned personality in the Chemical industries and had immensely contributed to the nation in developing and introducing quality chemical including MEG and other specialty chemicals, Ethyl Alcohols, Natural Gums etc. He was conferred as Business Leader for the year 2013.

Also, under his able leadership, the Company has been awarded the grand gold award for the sixth year in a row by Monde Selection Committee, Belgium, for attaining high level of quality for Extra Neutral Alcohol (ENA).

(d) **Job Profile and his Suitability**

As stated above, Shri Bhartia is a Bachelor of Commerce with Honours from the University of Calcutta with over 37 years of experience of managing various types of Industries and is vested with substantial powers of management of the Company. He is associated with India Glycols Limited for over 19 years as Managing Director and involved in the day to day managerial activities of the Company. As is evident from his experience and industrialist background, Shri Bhartia is ideally suited to the nature of our Industry, the benefits of which, the Company has reaped over the years.

Under his able leadership, the Company has grown from single product of MEG at single plant at Kashipur to multi products including EOD, Glycol Ethers, Ethyl Alcohol (Potable), Natural Gums, Industrial Gases, Nutraceuticals Herbal Extraction, Sugar etc. at four different plant locations including Sugar plant at Saharanpur, Uttar Pradesh. The plant capacity of MEG and equivalent has been increased from 60 MT per day in the year 1996 to presently 575 MT per day. The Company's turnover has since been increased from ₹122 Crores in the year 1996 to ₹ 2,330 Crores in the year 2015-16.

The Company is also exporting its products to approx. 65 countries and the Company has registered an exports sales value of ₹ 873 Crores in the FY 2015-16. The Fixed Assets base has been increased from ₹156 Crores in the year 1996 to ₹1881 Crores during the FY 2015-16.

Under the diversification plan initiated by Shri Bhartia, the Company has also set up Ethyl Alcohol Division at its distilleries in Kashipur and Gorakhpur with an overall capacity of 725



KL per day and is among few Companies in the country having license of operations in and sale of Country Liquor and Indian Made Foreign Liquor (IMFL) in two states of Uttar Pradesh and Uttarakhand. The sales value of Ethyl Alcohol Division has increased from ₹ 67 Crores in the year 2006 to ₹1,150 Crores in the year 2016.

Under his guidance, the Company has also set up an Industrial Gases division producing Oxygen, Nitrogen and Argon with an overall capacity of 13000 NM<sup>3</sup>/h. The Company has also set up Carbon dioxide producing plant at Kashipur with a capacity of 160 MT/day.

The Company has also modified its existing Guar Gum Plant to produce value added derivatives for Oil Field Industry, specialty derivatives for food & paper industry and Textile Industry.

As a further step towards diversification plans initiated by Shri Bhartia, the Company has set up a 100% Export Oriented undertaking (100% EOU) by the name of Ennature Bio-pharma division. The Company has taken 47 acres land on lease from Uttarakhand government, where it is growing a wide variety of medicinal plants etc. The Company has also set up a Supercritical Fluid Extraction facility (SCFE) at Dehradun, which will be CGMP compliance. The unit is used for extraction of Dietary Food supplements, Natural Colors, Health care fruits & vegetables, Herbal Extracts, Fruit flavors & fragrances & Spice flavors & extracts. Future thrust is to become supplier of more refined natural Active Pharmaceutical Ingredients (API) & intermediates to pharmaceutical & natural health product industries. All these are very high value added products.

All the four plants of the Company are being controlled from the head office at Noida, U.P. under the supervision, guidance and direction of Shri Bhartia, who takes keen interest in various on-going projects conception, planning and execution and has been guiding the activities of the Company all through. Since various projects of the Company are in the advanced stage of completion, Shri Bhartia's guidance and direction would continue to be of great asset and advantage to the Company.

The work profile of Shri U.S. Bhartia has increased a lot due to the capacity increase, establishment of new plants at different locations, diversification of activities into new areas of operations etc.

(e) **Remuneration Proposed**

As mentioned in the Resolution proposed at Item No. 5 of the Notice.

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

The prevalent levels of remuneration in manufacturing industries, in general and the industry in particular are higher. Taking into account the turnover of the Company and responsibilities being discharged by Shri U.S. Bhartia and his contribution to the growth of the Company, the proposed remuneration is reasonable and commensurate with the size/nature of operations of the Company and is also in line with the remuneration levels in the Industry and benefits his position.

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

Shri U.S. Bhartia is one of the Promoters of the Company and has been instrumental in bringing significant growth in the volume of its business since inception. He is not related to any other Director, Manager and other Key Managerial Personnel of the Company except Smt. Jayshree Bhartia, Director, who is related as spouse.

**III. OTHER INFORMATION:**

(a) **Reasons of loss or inadequacy of Profits**

The performance of the Company remained weak on account of lower Monoethylene Glycol (MEG) prices due to reduced crude oil prices. Also, the demand for Guar Gum remained low due to sluggish demand from the major consuming sector which is US shale. The performance was further affected as domestic prices of our feedstock viz. molasses and alcohol, were high on account of poor availability of ethanol and diversion of ethanol towards the implementation of Ethanol Blending with Petrol (EBP) Program of Government of India at an unrealistic and exorbitant price resulting in a sharp increase in the prices of ethanol locally.

(b) **Steps taken or proposed to be taken for improvement**

Under the current challenging business environment, the Company is making all possible efforts to increase the turnover, managing costs, improve productivity, planning and management. Also to diversify the business and exploring new markets and launching new products. In this line, the Company had launched its premium products under the brand name of "V<sub>2</sub>O Vodka" in three flavors viz. Orange, Green Apple and Smooth in Vodka category and Soulmate in Whisky category. The Company has also extended the launch of Beach House Premium XXX Rum. Beach House Premium Rum for supply to Indian Defense forces through CSD has been approved.

(c) **Expected increase in productivity and profits in measurable terms**

The Company expects increase in the turnover in the quantum.

The Members may also note that earlier, due to inadequacy of the profits, the Company had approached the Central Government and the Central Government vide its letters dated 21<sup>st</sup> April, 2010 and 24<sup>th</sup> October, 2011 approved a remuneration of ₹ 2,67.03 lacs for the period from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011 and from the period 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2014, respectively.

Further, during the FY 2014-15 and 2015-16, Shri Bhartia was paid a remuneration of ₹ 137.30 lacs as approved by Central Government vide its approval dated 22<sup>nd</sup> January, 2015.

Considering the earlier approvals granted by the Central Government and the responsibilities and functions of Shri Bhartia, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, approved remuneration payable to Shri Bhartia, as mentioned in item No. 5 of this Notice.

Accordingly, approval of the Members is sought by way of special resolution for Shri Bhartia's re-appointment for a further term of 5 years w.e.f. 1<sup>st</sup> April, 2016 and also for payment of remuneration for a period of 3 years w.e.f. 1<sup>st</sup> April, 2016. The payment of remuneration shall further be subject to approval of the Central Government.

The above may be treated as an abstract and memorandum setting out the terms of contract of appointment of Shri U.S. Bhartia under Section 190 of the Act.

Copy of relevant documents including the memorandum(s) setting out the terms of remuneration, are open for inspection by the Members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days up to the date of Annual General Meeting and shall also be available at the Meeting.

Except Shri U.S. Bhartia and Smt. Jayshree Bhartia, none of the Directors / Key Managerial Personnel of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution at Item No. 5 of the Notice.

The Board of Directors recommend the resolution at Item No. 5 of this Notice for approval of the Members by way of a *Special Resolution*.

#### **ITEM NO. 6**

The Members of the Company at their Annual General Meeting held on 18<sup>th</sup> September, 2013 appointed Shri M.K. Rao as an Executive Director of the Company w.e.f. 1<sup>st</sup> April, 2013 for a period of 5 years. Further, the Board of Directors on the recommendation of erstwhile Remuneration Committee, revised the remuneration w.e.f. 1<sup>st</sup> April, 2013 for a period not exceeding three (3) years 31<sup>st</sup> March, 2016 which was also approved by the Members vide their resolution dated 15<sup>th</sup> March, 2014.

Shri M.K. Rao aged about 58 years is B.Tech. (Chemical Engineering) from Andhra University College of Engineering and M.Tech. (Chemical Plant Design) from IIT, Madras. Considering the contributions of Shri Rao in the growth of the Company and his involvement in

the future assignments, the Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Board of Directors at its meeting held on 11<sup>th</sup> February, 2016, has approved the payment of same remuneration (as in view of the financial position of the Company, Shri Rao has volunteered for no increase) to Shri Rao as per the details mentioned in the resolution at Item No. 6 of the notice for a further period of 2 years till 31<sup>st</sup> March, 2018 (i.e. for the remaining period of his tenure) which shall be subject to the approval of the Members of the Company in terms of the provisions of Section 197 and Schedule V of the Act.

Shri Rao does not hold directorship in any other company and does not hold any shares in the Company. He is not related to any other director, manager and other Key Managerial Personnel of the Company. He has attended all meetings of the Board/Committee held during the FY 2015-16.

The information required pursuant to the provisions of Section II of Part II to Schedule V of the Act is as under:

#### **I. GENERAL INFORMATION:**

##### **(i) Nature of Industry**

India Glycols Limited is engaged in the manufacturing and marketing of Chemicals including specialty Chemicals, Ethyl Alcohol (Potable), Nutraceutical and herbal extraction, Natural Gum & its derivatives, Industrial Gases, etc. having a turnover of approx. ₹2,330 crores. The Company has the advantage of producing Chemicals through agro route (green route) while the other manufacturers are manufacturing through Petroleum. The Company has diversified its activities from Mono Ethyl Glycols (MEG) and Ethylene Oxide (EO) derivatives to other specialty chemicals, Ethyl Alcohol (potable), Natural Gums and its derivatives, nutraceuticals and Herbal extractions and Industrial Gases.

India Glycols Limited is a growing industry in the current economic scenario due to inevitable demand of Pharmaceutical & Nutraceutical industries, Food industries, Textile industry, Automobile industry and Potable segment. India Glycols Limited is leading manufacturer of Chemicals including MEG, Ethoxylates and Glycol Ethers through Molasses route, which is most appreciable due to eco-friendly nature in all over world.

##### **(ii) Date of commencement of commercial production**

1<sup>st</sup> January, 1990.

##### **(iii) In case of new companies, expected date of commencement of activities as per project**

**approved by financial institutions appearing in the prospectus.**

Not Applicable

**(iv) Financial Performance based on given indicators**

The relevant financial figures (Audited) for the last 5 years are as under:-

(Amount in ₹ crores)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Paid up share capital	27.88	30.96	30.96	30.96	30.96
Reserves and surplus	454	598	475	424	396
Total Turnover including other income	2633	3347	2914	2601	2329
Profit / (loss) before Depreciation, exceptional item and Tax	234	247	105	22	61
Depreciation and exceptional item	77	82	275	138	113
Profit / (loss) before Tax	157	165	(170)	(116)	(52)
Provision for Tax	52	44	(50)	(55)	(18)
Profit / (loss) after Tax	105	121	(120)	(61)	(34)

**v) Foreign Investments or collaborators, if any:**  
NIL

**II. INFORMATION ABOUT THE APPOINTEE:**

**(a) Background Details**

Shri M.K. Rao aged about 58 years is B.Tech. (Chemical Engineering) from Andhra University College of Engineering and M.Tech (Chemical Plant Design) from IIT, Madras. Shri Rao has an overall experience of over 30 years of Plant operations, maintenance and projects execution. He had joined the Company in the year 1988 as Dy. Manager (Technical Services) and rose to the level of Sr. Vice President and Plant Head in the year 2005. He has led the team of processing engineers in developing engineering packages for various debottlenecking/plant expansions, process improvement schemes and cost effective energy conservation schemes. He is involved in the day to day management of the Manufacturing Plant at Kashipur and various on-going projects with regard to conception, planning and execution thereof and has been

guiding the activities all through.

**(b) Past Remuneration**

- (i) For FY 2013-14: ₹ 64.96 lacs
- (ii) For FY 2014-15: ₹ 64.50 lacs
- (iii) For FY 2015-16: ₹ 65.23 lacs

**(c) Recognition or Awards**

NIL

**(d) Job Profile and his Suitability**

As stated above, Shri M.K. Rao is a Corporate Professional and holds B.Tech. (Chemical Engineering) from Andhra University College of Engineering and M.Tech. (Chemical Plant Design) from IIT, Madras. Shri M.K. Rao is has an overall experience of over 30 years of Plant operations, maintenance and projects execution. Shri Rao had joined the Company in the year 1988 as Dy. Manager (Technical Services) and rose to the level of Sr. Vice President and Plant Head in the year 2005. He was elevated to the position of Executive Director in the year 2008 and is involved in the day to day management of the Manufacturing Plant at Kashipur and various on-going project with regard to conception, planning and execution thereof and has been guiding the activities all through. Shri Rao has lead the team of processing engineers in developing engineering packages for various debottlenecking/plant expansions, process improvement schemes and cost effective energy conservation schemes.

**(e) Remuneration Proposed**

As mentioned in the Resolution proposed at Item No. 6 of the Notice.

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

The prevalent levels of remuneration in manufacturing industries, in general and the industry in particular, are higher. Taking into account the turnover of the Company and responsibilities of Shri M. K. Rao, the proposed remuneration is reasonable and in line with the remuneration levels in the Industry, across the country and befits his position. Also, there is no increase in the Remuneration and is same as was drawn during the previous year.

**(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**

Shri M.K. Rao is not related to anybody in the Promoter Group or any other managerial personnel and has no pecuniary relationship with

the Company other than the remuneration being paid to him.

### III. OTHER INFORMATION:

#### (a) Reasons of loss or inadequacy of Profits

The performance of the Company remained weak on account of lower Monoethylene Glycol (MEG) prices due to reduced crude oil prices. Also, the demand for Guar Gum remained low due to sluggish demand from the major consuming sector which is US shale. The performance was further affected as domestic prices of our feedstock viz. molasses and alcohol, were high on account of poor availability of ethanol and diversion of ethanol towards the implementation of Ethanol Blending with Petrol (EBP) Program of Government of India at an unrealistic and exorbitant price resulting in a sharp increase in the prices of ethanol locally.

#### (b) Steps taken or proposed to be taken for improvement

Under the current challenging business environment, the Company is making all possible efforts to increase the turnover, managing costs, improve productivity, planning and management. Also to diversify the business, exploring new markets and launching new products. In this line, the Company had launched its premium products under the brand name of "V<sub>2</sub>O Vodka" in three flavors viz. Orange, Green Apple and Smooth in Vodka category and Soulmate in Whisky category. The Company has also extended the launch of Beach House Premium XXX Rum. Beach House Premium Rum for supply to Indian Defense forces through CSD has been approved.

#### (c) Expected increase in productivity and profits in measurable terms

The Company expects increase in the turnover in the quantum.

The above may be treated as an abstract and memorandum setting out the terms of contract of appointment of Shri M.K. Rao under Section 190 of the Act.

Accordingly, approval of the Members is sought by way of special resolution for payment of remuneration to Shri M.K. Rao for remaining period of 2 years of his current tenure w.e.f. 1<sup>st</sup> April, 2016.

Copy of relevant documents including the memorandum(s) setting out the terms of remuneration, are open for inspection by the Members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days up to the date of Annual General Meeting and shall also be available at the Meeting.

Except Shri M. K. Rao, none of the Directors / Key Managerial Personnel of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution at Item No. 6 of the Notice.

The Board of Directors recommends the resolution at item No. 6 of this Notice for approval of the Members by way of a *Special Resolution*.

#### ITEM NO. 7

The growth plans of the Company envisage promotion of Green technology based Chemicals and expansion in other areas of operation. These projects will necessitate external infusion of funds at different points of time in the future.

With a view to raise long term finance as well as meeting Company's fund requirements for expansion, capital expenditure, general corporate purposes and for other expenditures as permitted under the prevailing guidelines in this regard, the Company proposes to raise funds through issue of Equity Shares and/or instruments or securities convertible into equity shares of the Company such as Global Depository Receipts and/or American Depository Receipts and/or convertible preference shares and/or convertible debentures or bonds (compulsorily and/or optionally, fully and / or partly), and/or non-convertible debentures with warrants and/or securities with or without detachable / non-detachable warrants and / or warrants with a right exercisable by the warrant-holder to subscribe for equity shares and /or Foreign Currency Convertible Bonds (FCCBs) convertible into equity shares at the option of the Company or the holder(s) thereof, up to an aggregate principal amount of ₹ 250.00 Crores (Rupees Two Hundred Fifty Crores) or its equivalent in any other currency on the terms and conditions as stated in Resolution no. 7 of this Notice.

The above issue would be subject to the approval of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and other authorities concerned, wherever applicable.

The pricing of the equity shares to be issued pursuant to the resolution to be approved at the Meeting upon exercise of the option of conversion of the FCCBs will be in accordance with the prescribed guidelines under Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended as also in accordance with the terms of offering.

These FCCBs may be listed on Stock Exchange(s), abroad, as may be deemed fit by the Board. The equity shares issued and allotted upon exercise of the option available on the FCCBs shall be listed on the Stock Exchanges in India where the Company's securities are listed.

This resolution is proposed as an enabling resolution to authorize the Board of Directors to raise long term

funds as well as meeting Company's fund requirements for expansion, capital expenditure, general corporate purposes and for other expenditures as the Board may decide and as permitted under the prevailing guidelines in this regard. This resolution also gives adequate flexibility in respect of working out the modalities of issue as also to issue FCCBs in such tranches, at such times as the Board may in its absolute discretion deem fit.

Pursuant to the provisions of Sections 41, 42, 62 and 71 of the Companies Act, 2013 read with SEBI Listing Regulations, a Company proposing to issue Securities to persons other than the existing shareholders or the public, is required to obtain the approval of the members by way of a Special Resolution. Since the Securities as mentioned in resolution no. 7 of this notice, may be offered to the persons other than the existing shareholders, it is proposed to obtain the approval of Shareholders by way of a special resolution.

None of the Directors / Key Managerial Personnel of the Company or their respective relatives are in any way,

concerned or interested, financially or otherwise, in the Special Resolution at Item No. 7 of the Notice.

The Board of Directors recommends the resolution at item No. 7 of this Notice for approval of the Members by way of a *Special Resolution*.

**By order of the Board  
For India Glycols Limited**

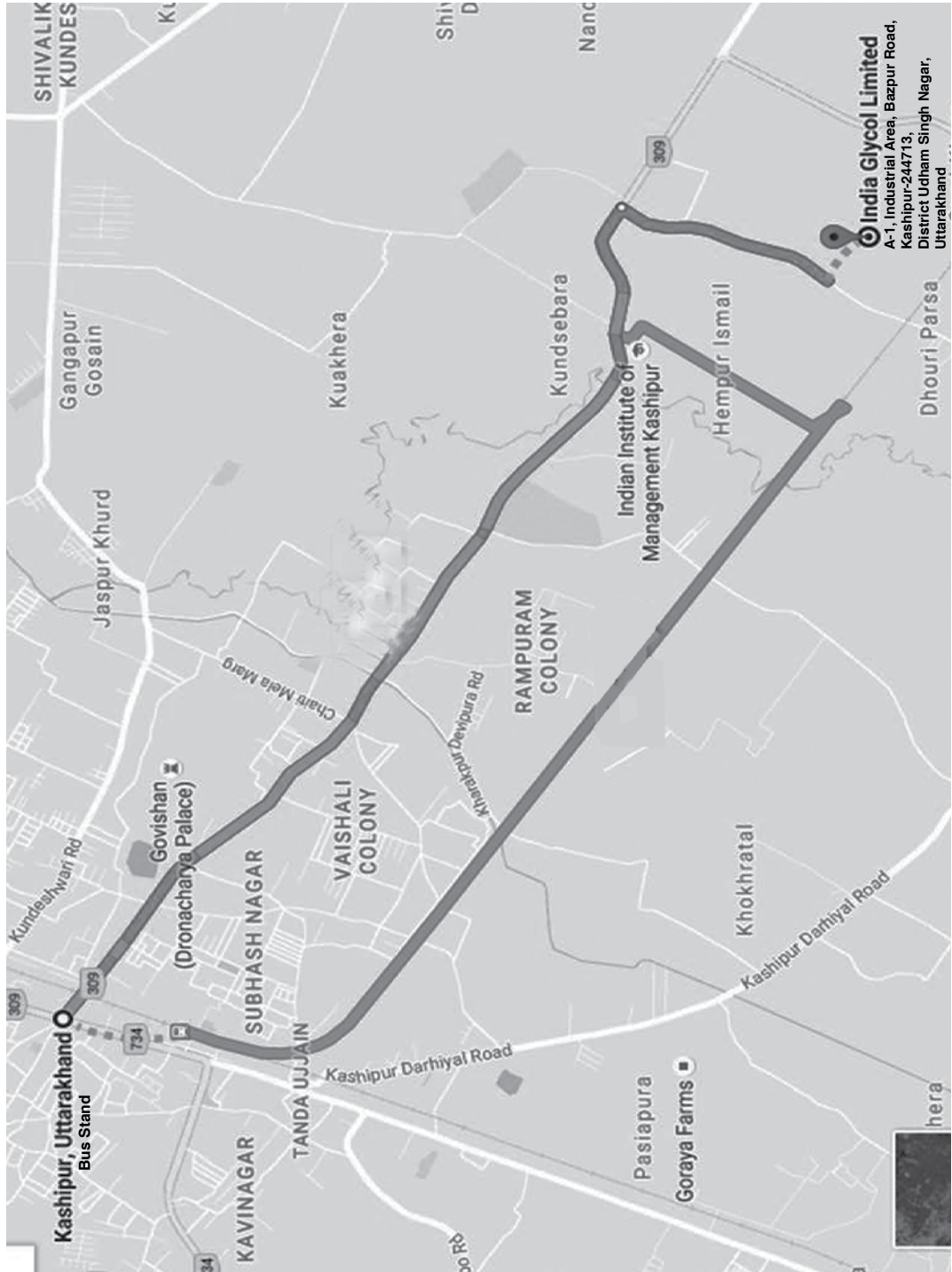
**Ankur Jain  
Company Secretary**

Place : Noida  
Date : 5<sup>th</sup> August, 2016

Registered Office:  
A-1, Industrial Area, Bazpur Road,  
Kashipur-244713, District Udham Singh Nagar,  
Uttarakhand  
CIN: L24111UR1983PLC009097  
Telephone No.: +91-5947-269000, 269500  
Fax: +91-5947-275315, 269535  
Website: [www.indiaglycols.com](http://www.indiaglycols.com)  
e-mail: [iglho@indiaglycols.com](mailto:iglho@indiaglycols.com)



**ROUTE MAP OF 32<sup>nd</sup> AGM VENUE**





# Board's Report

## To The Members

Your Directors are pleased to present the 32<sup>nd</sup> Annual Report on the business and operations of the Company, together with the Audited Financial Statements of your Company for the financial year ended 31<sup>st</sup> March, 2016.

### FINANCIAL RESULTS

(₹ in Crores) (except earning per share)

	Year ended 31.03.2016	Year ended 31.03.2015
Sales and other Income	2329	2601
Earnings before Interest, Taxes, Depreciation and Amortization	194	180
Profit/(Loss) before Depreciation and Amortization, Exceptional Item and Tax	61	23
Exceptional Item (Net)	60	58
Depreciation	53	81
Profit/(Loss) before Tax	(52)	(116)
Provision for Tax	(18)	(55)
Net Profit/(Loss)	(34)	(61)
Earning Per Share (In ₹)	(11.03)	(19.81)

### DIVIDEND

In view of the financial performance of your Company, your Directors have not recommended any dividend for the financial year 2015-16.

### PERFORMANCE REVIEW

During the FY 2015-16 on a standalone basis, your Company recorded a total revenue of ₹ 2,329 Crores as compared to ₹ 2,601 Crores in FY 2014-15, a decrease of about 10.46%. The loss after depreciation, exceptional items and tax for FY 2015-16 was ₹ 34 Crores as compared to loss of ₹ 61 Crores incurred during the FY 2014-15. The performance of the Company remained weak on account of lower Monoethylene Glycol (MEG) prices due to reduced crude oil prices. Also, the demand for Guar Gum remained low due to sluggish demand from the major consuming sector which is US shale. The performance was further affected as domestic prices of our feedstock viz. molasses and alcohol, were high on account of poor availability of ethanol and diversion of ethanol towards the implementation of Ethanol Blending with Petrol (EBP) Program of Government of India at an unrealistic and exorbitant price resulting in a sharp increase in the prices of ethanol locally.

During the year under review, no amount has been transferred to reserves.

Further, during the first quarter ended 30<sup>th</sup> June, 2016, your Company recorded total revenue of ₹ 608 Crores and earned a profit after tax (PAT) of ₹ 7.80 Crores.

### AWARDS AND RECOGNITIONS

Your Company has been awarded the grand gold award for sixth year in a row by Monde Selection Committee, Belgium, for attaining high level of quality for Extra Neutral Alcohol (ENA).

### CHEMICALS

The Company is the largest manufacturer of Bio-Mono Ethylene Glycol (Bio-MEG) in the world made out of renewable feedstock i.e. Molasses and Ethanol. Bio-MEG has an application, inter-alia, in making PET bottles, which is used for packaging of beverage products.

Sales of Glycols [Monoethylene Glycol (MEG), Diethylene Glycol (DEG), Triethylene Glycol (TEG) and Heavy Glycols] have increased from 90,140 MT in FY 2014-15 to 94,268 MT in FY 2015-16. However, due to low international prices of the Glycols, the sales value decreased from ₹706 Crores to ₹ 700 Crores, respectively.

Sales under Ethylene Oxide Derivatives (EOD) business decreased to 95,000 MT in FY 2015-16 from 99,034 MT during previous year and resultantly, the sales value also decreased from ₹ 1,109 Crores to ₹ 974 Crores, respectively. Sales were adversely affected due to steep drop in realizations as well as slowdown in key consuming markets like China.

During the year, your Company produced 96,245 MT of Glycols compared to 93,029 MT last year. Ethylene Oxide Derivatives (EODs) production has been 1,08,528 MT compared to 1,36,837 MT last year.

### EXPORTS

During the year under review, your Company has achieved total export sales value of ₹ 873 Crores as compared to ₹1030 Crores during last year. The decline in exports can be attributed to decline in sales of Glycol Ether & Acetates in view of steep drop in realisations and slowdown in key markets like China. Your Company hopes to achieve reasonable growth in the overall export sales in the current year though the market conditions remain extremely challenging. Company has been granted 'One Star Export House' status by Government of India.

### ETHYL ALCOHOL (POTABLE) & EXTRA NEUTRAL ALCOHOL

During the year, your Company registered total sales value of ₹ 1150 Crores as compared to ₹ 691 Crores last year in the Ethyl Alcohol (Potable) division. During the year, thrust was given on the export of high quality Extra Neutral Alcohol (ENA) and the Company has gained the position of premium quality ENA suppliers in the international markets.

Your Company has a tie-up with Bacardi for bottling of their products at our Kashipur bottling unit and Bacardi has also started the bottling of more brands at our bottling facility at Kashipur.

Your Company is having license for operations in and sale of Country Liquor and Indian Made Foreign Liquor (IMFL) in the States of Uttar Pradesh and Uttarakhand. Company had launched its premium products under the brand name of "V<sub>2</sub>O Vodka" in three flavors viz. Orange, Green Apple and Smooth in Vodka category and Soulmate in Whisky category. We have also extended the launch of Beach House Premium XXX Rum. Beach House Premium Rum for supply to Indian Defense forces through CSD has been approved.

### **ENNATURE BIO-PHARMA DIVISION (100% EXPORT ORIENTED UNDERTAKING)**

Your Company has a 100% Export Oriented Unit (100% EOU) by the name of Ennature Bio-pharma division. The unit had established Supercritical Fluid Extraction- CO<sub>2</sub> and solvent extraction facility at Dehradun. The unit is Current Good Manufacturing Practices (CGMP), ISO 9001, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Kosher and Halal certified. The R&D center at Ennature Bio-Pharma plant at Dehradun is working vigorously on the process of stabilizing and developing various Phytopharmaceutical and Nutraceutical products for the developed markets.

The Company has become a qualified supplier to many large conglomerates worldwide for natural colors, nutraceuticals, health supplements and plant based Active Pharmaceutical Ingredients (APIs). Company has established its name as a quality manufacturer and supplier with stringent Quality Control (QC) and Quality Assurance (QA) controls in place.

During the year 2015-16, as a result of taking several initiatives for improving functioning of the division, sales value of Ennature Bio-Pharma division increased to ₹ 79 Crores as compared to ₹ 68 Crores of last year registering a growth of over 16%. Both domestic & exports sales have increased and existing products sales have increased with increase in the customer base and more usage from the old customers.

Your Company has developed process for manufacturing Vinpocetine from tabersonine. The R&D pilot sample has been approved by prospective buyers. The technology demonstration for commercial production has been done successfully. Process for manufacturing Curcumin involving green solvent ethanol has been developed and technology transfer has been carried for commercial production.

Your Company is working towards creating value for its generic products by branding, repositioning & generating technical backup with the help of professional institutes.

### **INDUSTRIAL GASES**

During the year under review, the Company produced 21,235 MT of Oxygen and 1,074 MT of Nitrogen. Both Oxygen and Nitrogen were sold in the market and also used for in house requirement. In addition, Argon of 3,100 MT was also produced and its sales were 3,096 MT.

Industrial Gas Division also produced Beverage and Industrial Grade Liquid Carbon Di-oxide (LCO<sub>2</sub>) at Kashipur. During the year, your Company has produced 27,095 MT of LCO<sub>2</sub> and its sale was 27,474 MT.

Your Company also produced ETO (Ethylene Oxide & Carbon Dioxide Gas Mixtures) under the trade name IGL-STERI GAS at its Kashipur Plant. It is suitable for sterilization of Disposable Surgical & Medical Devices, spices and packing substances like rubber plastic etc. The Company has in house facility for production of EO and LCO<sub>2</sub> which are also used in production of ETO and as such it is the only plant in India to have such manufacturing facility, which gives us a distinct edge over other suppliers in the market. During the year under review, the Company has sold 928 MT of Steri Gas as compared to 913 MT in the last year.

Further, the Industrial Gases segment registered total sales of all gases of ₹ 38 Crores which was same during the last year.

### **BIOMASS**

India's first multi-feedstock continuous flow plant is under trials at Company's Kashipur site with capacity of 10 ton per day biomass processing. This plant is based on the technology developed by the DBT-ICT Centre for Energy Biosciences at the Institute of Chemical Technology, Mumbai with the support of the Department of Biotechnology, Ministry of Science and Technology.

This Technology is a novel indigenous technology designed for handling all types of agricultural residues like Bagasse, Rice Straw, Wheat Straw, Bamboo, Cotton Stalk, Corn Stover, Wood chips etc. with optimum product yields. The technology and the plant is projected to be capable of converting any biomass feedstock to alcohol in less than 24 hours.

### **FUTURE OUTLOOK OR EXPANSION / MODERNISATION / DIVERSIFICATION PLANS**

Your Company is continuously looking for growth opportunities and to reduce its cost of production.

Further, the Company, as part of long term strategy, is shifting from commodity to niche markets and speciality products and would divert Ethylene Oxide (EO) molecule for Bio-MEG and EO Derivative/ Speciality products which will give us better returns. The Company is promoting Glycols as Bio/ Green MEG to potential customers interested in meeting their objective of using environment friendly chemicals made from natural renewable resources. The Company has converted this concept into a good business opportunity which will gradually enable full capacity utilization with better realization. Moreover, the niche markets of Bio-MEG in the packaged water, automobile, personal care and cosmetics are going to give the Company better margins.

Further, as a part of expansion of Ethoxylates, the Company has initiated promotion of Bio-Ethoxylates in

the international market which is gaining acceptability and can be good opportunity for better realization in the niche market segments. Also, efforts have been made to widen the product portfolio (Natural Health Products) for green supercritical fluid extraction technology with value addition and business growth.

The enrichment of Marigold Lutein ester extracted by solvent for preparation of lutein was developed. New proprietary formula of Charatin-KLA from SCF-CO<sub>2</sub> extracted Momordica Charantia and its polypeptide was developed. The efficacy of same is being evaluated to contain sugar level in diabetic patients. The Company has further developed a process for manufacturing Curcumin involving green solvent ethanol and also the process for manufacturing Vinpocetine from Tabersonine.

#### FINANCE

During the year under review, your Company has raised term loans of ₹ 29 Crores. Further, your Company has raised USD 114 million (₹ 726.42 Crores) through long term export advances for a period of 10 years in terms of Reserve Bank of India (RBI) guidelines. Out of the proceeds, the Company has pre-paid the term loan of ₹ 553 Crores and ₹ 170 Crores has been deployed towards reduction in working capital limits. The Company has also paid term loans of ₹ 91 Crores during the year.

The Company has been regular in meeting its obligations towards payment of principal/interest to Financial Institutions/Banks. Details of the Loans, Guarantees and Investments etc. covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the standalone financial statements which forms part of the Annual Report.

The Company had discontinued its fixed deposits scheme in the FY 2009-10 and has not accepted any fresh deposits covered under Chapter V of the Companies Act, 2013 during the year. There are no overdue deposits except unclaimed deposits amounting to ₹ 1.32 lacs. During the year, unclaimed deposit of ₹ 1.27 lacs was transferred to Investor Education and Protection Fund (IEPF).

#### INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company periodically discusses and reviews at its Audit Committee and with its auditors the effectiveness of the internal financial control measures implemented by the Company including with reference to the Financial Statements of the Company.

The Company has a proper and adequate system of internal financial controls which includes the policies and procedures 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.

#### LISTING OF SECURITIES

The shares of the Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The annual listing fees for the year 2016-17 has been paid in advance to the Stock Exchanges. Pursuant to the SEBI Listing Regulations, the Company has entered into Listing Agreement in the newly prescribed format with the Stock Exchanges.

#### SUBSIDIARY COMPANIES AND JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS

As on 31<sup>st</sup> March, 2015, the Company had Five (5) subsidiaries and One (1) joint venture company. Further, during the year under review, One (1) subsidiary namely, IGL Infrastructure Private Limited ceased to be subsidiary w.e.f. 14<sup>th</sup> September, 2015. A brief of each of them is given below:

##### Shakumbari Sugar and Allied Industries Limited

The Company operates a sugar manufacturing plant in the state of Uttar Pradesh through its subsidiary Company Shakumbari Sugar and Allied Industries Ltd. (SSAIL) with a crushing capacity of 7,500 tons crushed per day (TCD) alongwith a modern distillery of 65 KL per day (KLPD) producing high quality rectified spirit and an internal bagasse fired co-generation plant of 11 MW catering to the captive power needs of the sugar and distillery units.

The net worth of SSAIL has been completely eroded due to accumulated losses and therefore, SSAIL has been declared a Sick Industrial Company under the provisions of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) after obtaining necessary consents from its secured lenders including Central Bank of India, IDBI Bank Ltd., Axis Bank etc. IDBI Bank Ltd. being the Operating Agency has prepared and submitted the draft revival scheme for SSAIL and the final order of the BIFR on revival of SSAIL is awaited. During the year, no operations at the sugar manufacturing plant were carried out due to mounting debt burden of the Company, lack of adequate working capital and the uneconomical sugar scenario in the State of Uttar Pradesh. During the year ended 31<sup>st</sup> March, 2016, SSAIL has suffered a loss of ₹ 10.24 Crores.

##### IGL Finance Limited

IGL Finance Ltd. (IGLFL) is a 100% subsidiary of the Company. IGLFL had invested funds in short term commodity financing contracts of the National Spot Exchange Ltd. (NSEL). Even though NSEL has defaulted in settling the contracts on due dates, IGLFL is confident of recovery of its dues from NSEL over a period of time in view of the action taken by the Government and other investigating agencies. IGLFL has so far recovered ₹ 1031 lacs from NSEL. During the year ended 31<sup>st</sup> March, 2016, IGLFL has suffered a loss of ₹ 1.14 lacs.

### **IGL Chem International Pte. Ltd.**

IGL Chem International Pte. Ltd. is a 100% subsidiary of the Company in Singapore to augment its activities in South Eastern region and help the marketing of products from Chemical Plant, Natural Gums Plant and Supercritical Fluid Extraction facility to large buyers in US, Europe and South East Asia. During the year ended 31<sup>st</sup> March, 2016, IGL Chem International Pte. Ltd. has suffered a loss of ₹11.50 lacs.

### **IGL Chem International USA LLC**

Your Company has also set up a 100% subsidiary company in USA named as IGL Chem International USA LLC with the main objective of marketing of the Company's products and related activities in the American and Latin American regions. During the year ended 31<sup>st</sup> March, 2016, IGL Chem International Pte. Ltd. has suffered a loss of ₹ 232.05 lacs.

### **IGL Infrastructure Private Limited**

IGL Infrastructure Pvt. Ltd. was incorporated on 13<sup>th</sup> October, 2014, as a 100% subsidiary company, with the objectives of acquiring land, estates, buildings, tenements and other property of every description whether freehold or leasehold or other tenure by purchase, lease, exchange, hire or otherwise. During the year under review, the Company sold whole of its investment in IGL Infrastructure Pvt. Ltd. at a value determined by an independent valuer in order to bring down the debt and improve the liquidity position of the Company. Thereafter, IGL Infrastructure Pvt. Ltd. ceased to be a subsidiary of India Glycols Limited w.e.f. 14<sup>th</sup> September, 2015.

### **Kashipur Infrastructure and Freight Terminal Private Limited**

Your Company has a Joint Venture with Apollo Logisolutions Limited ("ALS") under the name Kashipur Infrastructure and Freight Terminal Private Limited (KIFTL) through which a Private Freight Terminal (PFT) and Inland Container Depot (ICD) have been set up for providing railway based logistic services and other facilities at Bazpur Road, Kashipur, Uttarakhand, as provided under extant guidelines of the Indian Railways.

ALS is engaged in the business of offering complete and comprehensive services relating to container freight station, transportation of containers, cargo handling and has the requisite technical expertise to operate and manage inland container depot. The Company holds 48.90% of the share capital of KIFTL while 51.10% of the share capital is held by ALS.

KIFTL will develop, manage and operate Private Freight Terminal (PFT) and Inland Container Depot (ICD) at Kashipur, Uttarakhand. The facility is expected to be operational by Q2 of this financial year.

The facility shall provide multi-modal logistics solutions to our Company and external customers and enhance its service delivery capacity. With the commissioning of this facility, logistics movement for both inbound and outbound

cargo would become more dependable, reliable and economical, would also ensure on-time delivery of goods and enable better inventory management.

The consolidated financial statements of the Company and its subsidiaries, joint venture, prepared in accordance with the applicable accounting standards, issued by the Institute of Chartered Accountants of India (ICAI), forms part of this Annual Report. Pursuant to the provisions of Section 136 of the Act, financial statements of the subsidiary companies are not required to be sent to the members of the Company. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary/associate to any member of the Company if so desired and said annual accounts will also be kept open for inspection at the registered office of the Company. Further, the audited annual account of the subsidiary companies are also available on the website of the Company viz. [www.indiaglycols.com](http://www.indiaglycols.com).

A separate statement containing salient features of the financial statements of subsidiaries Joint venture under first proviso to sub-section (3) of section 129 in Form AOC-1 forms part of the financial statements.

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

During the year under review, as advised by the State Bank of India (SBI), a lender, your Board of Directors approved the appointment of Shri Ashwini Kumar Sharma (DIN: 00157371) on the Board of the Company as Nominee Director of SBI w.e.f. 1<sup>st</sup> September, 2015 for a period of 2 years till 31<sup>st</sup> August, 2017.

Further, Shri Ramesh Chandra Misra, veteran Board member and Chairman of the Audit Committee of the Board of Directors left for his heavenly abode on 28<sup>th</sup> April, 2016. He was the member of the Board since 24<sup>th</sup> November, 1987. The Board expresses its sincere gratitude to Late Shri Ramesh Chandra Misra for his valuable contribution to the deliberations in the Board and Committee meetings.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 11<sup>th</sup> February, 2016, approved the re-appointment of Shri U.S. Bhartia (DIN: 00063091) as Chairman and Managing Director of the Company for a further period of five (5) years w.e.f 1<sup>st</sup> April, 2016 upto 31<sup>st</sup> March, 2021 along with proposed remuneration, subject to the approval of the Shareholders of the Company in ensuing Annual General Meeting.

Shri M.K. Rao (DIN: 02168280), Executive Director of the Company is retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend the re-appointment of Shri M.K. Rao, the retiring Director, for your approval.

Brief resume of the Directors seeking appointment and re-appointment along with their other details as stipulated under Regulation 36 of SEBI (Listing Obligations and



Disclosure Requirements) Regulation, 2015, are provided in the Notice for convening Annual General Meeting and Corporate Governance Report.

All the Independent Directors have furnished declarations that they fulfill the criteria of Independence as prescribed under Section 149(6) of the Act.

During the Financial Year 2015-16, Four (4) Board Meetings were held. The details of the Board Meetings and the attendance of the Directors thereat are provided in the Corporate Governance Report and forms part of this report.

Further, during the year under review, Shri Lalit Kumar Sharma resigned as Company Secretary/KMP with effect from 31<sup>st</sup> May, 2015 and was superseded by Shri Kapil Bhalla with effect from 24<sup>th</sup> June, 2015 who resigned with effect from 15<sup>th</sup> April, 2016. Thereafter, Shri Ankur Jain joined as Company Secretary and Compliance Officer/KMP with effect from 1<sup>st</sup> July, 2016.

#### **BOARD EVALUATION**

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of Board Committees. The evaluation was carried out based on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and all stakeholders etc.

The performance evaluation of the Independent Directors was done by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman, Board as a whole and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

#### **NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration Policy containing guiding principles for payment of remuneration to Directors, Senior Management and Key Managerial Personnel along with Board evaluation criteria are provided in the Corporate Governance Report and forms part of this Report.

#### **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee where any grievance of sexual harassment at workplace can be reported. No complaint pertaining to sexual harassment at workplace has been reported to the Committee during the financial year ended 31<sup>st</sup> March, 2016.

The Company has also adopted policy on prevention of Sexual Harassment at workplace. The objective of the policy is to provide its women employees, a workplace,

free from harassment/discrimination and that every employee is treated with dignity and respect. The said policy is available on the website of the Company i.e. [www.indiaglycols.com](http://www.indiaglycols.com) under link: <http://www.indiaglycols.com/investors/downloads/policy-for-prevention-and-redressal-of-sexual-harrasment-of-women-at-workplace.pdf>.

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

In terms of provisions of Section 177 of the Companies Act, 2013 read with Rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Listing Agreement with Stock Exchanges), the Company has established a Vigil Mechanism / Whistle Blower Policy to deal with the instances of fraud and mismanagement.

The details of the Vigil Mechanism/ Whistle Blower Policy are provided in the Corporate Governance Report and also hosted on the website of the Company (<http://www.indiaglycols.com/investors/downloads/vigil-mechanism-policy.pdf>).

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they have 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 as at 31<sup>st</sup> March, 2016 and the profit and loss of the company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report as required under SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (erstwhile Listing Agreement with Stock Exchanges) forms part of this Report.

### **CORPORATE GOVERNANCE**

The Corporate Governance Report, as stipulated under Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 of the Listing Agreement), forms part of this Report.

The requisite certificate from the Statutory Auditors of the Company, M/s Lodha & Co., Chartered Accountants, confirming compliance with the conditions of corporate governance as stipulated under the aforesaid provisions is attached to Corporate Governance Report.

### **STATUTORY AUDITORS & AUDIT REPORT**

#### **Statutory Auditors**

The Auditors, M/s. Lodha & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and offer themselves for re-appointment. The Board recommends the appointment of M/s Lodha & Co., as the Statutory Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. M/s. Lodha & Co., Chartered Accountants, have confirmed that they are eligible under Section 139 and Section 141 of the Companies Act, 2013 and Rules framed thereunder for appointment as Auditors of the Company. The Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

#### **Auditor's Report**

The Auditors in their Audit Report on the standalone financial statements have invited the attention of the Shareholders towards non-provisioning against (i) diminution in the value of investment in its Subsidiary Company, Shakumbhari Sugar and Allied Industries Limited (SSAIL) amounting to ₹ 54.28 Crores, and (ii) Inter Corporate Deposits and advances amounting to ₹103.69 Crores. The Auditors in their Audit Report on the standalone and consolidated financial statements have also invited the attention of the Shareholders towards Corporate Guarantee extended by the Company amounting to ₹108.45 Crores on behalf of SSAIL against outstanding amount of Financial Institutions and Banks. The Company has already provided its clarification as contained in note no. 33(A) of the standalone financial statements i.e. considering the intrinsic value of the investee assets, long term nature of investment and filing of TEV (Technical Evaluation Study) report, and revival scheme by the Operating Agency (OA) i.e. IDBI Bank Ltd. so appointed as directed by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), no provision at this stage is considered necessary by the management against investments made in above stated subsidiary namely SSAIL. Also, as contained in note no 33 (A) of the standalone financial statement read with note no. 34 of the consolidated financial statement, Central

Bank of India (CBOI) vide its letter dated 28<sup>th</sup> May, 2014 had issued a notice under Section 13(2) of SARFAESI Act, 2002 to SSAIL and the Company. The said notice was replied by SSAIL and the Company challenging the legality of issuance of such notices. CBOI, thereafter, on 11<sup>th</sup> September, 2014 had issued another notice under Section 13(4) of SARFAESI on SSAIL and the Company, which has been challenged at DRT, Lucknow. As per the legal opinion, the notice issued by the CBOI is not valid since SSAIL is registered with BIFR as sick industrial Company. Meanwhile, BIFR vide its order dated 24<sup>th</sup> September, 2015 has rejected the appeal of CBOI for seeking recovery certificate. Against the said order of BIFR, CBOI has filed an appeal before Appellate Authority for Industrial and Financial Reconstruction (AAIFR) which is pending. Accordingly, the Company is confident that amount is considered good and fully recoverable and no provision there against & also against Corporate Guarantee extended by the Company on behalf of SSAIL is considered necessary by the management.

The Auditors in their report on standalone financial statements have also invited the attention of the Shareholders towards non-provisioning by the Company against total exposure amounting to ₹ 147.75 Crores in its 100% subsidiary Company IGL Finance Limited (IGLFL) and towards the non-provisioning of ₹ 144.44 Crores in its report on consolidated financial statements. The Company has also provided its clarification as contained in Note no. 33 (B) of the standalone financial statements and Note no. 32 of the consolidated financial statements i.e. the Company has total exposure of ₹ 147.75 Crores (including Investment in capital of ₹ 1.25 Crores) in IGLFL. IGLFL in earlier year had invested funds for short term in commodity financing contracts offered by National Spot Exchange Ltd. (NSEL). NSEL had defaulted in settling the contracts on due dates, for which IGLFL has initiated legal and other action and in turn IGLFL did not pay due amount to the Company. Accordingly, considering the prudence, no interest on above ICD has been accrued for the period from 1<sup>st</sup> September, 2013 onwards. Further considering the arrangement of merger of NSEL with Financial Technologies (India) Limited (FTIL) and other measure which have so far been taken for and pending before the Government and other authorities, the management and IGLFL is confident for recovery of dues from NSEL over a period of time. Considering above no provision has been considered necessary at this stage against total exposure in IGLFL of ₹ 147.75 Crores (including Investment in capital of ₹1.25 Crores) and the same is considered good and fully recoverable by the management.

Further, the Auditors in their report on standalone financial statements have also invited the attention of the Shareholders regarding letters received by the Company dated 30<sup>th</sup> October, 2014 and 5<sup>th</sup> May, 2015 from National Stock Exchange of India Ltd. (NSE), wherein the Company has been advised to reinstate its financial statement



w.r.t. qualification raised for the years FY 2012-13 by the statutory auditor on investments and loans to SSAIL and suitably rectify the qualification raised for the year FY 2013-14 by the statutory auditor w.r.t. investment and loan to IGLFL respectively. Based on the legal advice, the Company has made submissions before the SEBI/NSE and provided clarification on the same (note no 33 (C)). Thereafter, no further communication has been received by the Company in the matter.

The Auditors in their report on the consolidated financial statements have invited the attention of the Shareholders towards the non-provisioning of interest amounting to ₹ 20.80 Crores (excluding penal interest, charges etc. amount unascertained) and pending confirmation of secured loans, related with a subsidiary company i.e. SSAIL. Also, preparation of financial statements of SSAIL on going concern basis. The Company has also provided its clarification as contained in Note no. 47(b) (iii) of the consolidated financial statements i.e. Interest on borrowings (which has been categorised as NPA) from Bank ₹ 20.80 Crore (including previous year ₹ 9.78 Crores) has not been provided as rehabilitation scheme with Operating Agency (OA) are in process. The Company has also provided its clarification as contained in Note no. 47(a) of the consolidated financial statements i.e. SSAIL had been incurring cash losses due to which its net worth has been completely eroded and its current liabilities are far in excess of its current assets. Accordingly, in the Year 2012-13, SSAIL had filed application with the Board for Industrial and Financial Reconstruction (BIFR). The BIFR vide its order dated 4<sup>th</sup> April, 2013 has declared SSAIL as a sick industrial company in terms of Sec 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985. Further, BIFR has appointed IDBI as the Operating Agency (OA) with directions to prepare a revival scheme for SSAIL and also SSAIL has filed draft rehabilitation scheme with BIFR in the year 2013-14. Further, SSAIL is looking and evaluating other business opportunities, considering this and continuous support from the holding company, the management considers it appropriate to prepare these financial statements of SSAIL on Going Concern basis despite the negative net worth on the balance sheet date.

The Auditors in their report on the consolidated financial statements have further invited the attention of the Shareholders towards non provision against impairment loss on the fixed assets of the subsidiary company i.e. SSAIL. The Company has also provided its clarification as contained in Note no. 44 i.e. in accordance with the Accounting Standard (AS-28) on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, in view of the management with respect to SSAIL, no impairment loss on its Fixed Assets (including Capital Work in Progress and Capital Advance) is considered necessary at this stage, as its expected recoverable value is more than its carrying value.

## **SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

The Board appointed Ms. Sushma Chhabra, Practicing Company Secretary (Registration No. 15832) as Secretarial Auditor for the Financial Year 2015-16 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2016 was considered by the Board in its meeting held on 26<sup>th</sup> May, 2016 and is enclosed as "Annexure A" to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

## **COST AUDITORS**

Company has appointed M/s R.J. Goel & Co., Cost Accountants (FRN 000026) as Cost Auditors of the Company for the financial year 2016-17 under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 including amendments, if any. Cost Auditors have confirmed that they are eligible under Section 141 (3) of the Companies Act, 2013 for re-appointment.

The Cost Auditors' Report for the year 2014-15 was filed with Central Government within the prescribed time.

## **RELATED PARTY TRANSACTIONS**

During the FY 2015-16, Related Party transactions as defined under Section 188 of the Act read with rules made thereunder and the SEBI listing Regulations, were at arm's length and in ordinary course of business. Your Company has in place a Related Party Transactions Policy.

During the year under review, your Company did not enter into any Related Party Transaction which may be considered material in terms of Section 188 of the Act read with rules made thereunder and thus disclosure in Form AOC-2 is not required to be made by the Company. The disclosures pertaining to related party transactions in compliance with the applicable Accounting Standards have been given in Note no. 45 of the standalone financial statements forming part of the Annual Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

Your Company is working actively on various projects efficiently, approaching and targeting towards Clean Development Mechanism (CDM) and reduction in Green House Gases (GHG) emissions.

The Company has installed unique technology for converting distillery spent wash into fuel at both the plants viz. Kashipur and Gorakhpur. Through this technology, the spent wash is concentrated through five effect evaporator. The concentrate is utilized as fuel to substitute coal in a specifically designed boiler. The high pressure steam so generated is passed through the turbine for power generation and low pressure steam after turbine is utilized

in the plant for operation. Due to this your Company is saving fossil fuel in terms of coal and substituting the essential power generation through DG sets.

The Biomass based Cogeneration Project activity taken up by the Company at its Gorakhpur, U.P. plant is successfully registered under Clean Development Mechanism (CDM) project by United Nations Framework Convention on Climate Change (UNFCCC) for ten year fixed crediting period 16<sup>th</sup> December, 2010 to 15<sup>th</sup> December, 2020. Under the Clean Development Mechanism, emission-reduction (or emission removal) projects in developing countries can earn certified emission reduction credits.

Your Company has received certification of Energy Management System (ISO 50001:2011) under integrated management system.

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 is given at “**Annexure B**” to this report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility (CSR) is a way of conducting business by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the Company's operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.

As the Company has incurred losses during the last 3 financial years, accordingly, in terms of the provisions of Section 135 of the Act, the Company was not required to spend any amount towards CSR activities during the financial year 2015-16. However, keeping in view its social responsibility commitments, the Company has voluntarily contributed to the CSR activities during the financial year ended 31<sup>st</sup> March, 2016 amounting to ₹ 5.57 lacs.

In accordance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on Corporate Social Responsibility activities is enclosed at “**Annexure C**” to this Report.

#### **RISK MANAGEMENT POLICY**

The Company has constituted a Risk Management Committee to monitor the Risk Management Plan and to mitigate the risks attached to the business of the Company. The Risk Management Committee consists of Directors and the senior management personnel of the Company, details whereof are provided in the Corporate Governance Report and forms part of this Report.

Your Company's objective of risk management is to have a meaningful identification, measurement, prioritization of

risks or exposures to potential losses on a continual basis through active participation of all members of the Company and accordingly establish controls and procedures to build a visible & structured enterprise-wide risk management framework; reduce the risk levels and mitigate their effects in the likelihood of a risk event with an aim to protect our company from harm; and have a contingency plan to manage risks having high probability and high impact.

Risk management framework is created to ensure that risk management principles are implemented and integrated all over the organization and that information retrieved from the risk management process are correctly reported. This framework provides a stable foundation for the risk management work, orient the organizational arrangements properly in order to have a clear risk strategy across the organization & share information, experiences amongst different sites of the Company.

Considering the importance of keeping the risk management process dynamic, a quarterly review of the risks will be carried out across sites and departments for necessary key risks and risk management strategies are to be communicated to the Board of Directors for their assessment for minimization of effects of risk.

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

The extract of the Annual Return in form MGT-9 is enclosed at “**Annexure D**” to this Report.

#### **COURT/TRIBUNAL ORDERS**

During the period under review, there were no significant material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

#### **PARTICULARS OF EMPLOYEES**

The required information as per Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given at “**Annexure E**” to this Report.

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation to employees at all levels for their dedication and commitment. Your Directors would also like to express their sincere appreciation for the continued support and co-operation by the Central Government, the State Governments of Uttarakhand and Uttar Pradesh, other governmental authorities, Banks, vendors and other business associates and look forward to their continued support in the future.

**For and on behalf of the Board**

Place : Noida

Dated : 5<sup>th</sup> August, 2016

**U.S. Bhartia**

*Chairman and Managing Director*

DIN: 00063091

**Annexure A**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED  
31<sup>ST</sup> MARCH, 2016

To,  
The Members,

**India Glycols Limited**  
**CIN: L24111UR1983PLC009097**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by India Glycols Limited (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2016, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by India Glycols Limited for the financial year ended 31<sup>st</sup> March, 2016 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 are not applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14<sup>th</sup> May, 2015) and Securities and Exchange Board of India (Prohibition of Insider

Trading) Regulations, 2015 (effective 15<sup>th</sup> May, 2015);

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the Company has not issued any shares during the year under review;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28<sup>th</sup> October, 2014) – Not applicable as the Company has not issued any shares/ options to directors/ employees under the said guidelines/ regulations during the year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company has not issued any debt securities which were listed during the year under review;
  - (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 as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted/ propose to delist its equity shares from any Stock Exchange during the year under review; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – not applicable as the Company has bought back or propose to buy-back any of its securities during the year under review.
  - (vi) The management has confirmed that other laws applicable to the Company are being complied with.
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1<sup>st</sup> July, 2015; and
  - (ii) The Listing Agreement entered into by the Company with the National Stock Exchange of India Ltd. and the BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1<sup>st</sup> December, 2015).
- We further report that:

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We 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.

Sushma Chhabra  
Practising Company Secretary  
Place: New Delhi FCS No.: 2460  
Date: 24<sup>th</sup> May, 2016 C. P. No.:15832

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

#### **ANNEXURE- A TO THE SECRETARIAL AUDIT REPORT**

To,  
The Members,  
**India Glycols Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : New Delhi  
Date : 24<sup>th</sup> May, 2016

Sushma Chhabra  
Practising Company Secretary  
FCS No.: 2460  
C. P. No.:15832

**Annexure B**
**PARTICULARS AS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 AND THE COMPANIES (ACCOUNTS) RULES, 2014.**
**(A) CONSERVATION OF ENERGY**
**(a) Step taken or impact on Conservation of Energy**

1. Energy Audit of the thermal system done by Forbes Marshall.
2. Utilization of process dehydration stream instead of steam in T-410s and T-510s resulting in LP steam saving.
3. Utilization of MP steam instead of HP steam in E-3610 resulting in increased power generation from back pressure steam turbine.
4. Replacement of MP steam with LP steam in E-1410 resulting in increased power generation from back pressure steam turbine.
5. Preheating of MEG Evaporator reflux with MEG side draw product resulting in MP steam saving.
6. Installation of Flash steam recovery from steam Boiler drums blow down Phase -2-three Boilers resulting in LP steam saving.
7. Installation of LED lighting in place of conventional HVSV/HVMV lighting system (1st Phase in street lighting) resulting in energy savings.
8. Utilization of Distillery plant- spent lees & drain water of vacuum pumps in our distillation process, resulting saving in term of steam savings.

**(b) Steps taken by the Company for utilizing alternate sources of energy:**

1. Utilization of slops for steam generation.
2. Solar lights installed.

**(c) Capital Investment on energy conservation equipments:**

During the year, the Company invested ₹ 727.35 lacs in energy conservation equipments.

**(B) TECHNOLOGY ABSORPTION-**
**(a) The efforts made towards technology absorption:**

Sugar based GREEN surfactants.

**(b) Benefits derived like product improvement , cost reduction, product development or import substitution**

1. Safe and Ecofriendly Surfactants, Cost Reduction through alternative RMs and Process Optimization.
2. Developed GREEN PEG's for the Construction Industry.
3. Developed New Generation Surfactants for Fabric and Hard Surface Cleaning.
4. Products for continuous dyeing range (CDR) based on GREEN CHEMISTRY.
5. Products for Sulphur indigo dyeing.
6. Co-Polymer Additive for Pre- treatment and dyeing.
7. Cost effective Deinking chemicals for paper.
8. Surfactants for Capsule Suspension- Controlled Release Applications.
9. New cost effective Combination for Herbicide.

**(c) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):**

- |  |     |
|--|-----|
| (a) Details of technology imported   | Nil |
| (b) Year of import   | Nil |
| (c) Whether the technology been fully absorbed   | NA  |
| (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof. | NA  |

**(d) Expenditure incurred on Research and Development-**

Sl. No.	Division/Place/Plant for which incurred	Nature of Expenses (₹ In lacs)	
		Capital	Recurring
1.	Chemical, Kashipur	1084.08	795.86
2	Ennature Bio Pharma, Dehradun	17.68	138.71
	<b>Total</b>	<b>1101.76</b>	<b>934.57</b>

**(C) Foreign Exchange Earning and Outgo:**
**(₹ In lacs)**

Sl. No.	Particulars	2015-16	2014-15
1.	Foreign Exchange earnings	81,575.12	96,151.79
2.	Foreign Exchange outgo	72,291.04	76,187.49

**For and on behalf of the Board**
**U.S. Bhartia**
*Chairman and Managing Director*

DIN: 00063091

Place : Noida

Dated : 5<sup>th</sup> August, 2016



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**  
**for the financial year ended 31<sup>st</sup> March 2016**

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

Corporate Social Responsibility (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the company's operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.

The CSR Policy of the Company is posted on the website of the Company ([www.indiaglycols.com](http://www.indiaglycols.com)).

**Weblink:**<http://www.indiaglycols.com/investors/downloads/csr-policy.pdf>

**2. The composition of the CSR committee:**

The CSR Committee of the Company comprises of the following members:

- a) Shri U.S. Bhartia, Chairman
- b) Shri R.C. Misra, Member, Independent Director\*
- c) Shri Pradip Kumar Khaitan, Member, Independent Director
- d) Shri M. K. Rao, Member, Executive Director

\*demised 28<sup>th</sup> April, 2016

**3. Average net profit/loss of the company for last three financial years:**

The average net loss of the Company for the preceding three financial years was ₹ 1488.44 lacs.

**4. Prescribed CSR expenditure (2% of the amount as in item no. 3 above) :** Nil

**5. Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year: Nil

(b) Amount unspent, if any: NA

**(c) Manner in which the amount spent during the financial year is detailed below:**

In view of the losses incurred by the Company during the last 3 financial years, the Company was not under any obligation to spend any amount on the CSR activities during the FY 2015-16, however, the Company has voluntarily contributed ₹ 5.57 lacs on the following activities under CSR:

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects of Program (a) local area or other (b) specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programs wise (in ₹ Lacs)	Amount spent on the projects or programs sub-head: (1) Direct expenditure on projects or programs (2) Overheads (in ₹ lacs)	Cumulative Expenditure up to the reporting Period (in ₹ Lacs)	Amount spent: Direct or through implementing agency (in ₹ Lacs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Contribution for infra-structure expansion and maintenance of Schools	Education Promotion	Kashipur (Uttarakhand)	N.A.	1.50	1.50	Direct

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects of Program (a) local area or other (b) specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programs wise (in ₹ Lacs)	Amount spent on the projects or programs sub-head: (1) Direct expenditure on projects or programs (2) Overheads (in ₹ lacs)	Cumulative Expenditure up to the reporting Period (in ₹ Lacs)	Amount spent: Direct or through implementing agency (in ₹ Lacs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2	Installation of India Marka Hand Pumps, hand pipe repairing	Sanitation and safe drinking water	Gorakhpur (Uttar Pradesh)	N.A.	0.37	0.37	Direct
			Kashipur (Uttarakhand)	N.A.	1.37	1.37	Direct
3	Blanket distribution to poor	Health care & Sanitation	Gorakhpur (Uttar Pradesh)	N.A.	0.93	0.93	Direct
			Kashipur (Uttarakhand)	N.A.	0.50	0.50	Direct
4	Providing Ambulance service for medical camps including distribution of medicines	Health care & Sanitation	Kashipur (Uttarakhand)	N.A.	0.60	0.60	Direct
5	Medical facility provided to flood victims	Helping flood affected victims	Gorakhpur (Uttar Pradesh)	N.A.	0.30	0.30	Direct
<b>TOTAL</b>					<b>5.57</b>	<b>5.57</b>	

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

7. Responsibility statement

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and policy of the company

**For and on behalf of the Board**

Place : Noida  
Dated : 5<sup>th</sup> August, 2016

**U.S. Bhartia**  
Chairman, CSR Committee  
DIN: 00063091

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31<sup>st</sup> March, 2016**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

Particulars	Details
CIN	L24111UR1983PLC009097
Registration Date	19/11/1983
Name of the Company	INDIA GLYCOLS LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	A-1, Industrial Area, Bazpur Road, Kashipur – 244713, Distt. Udham Singh Nagar, Uttarakhand Tel No. 0120-3090100 e-mail: iglho@indiaglycols.com
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Tel No. 011-41406149 e-mail: admin@mcsregistrars.com

**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:-

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Mono Ethylene Glycol	3009	22
Ethylene Oxide Derivatives	3053	30
Ethyl Alcohol	2200	36

**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
<b>A.</b>	<b>HOLDING COMPANY - NIL</b>				
<b>B.</b>	<b>SUBSIDIARY AND ASSOCIATE COMPANIES:-</b>				
i)	Shakumbari Sugar And Allied Industries Limited Address: Village & P.O. Todarpur, Saharanpur-247231, Uttar Pradesh	U15429UP1994PLC016271	Subsidiary	98.89%	2(87)
ii)	IGL Finance Limited A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar, Uttarakhand	U65922UR1997PLC022992	Subsidiary	100%	2(87)
iii)	IGL Chem International Pte Ltd., Singapore	Foreign Company	Subsidiary	100%	2(87)
iv)	IGL Chem International USA LLC, U.S.A.	Foreign Company	Subsidiary	100%	2(87)
v)	IGL Infrastructure Private Limited* Plot No. 2B, Sector-126, Noida-201304, Distt. Gautam Budh Nagar, Uttar Pradesh	U70102UP2014PTC066539	Subsidiary	100%	2(87)
vi)	Kashipur Infrastructure and Freight Terminal Private Limited 408, Akashdeep Building, 26A, Barakhamba Road, New Delhi-110001	U60200DL2011PTC227307	Associate Company	48.90%	2(6)

\*Ceased to be a subsidiary w.e.f. 14<sup>th</sup> September, 2015.

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1204410	2030249	3234659	10.45	861410	2030249	2891659	9.34	-1.11
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	NA
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	NA
d) Bodies Corp.	15672166	0	15672166	50.62	16015166	0	16015166	51.73	1.11
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	NA
f) Any Other	0	0	0	0.00	0	0	0	0.00	NA
<b>Sub-total (A) (1):-</b>	<b>16876576</b>	<b>2030249</b>	<b>18906825</b>	<b>61.07</b>	<b>16876576</b>	<b>2030249</b>	<b>18906825</b>	<b>61.07</b>	<b>Nil</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	NA
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	NA
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	NA
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	NA
e) Any Other	0	0	0	0.00	0	0	0	0.00	NA
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>16876576</b>	<b>2030249</b>	<b>18906825</b>	<b>61.07</b>	<b>16876576</b>	<b>2030249</b>	<b>18906825</b>	<b>61.07</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	5023	11600	16623	0.05	12267	11600	23867	0.08	0.03
b) Banks / FI	18280	3100	21380	0.07	14470	3100	17570	0.06	-0.01
c) Central Govt	0	0	0	0.00	0	0	0	0.00	NA
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	NA
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	NA
f) Insurance Companies	560565	0	560565	1.81	560565	0	560565	1.81	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	NA
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	NA
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	NA
<b>Sub-total (B)(1):-</b>	<b>583868</b>	<b>14700</b>	<b>598568</b>	<b>1.93</b>	<b>587302</b>	<b>14700</b>	<b>602002</b>	<b>1.94</b>	<b>0.01</b>
<b>2. Non- Institutions</b>									
a) Bodies Corporation									
i) Indian	2151731	35700	2187431	7.07	1846228	35600	1881828	6.08	-0.99
ii) Overseas	0	0	0	0.00	0	0	0	0.00	NA
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	6492068	949162	7441230	24.03	6609622	923762	7533384	24.33	0.30
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1244129	29500	1273629	4.11	1407632	29500	1437132	4.64	0.53

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) Trust & Foundations	21220	0	21220	0.07	114920	0	114920	0.37	0.30
ii) Non Resident Individual	366097	166500	532597	1.72	328109	157300	485409	1.57	-0.15
<b>Sub-total (B)(2):-</b>	<b>10275245</b>	<b>1180862</b>	<b>11456107</b>	<b>37.00</b>	<b>10306511</b>	<b>1146162</b>	<b>11452673</b>	<b>36.99</b>	<b>-0.01</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>10859113</b>	<b>1195562</b>	<b>12054675</b>	<b>38.93</b>	<b>10893813</b>	<b>1160862</b>	<b>12054675</b>	<b>38.93</b>	<b>Nil</b>
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>27735689</b>	<b>3225811</b>	<b>30961500</b>	<b>100.00</b>	<b>27770389</b>	<b>3191111</b>	<b>30961500</b>	<b>100.00</b>	<b>Nil</b>

#### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	Kashipur Holdings Ltd	1,02,87,406	33.23	-	1,03,52,406	33.44	-	0.21
2	Sajani Devi Bhartia	21,00,249	6.78	-	21,00,249	6.78	-	NIL
3	Mayur Barter Pvt Ltd	14,56,066	4.70	-	14,56,066	4.70	-	NIL
4	J B Commercial Company Pvt Ltd	10,62,915	3.43	-	10,62,915	3.43	-	NIL
5	Facit Commosales Pvt Ltd	10,01,853	3.24	0.52	10,67,853	3.45	-	0.21
6	J Boseck & Company Pvt Ltd	7,09,401	2.29	-	8,39,401	2.71	-	0.42
7	Sukhvarsha Distributors Pvt Ltd	3,61,875	1.17	-	3,61,875	1.17	-	NIL
8	Ajay Commercial Company Pvt Ltd	6,26,255	2.02	-	6,26,255	2.02	-	NIL
9	Jayshree Bhartia	4,00,003	1.29	-	2,29,003	0.74	-	-0.55
10	Uma Shankar Bhartia	4,48,722	1.45	-	4,48,722	1.45	-	NIL
11	Pooja Bhartia	1,83,592	0.60	-	97,592	0.32	-	-0.28
12	Supreet Vyapaar Pvt. Ltd.	1,65,895	0.54	-	1,82,895	0.59	-	0.05
13	Pragya Bhartia	86,300	0.28	-	300	0.00	-	-0.28
14	Vedant Jhaver	15,793	0.05	-	15,793	0.05	-	NIL
15	Lund & Blockley Pvt. Ltd.	500	0.00	-	500	0.00	-	NIL
16	Hindustan Wires Limited	0	0.00	-	65000	0.21	-	0.21
	<b>Total</b>	<b>18906825</b>	<b>61.07</b>	<b>-</b>	<b>18906825</b>	<b>61.07</b>	<b>-</b>	<b>NIL</b>



**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Name	Shareholding at the beginning of the year					Cumulative shareholding during the year (01.04.15 to 31.03.16)	
		No. of shares at the beginning 01.04.2015	% of total shares of the Company	Date of Change	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	Kashipur Holdings Limited	1,02,87,406	33.23	29-Mar-2016	65,000	Interse transfer amongst promoters	1,03,52,406	33.43
2	Facit Commo-sales Pvt Ltd	10,01,853	3.24	29-Mar-2016	66,000	Interse transfer amongst promoters	10,67,853	3.45
3	J Boseck & Company Pvt Ltd	7,09,401	2.29	29-Mar-2016	1,30,000	Interse transfer amongst promoters	8,39,401	2.71
4	Jayshree Bhartia	4,00,003	1.29	29-Mar-2016	-1,71,000	Interse transfer amongst promoters	2,29,003	0.74
5	Pooja Bhartia	1,83,592	0.60	29-Mar-2016	-86,000	Interse transfer amongst promoters	97,592	0.32
6	Supreet Vyapaar Pvt. Ltd.	1,65,895	0.54	29-Mar-2016	17,000	Interse transfer amongst promoters	1,82,895	0.59
7	Pragya Bhartia	86,300	0.28	29-Mar-2016	-86,000	Interse transfer amongst promoters	300	0.00
8	Hindustan Wires Limited	0	0.00	29-Mar-2016	65,000	Interse transfer amongst promoters	65,000	0.21

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

S. No.	Name	Shareholding					Cumulative shareholding during the year (01.04.15 to 31.03.16)	
		No. of shares at the beginning 01.04.2015	% of total shares of the Company	Date of Change	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	General Insurance Corporation of India	560565	1.81	31-Mar-2016	0	Nil move-ment during the year	560565	1.81
2	Bervin Investment and Leasing Limited	224000	0.72	31-Mar-2016	0	Nil move-ment during the year	224000	0.72
3	Anirudha Bubna Trust	9713	0.03	19-Feb-2016	93700	Purchase	103413	0.33
				31-Mar-2016	0	-	103413	0.33
4	Spark Securities Private Limited	34780	0.11	01-May-2015	47256	Purchase	82036	0.26
				08-May-2015	4847	Purchase	86883	0.28
				15-May-2015	12730	Purchase	99613	0.32
				31-Mar-2016	0	-	99613	0.32
5	Noble International Pvt Ltd	93316	0.30	31-Mar-2016	0	Nil move-ment during the year	93316	0.30
6	Motilal Oswal Securities Ltd	0	0.00	31-Mar-2016	86837	Purchase	86837	0.28
7	M Prasad and Co ltd	7000	0.02	24-Apr-2015	4735	Purchase	11735	0.04
				01-May-2015	15802	Purchase	27537	0.09
				08-May-2015	814	Purchase	28351	0.09
				19-Jun-2015	555	Purchase	28906	0.09
				14-Aug-2015	5700	Purchase	34606	0.11
				19-Feb-2016	21600	Purchase	56206	0.18
31-Mar-2016	9385	Purchase	65591	0.21				

Shareholding							Cumulative shareholding during the year (01.04.15 to 31.03.16)	
S. No.	Name	No. of shares at the beginning 01.04.2015	% of total shares of the Company	Date of Change	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
8	Maple Vyapaar Pvt Ltd	56273	0.18	10-Apr-2015	4000	Purchase	60273	0.19
				12-Jun-2015	3406	Purchase	63679	0.21
				19-Jun-2015	2074	Purchase	65753	0.21
				26-Jun-2015	2766	Purchase	68519	0.22
				03-Jul-2015	-100	Sale	68419	0.22
				10-Jul-2015	-1054	Sale	67365	0.22
				17-Jul-2015	824	Purchase	68189	0.22
				24-Jul-2015	6713	Purchase	74902	0.24
				31-Jul-2015	1775	Purchase	76677	0.25
				07-Aug-2015	-4921	Sale	71756	0.23
9	Sanjeev Bubna (HUF) Sbsubna	55856	0.18	14-Aug-2015	-9600	Sale	62156	0.20
				31-Mar-2016	0	-	62156	0.20
10	Anita Jaideep Sampat	48767	0.16	31-Mar-2016	0	Nil move-ment during the year	55856	0.18
				26-Jun-2015	1545	Purchase	50312	0.16
				31-Mar-2016	0	-	50312	0.16

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

Shareholding at the beginning of the year							Cumulative shareholding during the year (01-04-15 to 31.03.16)	
S. No.	Name of Director/Key Managerial Personnel	No. of shares at the beginning 01.04.2015	% of total shares of the Company	Date of Change	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	Shri Uma Shankar Bhartia	448722	1.45	No Change during the year	-	-	448722	1.45
2	Smt. Jayshree Bhartia	400003	1.29	29-Mar-2016	-171000	Interse transfer amongst promoters	229003	0.74
3	*Shri Ramesh Chandra Misra	500	0.00	No Change during the year	-	-	500	0.00

\*Demised on 28<sup>th</sup> April, 2016

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹ Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	2,072.85	65.30	-	2,138.15
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	3.40	-	-	3.40
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ ii+ iii)</b>	<b>2,076.25</b>	<b>65.30</b>		<b>2,141.55</b>
Change in Indebtedness during the financial year				
• Addition	118.81	5.52	-	124.33
• Reduction	1,143.42	-	-	1,143.42
• Exchange Difference	3.86	-	-	3.86
<b>Net Change</b>	<b>1,266.09</b>	<b>5.52</b>		<b>1,271.61</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,052.09	70.82	-	1,122.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.24	-	-	2.24
<b>Total (i+ii+iii)</b>	<b>1,054.33</b>	<b>70.82</b>		<b>1,125.15</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		*Shri Uma Shankar Bhartia, CMD	Shri M. K. Rao, WTD	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,27,89,397	61,32,060	1,89,21,457
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,40,603	3,91,769	13,32,372
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	<b>1,37,30,000</b>	<b>65,23,829</b>	<b>2,02,53,829</b>
	<b>Ceiling as per the Act</b>	<b>1,37,30,000</b>	<b>68,65,000</b>	<b>2,05,95,000</b>

\*Remuneration is as per the approval accorded by Central Government.

**B. Remuneration to other directors:-**

(Amount in ₹)

S. no.	Name(s)	Sitting Fees	Commission	Others	Total Amount
1.	<b>Independent Directors</b>				
	Shri Pradip Kumar Khaitan	2,30,000	Nil	Nil	2,30,000
	Shri Jitender Balakrishnan	90,000	Nil	Nil	90,000
	Shri Ravi Jhunjhunwala	80,000	Nil	Nil	80,000
	Shri Jagmohan N. Kejriwal	50,000	Nil	Nil	50,000
	Shri Ramesh Chandra Misra*	5,20,000	Nil	Nil	5,20,000
2	<b>Non-Executive Director</b>				
	Shri Ashwini Kumar Sharma, Nominee Director	40,000	Nil	Nil	40,000
	Smt. Jayshree Bhartia	1,50,000	Nil	Nil	1,50,000
	<b>Total</b>	<b>11,60,000</b>	<b>Nil</b>	<b>Nil</b>	<b>11,60,000</b>
	<b>Ceiling as per the Act</b>	-	-	-	-

 \*demised on 28<sup>th</sup> April, 2016.

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		Shri Rakesh Bhartia Chief Executive Officer	Shri Lalit Kumar Sharma, Company Secretary (from 1 <sup>st</sup> April to 31 <sup>st</sup> May, 2015)	Shri Kapil Bhalla, Company Secretary (from 24 <sup>th</sup> June, 2015 to 31 <sup>st</sup> March, 2016)	Shri Anand Singhal, Chief Financial Officer	Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,70,38,973	5,69,657	15,11,843	46,62,276	2,37,82,749
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	5,487	30,470	2,58,002	3,33,559
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>1,70,78,573</b>	<b>5,75,144</b>	<b>15,42,313</b>	<b>49,20,278</b>	<b>2,41,16,308</b>

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

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

## Annexure E

### Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The remuneration paid by the Company to its employees including Directors, Key Managerial Personnel is in line with the Nomination and Remuneration policy of the Company. The guiding principles of the Nomination and Remuneration policy of the Company is that the level and composition of the remuneration be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and other senior officials.

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive officer and Company Secretary in the financial year 2015-16 in comparison to the financial year 2014-15 and ratio of remuneration of each Director to the median remuneration of the employees of the Company:

Name of Directors/ KMPs of the Company	Remuneration for financial year 2015-16 (in ₹)	Remuneration for financial year 2014-15 (in ₹)	% increase in Remuneration in the financial year 2015-16	Ratio of Remuneration to MRE* for the financial year 2015-16
Shri U. S. Bhartia, Chairman & Managing Director	1,37,30,000	1,37,30,000	0.00	35.18
Shri M. K. Rao, Whole Time Director	65,23,829	64,50,085	1.14	16.72
Shri Rakesh Bhartia, Chief Executive Officer	1,85,87,556	1,85,05,016	0.45	NA
Shri Anand Singhal, Chief Financial Officer	52,73,637	54,23,581	(2.76)	NA
Shri Lalit Kumar Sharma, Company Secretary#	5,99,497	24,11,374	NA	NA
Shri Kapil Bhalla, Company Secretary##	16,35,385	NA	NA	NA

\*Median Remuneration of Employees

# resigned w.e.f 31<sup>st</sup> May, 2015

## appointed w.e.f 24<sup>th</sup> June, 2015

Smt. Jayshree Bhartia, Promoter Director, Shri Pradip Kumar Khaitan, Independent Director, Shri Ramesh Chandra Misra, Independent Director, Shri Jagmohan N. Kejriwal, Independent Director, Shri Ravi Jhunjhunwala, Independent Director, Shri Jitender Balakrishnan, Independent Director and Shri Ashwini Kumar Sharma, Nominee Director were not in receipt of any remuneration for the financial year 2015-16.

- (ii) The median remuneration of employees of the Company during the financial year 2015-16 was ₹ 3,90,272/-. In the financial year 2015-16, there was an increase of 14.10% in the median remuneration of employees.
- (iii) The number of permanent employees on the rolls of the Company as of 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015 was 1249 and 1404, respectively.
- (iv) Average percentile increase made in the salaries of the employees other than managerial personnel in the last financial year was 11% whereas percentile increase in the managerial remuneration was -0.36% for the same financial year.
- (v) It is affirmed that the remuneration paid is as per the Remuneration policy for Directors, Key Managerial personnel and other Employees.

### Information regarding employees in accordance with the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### A. Top Ten Employees of the Company in terms of remuneration drawn:

Sr. No.	Name	Age (in Years)	Designation	Nature of Employment	#Gross Remuneration (In ₹)	Qualifications	Total Experience (Years)	Date of commencement of employment with the Company	Previous Employment
1	Shri Rakesh Bhartia	47	Chief Executive Officer	Permanent	1,85,87,556	CA, CS, ICWA	24	31.07.2009	CEO, Bajaj Hindustan Ltd.
2	Shri U.S. Bhartia	62	Chairman and Managing Director	Contractual	1,51,70,000	B.Com (Hons.)	37	29.11.1996	Managing Director, Hindustan Wires Ltd.



Sr. No.	Name	Age (in Years)	Designation	Nature of Employment	#Gross Remuneration (In ₹)	Qualifications	Total Experience (Years)	Date of commencement of employment with the Company	Previous Employment
3	Shri M.K. Rao	58	Executive Director	Contractual	69,51,508	M. Tech (Chemical Plant Design)	34	15.12.1988	Indian Petrochemical Corporation Ltd, Senior Engineer
4	Shri Anand Singhal	49	Chief Financial Officer	Permanent	52,73,637	CA	26	02.01.2008	Chief Financial Officer, Abhishek Industries Ltd
5	Shri Manoj Pahwa	53	President-Ennature Biopharma	Permanent	51,17,373	B.Sc (ZBC), MBA (Marketing)	32	01.06.2010	Director, Sanat Products, New Delhi
6	Shri Rakesh Kumar Khandal	58	President-R&D and Business Development	Permanent	48,96,724	M.Sc (Chemistry), PHD (Applied Chemistry)	35	12.05.2015	Vice-Chancellor, Uttar Pradesh Technical University
7	Shri Sanjeev Gurwara	55	President-Marketing	Permanent	44,61,544	M.Sc (Organic Chemistry), MBA (Marketing)	32	22.08.1994	Branch Manager-Marketing, S.M.Dychem Ltd-Mumbai
8	Shri K.K. Lal	56	Senior Vice President (P&M)	Permanent	41,45,002	B.Sc Engineering (Civil)	36	25.08.1986	Sr. Engineer- Civil , Bihar Caustic & Chemicals Limited, Palamau, Bihar
9	Shri Jyotirmoy Chakraborty	54	General Manager (Production)	Permanent	39,66,709	M.Tech-Chemical	27	03.07.2001	Sr. Manager - Prod., Laffans Petrochemicals Ltd, Bharuch
10	Shri R.K. Sharma	52	General Manager (HSE)	Permanent	33,94,513	B.E. (Fire) Engineering	29	11.11.1988	Station Officer, B.A.R.C., Bombay

**B. Employed throughout the year and in receipt of remuneration not less than ₹ 1,02,00,000/- per annum:**

Already covered in point (A) above

**C. Employed for part of the year and in receipt of Remuneration not less than ₹ 8,50,000/- per month: NIL**

**NOTES:**

- #Gross Remuneration shown above includes salary, house rent allowance, Company's contribution to Provident Fund and other perquisites. Value of Perquisites have been calculated on the basis of Income Tax Act, 1961.
- None of the employee mentioned above is related to any Director of the Company.
- There is no employee who was in receipt of remuneration in excess of that drawn by the Managing Director or Whole time Director and holds not less than two percent by himself or alongwith his spouse and dependent children, falling under the provisions of Section 197 read with Rule 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**For and on behalf of the Board**

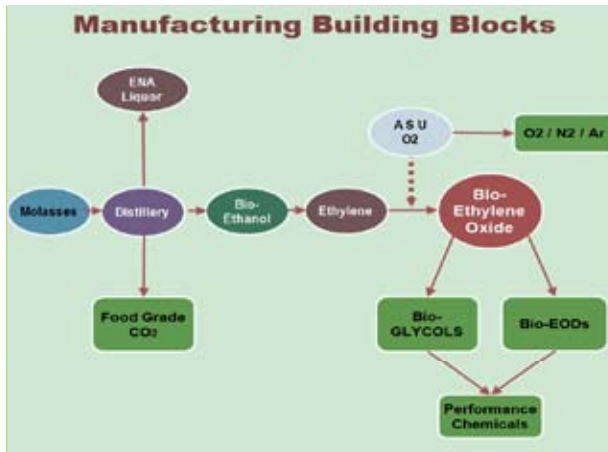
Place : Noida  
Dated : 5<sup>th</sup> August, 2016

**U.S. Bhartia**  
Chairman and Managing Director  
DIN: 00063091

# Management Discussion & Analysis Report

## PRODUCTS

INDIA GLYCOLS LIMITED is one of the leading manufacturer of Glycols, Ethylene Oxide Derivatives, Ethyl Alcohol (Potable), Natural Gum & Derivatives and Industrial Gases. Our belief in providing the desired products with the help of the best technology is reflected in our state-of-the-art integrated manufacturing facilities. The manufacturing building blocks are represented:



The Company has organised its business into chemicals and other segments.

- A. Chemical segments comprises :-
- Glycols (MEG, DEG, TEG and Heavy Glycols)
  - Ethylene Oxide Derivatives (EODs)
- B. Ethyl Alcohol (Potable) and Extra Neutral Alcohol
- C. Others includes High Sulphur Alcohol, Hydro Chloric Acid, Natural Gum, Industrial Gases etc.

The segment wise business share is indicated as follows:-

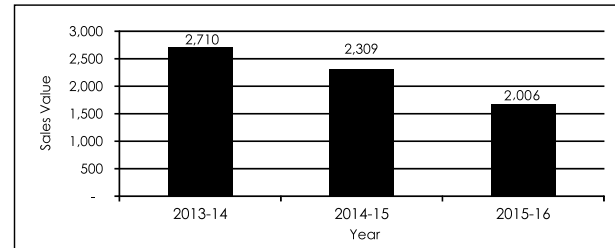
Segment	Sales Value 2015-16 (₹ In Crores) (Domestic + Exports)	% Share
A. CHEMICALS	2,006	62
B. ETHYL ALCOHOL (POTABLE)	1,163	36
C. OTHERS	70	2
<b>TOTAL</b>	<b>3,239</b>	<b>100</b>

## CHEMICAL SEGMENT

Sales in the Chemical segment have decreased from ₹ 2,309 Crores in FY 2014-15 to ₹ 2,006 Crores in FY 2015-16. This segment is highest contributor at 62% to the total sales value of the Company. Decrease in value is on account of depressed global economic situation

which has resulted in reduction of commodity demand including Guargum and its derivatives demand. Company has regulated its domestic sales as it was not feasible to market MEG using expensive Ethanol.

	2013-14	2014-15	2015-16
Chemical Sales Value (₹ in Crores)	2,710	2,309	2,006



## GLYCOLS

Sales of Glycols [Monoethylene Glycol (MEG), Diethylene Glycol (DEG), Triethylene Glycol (TEG) and Heavy Glycols] has increased from 90,140 MT in FY 2014-15 to 94,268 MT in FY 2015-16. However, due to low international prices of the Glycols, the sales value decreased from ₹ 706 Crores to ₹ 700 Crores, respectively.

In view of higher feedstock cost, the focus has been on sales of Bio-MEG for exports, as realisation is higher compared to domestic sales of MEG where we are regulating the supplies.

## ETHYLENE OXIDE DERIVATIVES (EODs)

Sales under Ethylene Oxide Derivatives (EOD) business decreased to 95,000 MT in FY 2015-16 from 99,034 MT during previous year and resultantly, the sales value also decreased from ₹ 1,109 Crores to ₹ 974 Crores, respectively. As a prudent measure, the sales to China market was restricted in view of the very low realizations.

The Ethylene Oxide Derivatives produced by the Company are used by diverse industries like Textile, Agrochemicals, Detergents, Pharmaceuticals & Personal Care, Oil Field and Automotive industry, Paint & Coating industry etc.

The Company aims to increase its business by developing new products and applications especially in areas of textile chemicals, oil field chemicals, paper chemicals, home care & personal care applications.

The thrust would be in line with the strategy to maximise EOD business in view of increasing the usage of EO for EO Derivatives for improved margins.

## BIO-ETHOXYLATES

We have initiated promotion of Bio-Ethoxylates in the international market which is gaining acceptability and can be a good opportunity for better realisation in the niche market segments.

### OPPORTUNITIES & CHALLENGES

MEG consumption for polyester industry for 2015-16 has been around 2.8 million tonnes. New capacities namely Sparsh Industry & Vacmet added during the last financial year despite falling prices and low market sentiments. The limiting factor in the growth was the falling crude prices and lower demand in the market resulting in overall growth of 5-6%.

Domestic production of MEG was around 1.2 million tonnes primarily from Reliance & IOC and balance demand has been met by imports. Overall demand supply balance have been favorable for MEG producers in the world market in 2015-16 but the market witnessed steep prices drop from 950\$ to 600\$ per MT during the financial year.

IGL, in its long term strategy, is shifting from commodity to niche markets and speciality products and would divert EO molecule for Bio-MEG and EO Derivative/ Speciality products which will give us a much better returns.

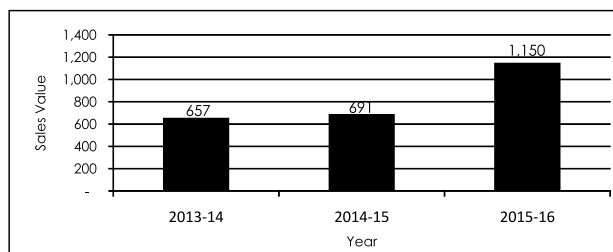
We are promoting our Glycols as Bio/ Green MEG to potential customers interested in meeting their objective of using environment friendly chemicals made from natural renewable resources. We have converted this concept into a good business opportunity which will enable full capacity utilisation with better realisation.

Moreover, the niche markets of Bio-MEG in the packaged water, automobile, personal care & cosmetics are going to give us better margins.

### ETHYL ALCOHOL (POTABLE) AND EXTRA NEUTRAL ALCOHOL

During the year, your Company registered total sales value of ₹ 1150 Crores as compared to ₹ 691 Crores last year in the Ethyl Alcohol (Potable) division. During the year thrust was given on the export of high quality Extra Neutral Alcohol (ENA) and IGL has gained the position of premium quality ENA suppliers in the international markets.

	2013-14	2014-15	2015-16
ENA Sales Value (₹ in Crores)	657	691	1,150



### INDUSTRIAL GASES

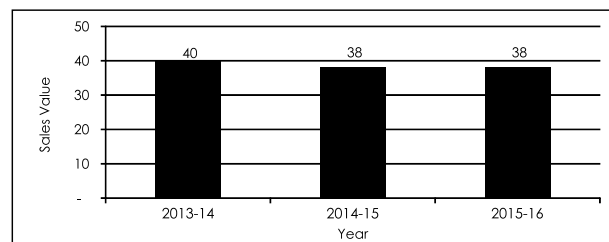
During the year under review, the Company produced 21235 MT of Oxygen and 1074 MT of Nitrogen. Both Oxygen and Nitrogen were sold in the market and also used for in house requirement. In addition, Argon of 3100 MT was also produced and its sales were 3096 MT.

Industrial Gas Division also produced Beverage and Industrial Grade Liquid Carbon Di-oxide (LCO<sub>2</sub>) at Kashipur. During the year, your Company has produced 27095 MT of LCO<sub>2</sub> and its sale was 27474 MT.

Your Company also produced ETO (Ethylene Oxide & Carbon Dioxide Gas Mixtures) under the trade name IGL-STERI GAS at its Kashipur Plant. It is suitable for sterilization of Disposable Surgical & Medical Devices, spices and packing substances like rubber plastic etc. The Company has in house facility for production of EO and LCO<sub>2</sub> which are also used in production of ETO and as such it is the only plant in India to have such manufacturing facility, which gives us a distinct edge over other suppliers in the market. During the year, the Company has sold 928 MT of Steri Gas as compared to 913 MT in the last year.

Further, the Industrial Gases segment registered total sales of all gases of ₹ 38 Crores which was same during the last year.

	2013-14	2014-15	2015-16
Sales Value (₹ In Crores)	40	38	38



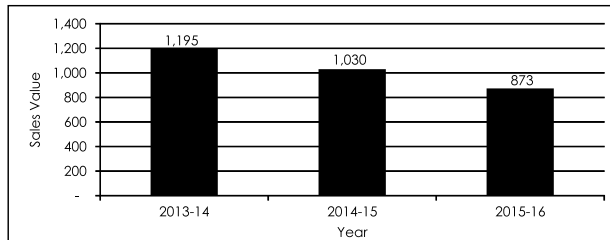
### EXPORTS

Company has identified exports as a key future growth driver. It has already established itself as a major domestic speciality ethoxylates company and with the increased capacities, the scope for exports would be explored for higher growth.

During the year under review, your Company has achieved total export sales value of ₹ 873 Crores as compared to ₹ 1,030 Crores during last year. The decline in exports can be attributed to strategic cut down on the sales of Glycol Ether & Acetates in view of low operating price in China market.

The future thrust would be in the area of marketing Bio-MEG & Bio-Ethoxylates to niche markets for achieving better contribution.

	2013-14	2014-15	2015-16
Exports Sales Value (₹ in Crores)	1,195	1,030	873



The major export markets are the South East Asia, Middle East and China as we have logistic advantage in these region. We export our chemical products to more than 40 countries worldwide and the thrust for exports would be to other regions in Europe, USA, Japan & Latin America for promotion of Bio-MEG and Bio-EODs.

## FINANCIAL REVIEW

During the FY 2015-16 on a standalone basis, your Company recorded a total revenue of ₹ 2,329 Crores as compared to ₹ 2,601 Crores in FY 2014-15, a decrease of about 10.46%. The Loss after depreciation, exceptional items and tax for FY 2015-16 was ₹ 34 Crores as compared to loss of ₹ 61 Crores incurred during the FY 2014-15. The performance of the Company remained weak on account of lower Monoethylene Glycol (MEG) prices due to reduced crude oil prices. Also, the demand for Guar Gum remained low due to sluggish demand from the major consuming sector which is US shale. The performance was further affected as domestic prices of our feedstock viz. molasses and alcohol, were high on account of poor availability of ethanol and diversion of ethanol towards the implementation of Ethanol Blending with Petrol (EBP) Program of Government of India at an unrealistic and exorbitant price resulting in a sharp increase in the prices of ethanol locally.

During the year under review, the Gross Fixed Assets has increased to ₹ 1,881 Crores in FY 2015-16 from ₹ 1,811 Crores in FY 2014-15.

Despite the adverse economic scenario, the Company has been regular in meeting its obligations towards timely payment of principal/interest to Financial Institutions/Banks/Debentures holders/Fixed Deposit holders.

## HEALTH, SAFETY, ENVIRONMENT & MANAGEMENT SYSTEMS

Company has signed on to Responsible Care® Guiding

Principles to become signatory to Indian Chemical Council's Responsible Care® initiative. These Principles apply to the Company globally. Being a Responsible Care® signatory, Company is committed for continual improvement of the performances in the fields of environmental protection, occupational safety & health protection, process safety, product stewardship and logistics, as well as to continuously improve dialog with the neighbours and the public.

## HEALTH

Your Company accords very high priority to provide healthy and safe working environment. Company has a medical center at factory site with basic amenities; two qualified and experienced doctors with trained and experienced para-medical personnel are available round the clock to meet any contingency. The Company also has a qualified Occupational Health Physician. Company has also an ambulance to provide necessary assistance in case of any emergency. All employees are required to undergo annual medical check-up for early diagnosis of any health problems. Company has made arrangements for treatment of employees and their dependents under the mediclaim insurance policy, which allows employee to avail treatment from any of the listed hospitals without having to make any immediate cash payments. This provides the employees much needed emotional and financial security. Company organizes blood donation camp at India Glycols Ltd as part of community welfare activities.

Company also organizes medical camps at nearby villages and organize/assist in National health related programs in the nearby villages as part of community welfare activities.

## SAFETY

Your Company has set up elaborate safety systems to ensure proper safe work environment. Emphasis is given to prevention of any accident. As a result of strict safety norms being followed, Company has been able to maintain good safety record and has received various prestigious national and international safety awards recognizing the safe working environment available at the factory.

A Central Safety Committee has been constituted to continuously review and upgrade the safe working practices. Emergency management plan is in place for meeting any kind of emergency. Proper systems have been set up to record and report any accident, which is thoroughly investigated and corrective action taken for future prevention.

At work place appropriate protective equipment and gears are provided to the employees and usage of the same is strictly monitored to ensure high level of safety. Safety training programs are regularly conducted for training the employees in proper use of safety equipments and following the safe work practices.

The Company always encourage internal and external stakeholder by conducting motivational program on safety by celebration of National Safety day, Fire Service Day and Transport safety awareness program to promote safe work practices and environment inside and outside premises. Various incentive schemes are in operation for motivating the employees to ensure working in the safe environment. The Company has its own Fire Station fully equipped with Fire Tenders, modern communication facilities and elaborate fire hydrant system and other equipment which are manned and supervised by trained experts. Live fire training drills are organized to provide hands-on training to the employees.

### **ENVIRONMENTAL STEWARDSHIP**

Environmental stewardship refers to responsible use and protection of the natural environment through conservation and sustainable practices.

Your Company uses molasses, residue product of sugar mills generated in the process of manufacturing of sugar. The molasses converted into alcohol in the captive distillery and thereafter used in the process to make ethylene oxide and its products. Company has set up elaborate systems by making substantial capital investments for proper treatment of the effluent generated and meets all the requirements in this regard.

To make the system more environmental friendly Company has developed a green belt all around its factory by growing approx. 1,20,000 trees of different species some of which are fruit bearing in addition to providing green cover. All possible efforts are being made to preserve the environment and improve the same as far as possible.

The Company has already achieved zero effluent discharge from their Ethanol Plants by installing RO system followed by Bio-composting and concentrated effluent burning in specially designed Boilers.

The liquid effluent from Distillery is concentrated in the evaporator system to generate concentrated spent wash (slop). The Slop (concentrated spent wash) from the evaporator is used as fuel for the generation of steam and electricity. This is a novel boiler that has been developed for utilization of concentrated spentwash and generation of steam there from.

### **SUSTAINABLE ENVIRONMENT AND CLIMATE CHANGE INITIATIVES**

India Glycols Sustainable Solutions makes it easy for customers to identify, evaluate and select the right materials. There are number of sustainable solutions and product grades. The raw material, properties, performance and/or content of these materials make a significant contribution to reduce environmental impact, by lowering carbon emissions and maximizing use of the earth's limited resources.

Sustainable solutions are based on number of defined action plans and standard based on Life Cycle Assessment (LCA) methodologies. India Glycols Sustainable solutions enable customers to confidently choose high-performance materials that advance their environmental and business goals.

Company is working for integrating the life cycle perspective in management system, as per revised Environmental Management System for driving product and process towards a more sustainable direction.

Company believes in life cycle approach which directs business to consider responsibility on environmental protection from raw material procurement to product use. Company has conducted comparative Life Cycle Assessment (LCA) study of Bio-Mono Ethylene Glycol (Bio-MEG) based on ISO 14044-2006 standards and determining several Environmental Impacts (including Carbon Foot-Print) from its Renewable Manufacturing Approaches and conclude that "Manufacturing MEG through Renewable based raw materials is a better option than adopting Conventional Petro route approaches in India, US and Europe". The LCA study was conducted on a purchased software-SIMAPRO and report of "LCA on Bio-MEG" got a Peer Reviewed.

In continuation Company has also conducted Life Cycle Assessment (LCA) study for its other products as Bio-Ethanol, Bio-Ethylene Oxide, Bio-Glycols and Bio-Poly Ethylene Glycols etc. Company is working continuous on Life Cycle Assessment (LCA) study for its other products as Ethylene Oxide derivatives and specialty chemicals.

The Company always encourage stakeholder by conducting motivational program on environmental by celebration of World Environmental Day. Company has taken up several initiatives in promoting climate change and environment-sustainable projects. Company's Gorakhpur plant has got its Large scale CDM project (Title: Biomass based Cogeneration Project activity taken up by IGL at Gorakhpur, U.P; Annual CERs: 110157) registered at UNFCCC.

### **MANAGEMENT SYSTEMS**

#### **• INTEGRATED MANAGEMENT SYSTEM**

Your Company is having Integrated Management System (IMS) comprising of Quality Management System (ISO 9001:2008), Environmental Management System (ISO 14001:2004), Occupational Health & Safety Management System (OHSAS 18001:2007), Food Safety Management System (ISO 22000:2005) Food Safety System Certificate, (FSSC 22000). Energy Management System (ISO 50001:2011) and Social Accountability (SA 8000:2008). Integrated Management System has been accredited by M/s DNV, a renowned certification agency.

Your Company is working towards the new revised High Level Structure of Quality Management System (ISO 9001:2015) and Environmental Management System (ISO 14001:2015).



Special emphasis on risk-based thinking has been the new focus of Quality Management System & Environmental Management System. This risk-based thinking enables to determine the factors that could cause deviation in processes and thereby in management systems, which may pose business risk in turn. This risk-based thinking offers opportunity to put necessary controls, to mitigate and minimize the premature risks, in place. Furthermore, preventive actions can be implemented to avoid any potential business risk. Value addition to Environmental Management System is its new focus and emphasis on Life Cycle Perspective to achieve sustainable development by balancing three pillars Environment, Society and Economy which is essential to meet the present day need of sustainable business without compromising ability of future generation and rendering them impaired. We have successfully launched and implemented Behaviour Based Safety (BBS) naming it with an appropriate name, derived by open forum consensus “BHAVISHYA BANAYE SURAKSHIT”.

#### • PROCESS SAFETY MANAGEMENT SYSTEM

The Company started working towards implementation of Process Safety Management (PSM) in the organization to ensure systematic and high level process safety by elaborating its specific elements and ensuring the safety of employees, environment and physical plant assets in the event of any unexpected process excursion.

#### LEAN MANAGEMENT

Your Company is adopting a systematic approach to identifying and eliminating non-value-added activities through continuous improvement by following the product through flow processes based on a signal from the customers (internal & external).

The Company uses the building blocks of – standardized work, optimization of manpower, workplace organization 5S & visual controls, material handling systems, effective plant layout, improved operational and maintenance practices, quality at the source, batch reduction, customer demand-based manufacturing, point-of-use storage, quick changeover, cellular manufacturing, process improvements, Kaizen, world class manufacturing, synchronous manufacturing, and inventory management.

**Your Company is committed to work towards continual improvement of Quality, Environment, Health & Safety, Food Safety, Energy Performance and Social accountability and we discourage discrimination of any kind in any form.**

#### RESEARCH & DEVELOPMENT CENTRE (R&D) FOCUS ON CUSTOMER-ORIENTED INNOVATION

Research and development (R&D) is one of the key drivers for the sustainability and growth of business at India Glycols Limited (IGL). Our Innovation strategy focuses on creating value for money for its customers.

The developmental activities are carried out of the state-of-the-art R&D Centre located at Kashipur. The centre is equipped with modern and advanced instruments and the R&D team consists of highly dedicated researchers with diverse experience and expertise.

Company’s focus to deliver new and innovative products to the market meeting consumer needs and providing solution to application problems for its customers has ensured consumer loyalty, and profitable growth over the years.

The rapidly changing environment, water pollution, rising demand for energy and need for climate protection present global challenges that we must address with innovative solutions through GREEN CHEMISTRY is a key focus area of IGL. Our efforts have led to many customized value added products and processes with emphasis on “Sustainable” approaches via use of renewable RMs and savings of energy and water. These products and processes are designed to meet most of the international standards and are accredited with organizations like Control Union (Europe) i.e. GOTS, Oekoetex, REACH etc.

The R&D Centre has been duly recognized by the Department of Science & Technology (DST), Govt. of India.

At present, the focus of R&D center has been in working with customized projects for various industrial applications such as:

1. **Development of alternative feed stock (RM) source:**
  - Development of new cost effective feed stock source
2. **Textile Processing (Fibre & Fabric processing):**
  - Products for continuous dyeing range (CDR) based on GREEN CHEMISTRY.
  - Enzyme base Products for Desizing /Scouring& Peroxide bleaching process.
  - Green products for Fibre finish.
  - All in one chemical for single bath scouring and dyeing (with reduced water consumption).
3. **Crop-Protection Business**
  - Surfactants for capsule suspension- Controlled Release Applications
  - Single Emulsifier package for multiple toxicants.
  - Emulsifier for powder and granule formulation.
  - Surfactant for special Combo formulation.
4. **Oil & Gas Industry**
  - New generation Low temperature & low dose demulsifier for crude oil.
  - Eco-friendly shale encapsulation for Drilling
5. **Emulsion Polymerization & Paint Industry**
  - Eco-friendly surfactant (Vegetable oil based) for pigment dispersion.

- Universal colorant for water & oil based paint
- APEO free surfactant for Emulsion Polymerization/paints.

#### 6. Paper Industry

- Universal cooking aid.
- Dry & wet strength resin.
- Eco-friendly deinking chemicals.

#### 7. Automobile industry

- Eco-friendly solvent free Pour Point Depressant.
- Lubricant additives.

#### 8. Detergent / Personal care Industry

- Eco-friendly and biodegradable amphoteric surfactant for personal care products.
- Bio- Ester for personal care products.
- Surfactant for hard surface cleaning agent

#### 9. Construction chemicals

- Specialty green Ethoxylate for Poly carboxylate as water reducing agent & strength improver.

The most important product development principle of IGL's R&D has been to focus on 3 Es i.e. Efficiency; Economic and Environment friendliness. The R&D not only develops the products as per the need of the customers but also ensures the smooth performance of the products at customers' end via very effective technical service Team. Further, the life cycle analysis and biodegradability of these products are ensured prior to the launch of the products.

#### INTERNAL CONTROL SYSTEM AND ADEQUACY

Company's internal control system and procedures are adequate. The systems, procedures, checks and controls are routinely tested and certified by our Statutory as well as Internal Auditors. Moreover, Company continuously upgrades these systems in line with best practices and standards on internal control systems and procedures.

#### HUMAN RESOURCE/INDUSTRIAL RELATIONS

Company continues to focus on training its employees on a continuous basis both on the job and through training program to face challenges in the business/industry. During the year, industrial relations have been cordial. Total Number of Employees on Company's role have been around 1249.

#### DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### CAUTIONARY STATEMENT

The statement made in this report describing the Company's expectations and estimations may be a forward looking statement within the meaning of applicable securities laws and regulations. Actual results may differ from those expressed or implied in this report due to the influence of external and internal factors which are beyond the control of the Company.

# Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2016 in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good corporate practices ensure that a Company meets its obligations to optimize shareholders' value. Corporate governance has assumed great significance in India in the recent past in the form of enactment 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 provisions of the Corporate Governance prescribed by the Act and SEBI Listing Regulations, for the time being in force, have been complied.

## II. BOARD OF DIRECTORS

### a) Composition of the Board

As on 31<sup>st</sup> March, 2016, the Board of Directors of the Company (the "Board") comprised of nine Directors of which seven are Non-Executive Directors, one Managing Director and one Executive Director. Out of the seven Non-Executive Directors, five are Independent Directors, one Woman Director and one Nominee Director.

Shri R.C. Misra, a veteran Board member and an Independent Director demised on 28<sup>th</sup> April, 2016.

The composition of the Board is in conformity with Regulation 17 of SEBI Listing Regulations read with Section 149 of the Act.

### b) Number of Board Meetings

During the year ended 31<sup>st</sup> March, 2016, four board meetings were held. The dates of the meetings and attendance of directors thereat are as under:

Date	Board Strength	No. of Directors Present
28 <sup>th</sup> May, 2015	8	6
10 <sup>th</sup> August, 2015	8	7
3 <sup>rd</sup> November, 2015	9*	7
11 <sup>th</sup> February, 2016	9*	7

\*Shri Ashwini Kumar Sharma was appointed as Nominee Director of the State Bank of India, a lender of the Company, w.e.f. 1<sup>st</sup> September, 2015 for a period of 2 years till 31<sup>st</sup> August, 2017.

The maximum gap between two board meetings was less than one hundred and twenty days.

### c) Names and category of the Directors, their attendance at Board Meetings, last Annual General Meeting and the number of Directorships and Chairman/membership(s) held in other Companies as on 31<sup>st</sup> March, 2016:

Name of the Director	Category	Number of board meetings during the FY 2015-16		Attendance at last AGM	Number of Directorships in other Companies*		No. of committees in which Chairmanship/ membership held**	
		Held	Attended		Chairmanship	Member	Chairmanship	Member
Shri U.S. Bhartia (Chairman and Managing Director) DIN: 00063091	Executive (Promoter)	4	4	Yes	1	16	1	4
Smt. Jayshree Bhartia DIN: 00063018	Non-Executive (Promoter)	4	2	No	-	14	-	-
Shri M.K. Rao (Executive Director) DIN: 02168280	Executive	4	4	Yes	-	-	-	1
Shri Pradip Kumar Khaitan DIN: 00004821	Non-Executive & Independent	4	4	No	-	9	-	4

Name of the Director	Category	Number of board meetings during the FY 2015-16		Attendance at last AGM	Number of Directorships in other Companies*		No. of committees in which Chairmanship/ membership held**	
		Held	Attended		Chairmanship	Member	Chairmanship	Member
Shri Jitender Balakrishnan DIN: 00028320	Non-Executive & Independent	4	3	No	-	10	2	6
Shri Ravi Jhunjhunwala DIN: 00060972	Non-Executive & Independent	4	3	No	2	9	1	4
Shri Jagmohan N. Kejriwal DIN: 00074012	Non-Executive & Independent	4	1	No	-	1	0	2
Shri R.C. Misra# DIN: 00063146	Non-Executive & Independent	4	4	Yes	-	-	2	2
Shri Ashwini Kumar Sharma ## DIN: 00157371	Non-Executive & Nominee	4	2	N.A.	-	1	-	-

NOTE: \*Excludes Directorship in Section 8 and foreign companies.

\*\* Includes only Audit and the Stakeholders' Relationship Committee of public limited companies including India Glycols Limited.

# demised on 28<sup>th</sup> April, 2016.

## Appointed as a Nominee Director of the State Bank of India, a lender of the Company, w.e.f. 1<sup>st</sup> September, 2015 for a period of 2 years till 31<sup>st</sup> August, 2017.

The directorship/committee membership is based on the disclosures received from the Directors.

- d) The number of directorship, committee membership/ chairmanship(s) of all directors is within respective limits as prescribed under the Act and SEBI Listing Regulations.
- e) The Board periodically reviews the compliance reports of all laws applicable to the Company.
- f) The Board of Directors has adopted and laid down a Code of Conduct for all directors and senior management personnel. The Code of Conduct is posted on Company's website, at the link- ([http://www.indiaglycols.com/investors/downloads/code\\_of\\_conduct.pdf](http://www.indiaglycols.com/investors/downloads/code_of_conduct.pdf)).

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The said code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanism to report unethical conduct and to help foster a culture of responsibility and accountability.

All Board members and senior management personnel have affirmed compliance with the Code of

Conduct for the FY 2015-16, declaration by Chairman and Managing Director to this effect is enclosed with this report.

- g) No Director is inter-se related to any other Director on the Board, except Shri U.S. Bhartia and Smt. Jayshree Bhartia, who are related to each other as spouse.
- h) The number of shares held by Non-Executive Directors of the Company is as under:

Name of Director	Number of Shares
Smt. Jayshree Bhartia	2,29,003
Shri R.C. Misra#	500

# demised on 28<sup>th</sup> April, 2016.

The Company has not issued any convertible instruments.

- i) Independent Directors (IDs) are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The terms and conditions of the appointment of the IDs, including duties of IDs, are disclosed on the website of the Company. The maximum tenure of IDs is in compliance with the Act.

All IDs have confirmed that they meet the criteria of Independence as mentioned under Section 149(7) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and they maintain the limit of Directorship as provided under the Act and Regulation 25 of the SEBI Listing Regulations and the limit of committee membership.

The Company ensures that the IDs have been properly informed about their role and responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company through various presentations during the board meetings.

The details of the familiarization programme to IDs are disclosed on the Company's website, link of which is as below: <http://www.indiaglycols.com/investors/downloads/Familiarization-programme-for-Independent-Directors.pdf>

During the FY 2015-16, two meetings of the IDs were held on 3<sup>rd</sup> November, 2015 and 11<sup>th</sup> February, 2016 without the presence of Non-Independent Directors and the members of the management. The IDs, inter-alia, reviewed the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole.

### III. COMMITTEES OF THE BOARD

#### a) Audit Committee:

The Audit Committee is constituted in terms of the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations and performs all the functions specified therein.

#### Terms of Reference:

The brief terms of reference of the Audit Committee are as under:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence, performance and effectiveness of audit process;
3. Examine and review of financial statement; to ensure its correctness, sufficiency and credibility before submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company, with particular reference to:
  - (a) Directors' Responsibility Statement to be included in Board's Report.
  - (b) Changes, if any, in the accounting policies and practices and reasons for the same.
  - (c) Major Accounting entries involving estimates based on the exercise of judgment by management.
  - (d) Significant adjustments made in financial statements arising out of Audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure of any Related party Transactions.
  - (g) Qualifications in the draft Audit Report;
4. Approval and/or any subsequent modification of transactions of the Company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Review the financial statements of the Subsidiary Companies, in particular, the investments made by the unlisted subsidiary company;
7. Valuation of undertakings or assets of the Company, wherever it is necessary;
8. Evaluation of internal financial controls and risk management systems;
9. Monitoring the end use of funds raised through public offers and related matters;
10. Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors;
11. Investigate into any matter in relation to the items specified above or as may be referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
12. Review the complaints received under the vigil mechanism for directors and employees of the Company to address genuine concerns in such manner as prescribed under the rules;
13. Review the reason for substantial defaults in the payments to the depositors, shareholders, debenture holders and creditors;
14. Approval of new appointments of person heading the finance functions after assessing the qualifications, experience and background;
15. Mandatorily review the Management discussion and analysis of financial conditions and results of operations; and
16. Review report of the internal auditors, statutory auditors.

#### Composition

As on 31<sup>st</sup> March, 2016, the Committee comprises of three Non-Executive Independent Directors, namely, Shri R.C. Misra, Shri Pradip Kumar Khaitan, Shri Jagmohan N. Kejriwal and One Executive Director, Shri M.K. Rao. The Company Secretary acts as the secretary to the Audit Committee.



Post demise of Shri R.C. Misra, Chairman of the Audit Committee on 28<sup>th</sup> April, 2016, Shri Pradip Kumar Khaitan was appointed as the Chairman of the Committee w.e.f 26<sup>th</sup> May, 2016.

#### Meetings and Attendance

The Committee met four times during the year on 28<sup>th</sup> May, 10<sup>th</sup> August, 3<sup>rd</sup> November, 2015 and 11<sup>th</sup> February, 2016. The necessary quorum was present for all the meetings. The attendance of the members at the meetings is as follows:

Name of Members	Status	No. of Meetings	
		Held	Attended
Shri R.C. Misra*	Chairman	4	4
Shri Pradip Kumar Khaitan**	Member	4	4
Shri Jagmohan N. Kejriwal	Member	4	1
Shri M.K. Rao	Member	4	4

\* demised on 28<sup>th</sup> April, 2016

\*\* Chairman w.e.f. 26<sup>th</sup> May, 2016

All the members possess sound knowledge of finance, accounting practices and internal controls.

The Audit Committee invites such of the executives, as it considers appropriate, particularly the head of the finance function, representatives of the Statutory Auditors, representatives of the Internal Auditor.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

#### b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) is constituted in terms of the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations and performs all the functions specified therein.

##### Terms of Reference:

The brief terms of reference of the NRC are as under:

1. To identify the persons who are qualified to become directors and who may be appointed in senior management positions of the Company;
2. To recommend the appointment of and salary, perquisites and commission payable to the Managing Director, Executive Director and Non-Executive Directors comprising the Board of Directors of the Company;
3. To recommend the appointment of and salary, perquisites and allowances payable to the Chief Executive Officer, Chief Financial Officer, Company Secretary and other KMPs & functional heads;
4. To formulate attraction and retention strategies for employees;

5. To formulate the Nomination and Remuneration Policy;
6. Such other key issues / matters as may be referred by the Board or as may be necessary in view of the SEBI Listing Regulations or any statutory provisions;
7. Formulation of criteria for evaluation of Independent Directors and all other directors of the Board; and
8. To formulate the criterion for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees in accordance with the provisions mentioned in the relevant section.

#### Composition

As on 31<sup>st</sup> March, 2016, the Committee comprises of three Non-Executive Independent Directors namely, Shri R.C. Misra, Shri Pradip Kumar Khaitan and Shri Jagmohan N. Kejriwal. The Company Secretary acts as the secretary to the NRC.

Post demise of Shri R.C. Misra, Chairman of the NRC 28<sup>th</sup> April, 2016, the Committee was reconstituted on 26<sup>th</sup> May, 2016 by inducting Shri Ravi Jhunjhunwala, a Non-Executive Independent Director.

#### Meetings and Attendance

The Committee met twice during the year on 28<sup>th</sup> May, 2015 and 11<sup>th</sup> February, 2016. The necessary quorum was present for all the meetings. The attendance of the members at the meetings is as follows:

Name of Members	Status	No. of Meetings	
		Held	Attended
Shri R.C. Misra*	Chairman	2	2
Shri Jagmohan N. Kejriwal	Member	2	Nil
Shri Pradip Kumar Khaitan	Member	2	2

\*demised on 28<sup>th</sup> April, 2016

#### Nomination, Remuneration and Evaluation Policy

The Nomination, Remuneration and Evaluation Policy (the "Policy") is formulated and adopted in line with Section 178 of the Act and the SEBI Listing Regulations to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Management Personnel (KMP) and official comprising of the Senior Management.

#### Board Membership Criteria

The basis for the NRC to select a candidate for appointment to the Board are enhancing the competencies of the Board and attracting as well as

retaining talented employees for role of KMP and official comprising of the senior management. When recommending a candidate for appointment, the NRC has regard to:

- a) Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- b) The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- c) The skills and experience that the appointee brings to the role of KMP/senior official and how an appointee will enhance the skill sets and experience of the Board as a whole;
- d) The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- e) Personal specifications.

#### **Remuneration Policy**

The guiding principle for the remuneration of Directors, KMP and Senior Management is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMP and other Senior Officials.

The Directors, KMP and other Senior Official's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The NRC determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate.

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees for attending every meeting of the Board/ committees as approved by the Board, profit related commission as may be recommended by the Committee to the

Board and subsequently approved by the members. The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

The Independent Directors shall not be entitled to any stock option.

The criterion of making payment to the Non-Executive Directors of the Company is provided in the Policy placed on the website of the Company (<http://www.indiaglycols.com/investors/downloads/appointment-remuneration-evaluation-policy.pdf>).

#### **Performance Evaluation Criteria**

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the SEBI Listing Regulations.

Following are the criteria that may assist in determining how effective the performances of the Directors / KMPs /Senior officials have been:

- Leadership & stewardship abilities
- Contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources
- Review achievement of strategic and operational plans, objectives, budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Direct, monitor & evaluate KMPs, senior officials
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees
- Review of corporation's ethical conduct

Evaluation on the aforesaid parameters is being conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated does not participate in the said evaluation discussion.

**c) Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee (SRC) is constituted in terms of the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations and performs all the functions specified therein.

**Terms of Reference**

The brief terms of reference of the Stakeholders' Relationship Committee includes considering and resolving the grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and any other matter relating to shareholders/investors grievance.

**Composition**

As on 31<sup>st</sup> March, 2016 the Committee comprises of two Non-Executive Independent Directors, namely, Shri R.C. Misra, Chairman of the Committee, Shri Jagmohan N. Kejriwal and one Executive Director, Shri U.S. Bhartia.

Post demise of Shri R.C. Misra, Chairman of the Stakeholders' Relationship Committee on 28<sup>th</sup> April, 2016, the Committee was reconstituted by the Board on 26<sup>th</sup> May, 2016 by inducting Shri Pradip Kumar Khaitan, a Non-Executive Independent Director, who is also the Chairman of Stakeholders' Relationship Committee.

Shri Ankur Jain is the Company Secretary and Compliance officer w.e.f. 1<sup>st</sup> July, 2016.

**Meetings and Attendance**

The Committee met four times during the year on 28<sup>th</sup> May, 10<sup>th</sup> August, 3<sup>rd</sup> November, 2015 and 11<sup>th</sup> February, 2016.

The necessary quorum was present for all the meetings. The attendance of the members at the meetings is as follows:

Name of Members	Status	No. of Meetings	
		Held	Attended
Shri R.C. Misra*	Chairman	4	4
Shri U.S. Bhartia	Member	4	4
Shri Jagmohan N. Kejriwal	Member	4	1

*\*demised on 28<sup>th</sup> April, 2016*

**Investors' complaints received and resolved during the year**

During the year under review, Company had received 25 Investors' Complaints. All the complaints received were duly redressed by the Company. As on 31<sup>st</sup> March, 2016, no complaints were outstanding.

**d) Share Transfer Committee**

**Terms of Reference**

The Share Transfer Committee has been constituted by the Board to review and approve the request for transfer/transmission of shares and issue of duplicate share certificates. The Share Transfer Committee also reviews the status of Shareholding pattern of the Company and significant changes, if any.

**Composition**

As on 31<sup>st</sup> March, 2016, the Committee comprises of four Directors, namely, Shri U.S. Bhartia, Chairman and Managing Director, Smt. Jayshree Bhartia, Non-Executive Director, Shri Jagmohan N. Kejriwal, Non-Executive Independent Director and Shri R.C. Misra, Non-Executive Independent Director. The Company Secretary acts as the secretary to the Share Transfer Committee.

**Meetings and Attendance**

The Committee met fifteen times during the year. The necessary quorum was present for all the meetings. The attendance of the members at the meetings is as follows:

Name of Members	Status	No. of Meetings	
		Held	Attended
Shri U.S. Bhartia	Chairman	15	15
Smt. Jayshree Bhartia	Member	15	11
Shri Jagmohan N. Kejriwal	Member	15	Nil
Shri R.C. Misra*	Member	15	15

*\*demised on 28<sup>th</sup> April, 2016.*

**e) Finance Committee**

**Terms of Reference**

The brief terms of the Finance Committee are to consider and approve inter-alia, Corporate Deposits and Investment, investment of surplus funds from time to time in marketable securities, to take decisions on the Banking operations of the Company and to consider, review & approve the borrowings by the Company.

**Composition**

As on 31<sup>st</sup> March, 2016, the Committee comprises of two Directors, namely, Shri U.S. Bhartia, Chairman and Managing Director and Shri R.C. Misra, Director and two senior officials of the Company namely Shri Rakesh Bhartia, Chief Executive Officer and Shri Anand Singhal, Chief Financial Officer. Shri U.S. Bhartia is the Chairman of the Committee. The Company Secretary acts as the secretary to the Finance Committee.

The Committee was re-constituted on 5<sup>th</sup> August, 2016 and has members namely Shri U.S. Bhartia,

Chairman and Managing Director and Shri M.K. Rao, Executive Director.

#### Meetings and Attendance

The Committee met eleven times during the year. The necessary quorum was present for all the meetings.

#### f) Risk Management Committee

##### Terms of Reference

The Board has constituted a Risk management Committee in line with the SEBI Listing Regulations to identify the existing and prospective Risks attached to the business of the Company; to monitor and review the Risk Management Plan of the Company; to suggest measures for mitigation of the Risks attached to the business of the Company; and to take any other action as may be directed by the Board of Directors in respect of the Risk Management. The committee shall also review and reassess the adequacy of the plan periodically and recommend proposed changes.

##### Composition

As on 31<sup>st</sup> March, 2016, the Committee comprises of eight members including three Non-Executive Independent Directors namely, Shri Ravi Jhunjhunwala, Shri Pradip Kumar Khaitan, Shri Jitender Balakrishnan; Shri Uma Shankar Bhartia, Chairman and Managing Director, Shri M.K. Rao, Executive Director and three Senior executives of the Company namely, Shri Rakesh Bhartia, Chief Executive Officer, Shri Anand Singhal, Chief Financial Officer and Shri Atul Govil, IT Head as its members. The Company Secretary acts as the secretary to the Risk Management Committee.

##### Meetings and Attendance

The Committee met once during the year on 11<sup>th</sup> February, 2016. All the members were present during the meeting.

#### g) Corporate Social Responsibility Committee

##### Terms of reference

The Corporate Social Responsibility Committee has been constituted by the Board to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act; recommend the amount of expenditure to be incurred on the activities referred above; and monitor the Corporate Social Responsibility Policy of the Company from time to time.

##### Composition

As on 31<sup>st</sup> March, 2016, the Committee comprises of four members including two Non-Executive Independent Directors namely, Shri R.C. Misra (demised on 28<sup>th</sup> April, 2016), Shri P.K. Khaitan and two Executive Directors namely Shri U.S. Bhartia, Chairman and Managing Director and Shri M. K. Rao, Executive Director. Shri U.S. Bhartia is the Chairman of the Committee. The Company Secretary acts as

the secretary to the Corporate Social Responsibility Committee.

#### Meetings and Attendance

The Committee met twice during the year on 28<sup>th</sup> May and 3<sup>rd</sup> November, 2015. The necessary quorum was present for all the meetings.

#### h) Ethics Committee

##### Terms of Reference

The Ethics Committee of the Board has been constituted to administer, implement the Code of Conduct and Ethics and to review the breach of the said code and advice the action to be taken.

##### Composition

As on 31<sup>st</sup> March, 2016, the Committee comprises of three Non-Executive Independent Directors namely, Shri Pradip Kumar Khaitan, Shri R.C. Misra and Shri Jagmohan N. Kejriwal as its members.

Post demise of Shri R.C. Misra on 28<sup>th</sup> April, 2016, the Committee was reconstituted by the Board on 26<sup>th</sup> May, 2016 by inducting Shri Jitender Balakrishnan, a Non-Executive Independent Director. Shri Pradip Khaitan is the Chairman of the Committee.

##### Meetings and Attendance

The Directors and the senior management confirmed compliance with the Code of Conduct for the FY 2015-16. No breach of the said code was observed. During the year under review, no meeting was held of the members of the Ethics Committee.

#### Remuneration of Directors for FY 2015-16:

##### (a) Executive Directors - (Amount in ₹)

Name of Director	Salary (Basic)	Perquisites / allowances	Retiral benefits	*Total fixed salary
Shri U.S. Bhartia	1,20,00,000/-	17,30,00/-	-	1,37,30,000/-
Shri M.K. Rao	35,64,000/-	29,59,829/-	-	65,23,829/-

*\*excludes contribution to Provident Fund & Gratuity*

The appointment of Executive Directors is governed by the resolutions passed by the Board and the Shareholders of the Company, which covers the terms and conditions of such appointment.

##### (b) Non- Executive Directors -

Name of Director	Sitting Fee (in ₹)
Smt. Jayshree Bhartia	1,50,000.00
Shri Pradip Kumar Khaitan	2,30,000.00
Shri Jagmohan N. Kejriwal	50,000.00
Shri Ravi Jhunjhunwala	80,000.00
Shri Jitender Balakrishnan	90,000.00
Shri R.C. Misra	5,20,000.00
Shri Ashwini Kumar Sharma	40,000.00

No Commission has been paid to the Directors. Only sitting fees within the limits prescribed under the Act read with Rules thereunder has been paid to Non-Executive Directors. Details of remuneration paid to the Directors are given in Form MGT-9 which forms a part of Board's Report.

During the FY 2015-16, legal professional services fee of ₹ 40,93,468/- (Rupees Forty Lacs Ninety Three Thousand Four Hundred and Sixty Eight Only) were paid to Khaitan & Co., LLP, Advocates, in which Shri Pradip Kumar Khaitan, Director of the Company is a partner.

Non-executive Directors did not have any other material pecuniary relationship or transactions with the Company during the year except as stated above.

Letters of appointment have been issued by the Company to the Independent Directors, incorporating their roles, responsibilities, etc., which have been accepted by them.

The statutory provisions will apply with respect to the notice period of Directors. There is no separate provision included for severance fees in the resolutions governing the appointment of Directors. No stock option was given to Directors during the year.

#### IV. OTHER DISCLOSURES

##### (a) Related Party Transaction Disclosures

All transactions entered into with related parties under the Act and Accounting Standard (AS-18) during the FY 2015-16 were approved by the Audit Committee. Further, the Company has no materially significant transaction with the related parties viz. Promoters, Directors or the management or relatives and their subsidiaries, etc. that may have a potential conflict with the interest of the Company at large. No material related party transaction was entered into during the FY 2015-16. The details of related party transactions with the Company as required by AS-18 on Related Party Transactions have been given in Note no. 45 of the Standalone Financial Statements forming part of Annual Report. Related Party Transactions Policy of the Company as approved by the Board has been uploaded on the Company's website at the following link- (<http://www.indiaglycols.com/investors/downloads/Related-party-transactions-Nov-2014.pdf>)

(b) No penalties or strictures have been imposed or passed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities on any matter related to Capital Markets for non-compliance by the Company during last three years.

(c) As a conscious and vigilant organization, India Glycols Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. In its

endeavour to enable its employees to report concerns about unethical behavior, actual and suspected fraud or violation of the Company's conduct, the Company has put in place a Whistle Blower/Vigil Mechanism Policy. Whistle Blower/Vigil Mechanism provides a channel to the employees to report to the management concerns about the suspected or confirmed malpractices and events. The policy provide for the adequate safeguard of the person availing the mechanism by maintaining confidentiality of all the matters under the policy and also provide for direct access to the Chairman of the Audit Committee in exceptional cases in the manner laid down therein. The Whistle Blower/Vigil Mechanism Policy is posted on the Company's website (<http://www.indiaglycols.com/investors/downloads/vigil-mechanism-policy.pdf>). It is affirmed that no personnel has been denied access to the Audit Committee.

- (d) The Company has also adopted Policy on Determination of Materiality of Event/Information (<http://www.indiaglycols.com/investors/downloads/Materiality-policy-for-Disclosure-to-Stock-Exchange.pdf>), Policy on Preservation of Records/Archival (<http://www.indiaglycols.com/investors/downloads/Policy-on-preservation-of-records-IGL-updated-11-02-2016.pdf>)
- (e) In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Conduct for regulating and monitoring trading by Insiders. The code advise procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautioning them on consequences of non-compliances.
- (f) The Company is in compliance with all the Mandatory requirements stipulated in SEBI Listing Regulations and erstwhile Clause 49 of the Listing Agreement.

Non-Mandatory Requirements:

- (i) The quarterly and half yearly results are displayed on the website of the Company and are also published in widely circulated English and Regional language newspapers.
- (ii) The Internal Auditor reports directly to the Audit Committee. The Internal Auditor has regular meetings with the Head of Finance prior to placing of the reports of Internal Auditors before the Audit Committee and the Board.
- (g) Commodity price risk or foreign exchange risk and hedging activities

As the Company have forex exposure and in order to mitigate the fluctuations in exchange rate, the Company is hedging its import and export liabilities by adopting appropriate measures.



### Subsidiary Companies

The Audited annual financial statements and the investments made by unlisted subsidiary companies are periodically reviewed by the Audit Committee. The minutes of the Board Meetings of Subsidiary Companies are periodically placed before the Board of the Company. The Company does not have any material subsidiary as defined under Regulation 16 of the SEBI Listing Regulations. A policy for determining material subsidiaries has been formulated and posted on the Company's website (<http://www.indiaglycols.com/investors/downloads/Policy-for-determining-Material-Subsidiaries.pdf>).

### CEO/CFO Certification

The Chairman and Managing Director and Chief Financial Officer have issued compliance certificate under the provisions of Regulation 17 (8) of the SEBI Listing Regulations which is annexed and forms part of this Report.

## V. SHAREHOLDERS

### a) General Body Meetings

Details of the last three Annual General meetings are as under:

Financial Year	Date	Time	Location
2014-15	28.08.2015	12.30 P.M.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt Udham Singh Nagar, Uttarakhand
2013-14	20.09.2014	12.30 P.M.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt Udham Singh Nagar, Uttarakhand
2012-13	18.09.2013	12.30 P.M.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt Udham Singh Nagar, Uttarakhand

Special Resolutions under Section 81(1A) of the Companies Act, 1956 were passed at the AGM held on 18<sup>th</sup> September, 2013. Special Resolutions under Section 197 read with Schedule V, Section 188, Section 14 and Section 41, 42 and 62 of the Companies Act, 2013 were passed at the AGM held on 20<sup>th</sup> September 2014. Special Resolutions under Section 41, 42 and 62 of the Companies Act, 2013 were passed at the AGM held on 28<sup>th</sup> August, 2015.

### Postal Ballot

During the FY 2015-16, no special resolution has been passed through the exercise of postal ballot. None of the business to be transacted at the ensuing Annual General Meeting requires passing a resolution through Postal Ballot.

### b) Means of Communication

The quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are displayed on the website of BSE Limited and National Stock Exchange of India Limited (NSE). The results are also published in leading English and Hindi Newspapers in India which includes the Financial Express, Uttar Ujala and posted on the Company's Website [www.indiaglycols.com](http://www.indiaglycols.com).

### c) General shareholder information

#### i) Annual General Meeting

**Date** : Saturday, the 24<sup>th</sup> September, 2016

**Venue** : A-1, Industrial Area,  
Bazpur Road, Kashipur-244713,  
Distt. U.S. Nagar, Uttarakhand

**Time** : 11.00 A.M.

#### ii) Financial Calendar - Financial year: 1<sup>st</sup> April to 31<sup>st</sup> March

For the financial year 2016-17, the tentative dates for approval and adoption of unaudited quarterly financial results will be by 14<sup>th</sup> August, 2016 for the first quarter, by 14<sup>th</sup> November, 2016 for half-yearly, by 14<sup>th</sup> February, 2017 for third quarter and by 15<sup>th</sup> May/30<sup>th</sup> May, 2017 for the fourth quarter and annual audited financial results.

#### iii) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 20<sup>th</sup> September, 2016 to Saturday, the 24<sup>th</sup> September, 2016 (both days inclusive).

#### iv) Dividend - No dividend has been recommended by the Board for the FY 2015-16.

#### v) Listing at stock exchanges and stock codes

The name of the Stock Exchanges at which the equity shares of the Company are listed as on 31<sup>st</sup> March, 2016 and the respective stock codes are as under:

Name of the Stock Exchange	Stock Code No./ Symbol
BSE Limited ("BSE") 25 <sup>th</sup> floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	500201
National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai-400 051	Indiaglyco

Listing fees for the financial year ended 31<sup>st</sup> March, 2017 to the BSE and NSE has been paid.

The ISIN number allotted to the Company's shares under the depository system is INE 560A01015.

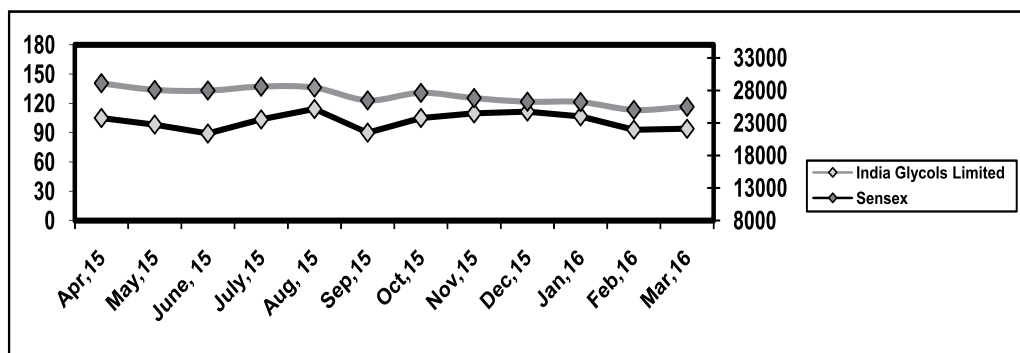
- vi) **Market Price Data** High/Low of market price of the Company's equity shares traded on the BSE and NSE during each month of FY 2015-16 is as under-

Month	High		Low	
	BSE	NSE	BSE	NSE
Apr-15	105.00	104.95	82.00	81.25
May-15	98.30	98.45	83.90	83.15
Jun-15	89.20	89.50	77.35	77.00
Jul-15	103.60	103.80	83.25	83.00
Aug-15	114.30	114.40	81.40	80.25
Sep-15	90.00	90.80	79.50	79.35
Oct-15	105.00	105.90	87.50	87.20
Nov-15	109.80	109.80	87.00	86.30
Dec-15	111.60	111.80	93.00	93.00
Jan-16	106.70	106.50	79.20	78.60
Feb-16	93.00	93.20	65.25	65.00
Mar-16	94.00	94.25	66.50	65.50

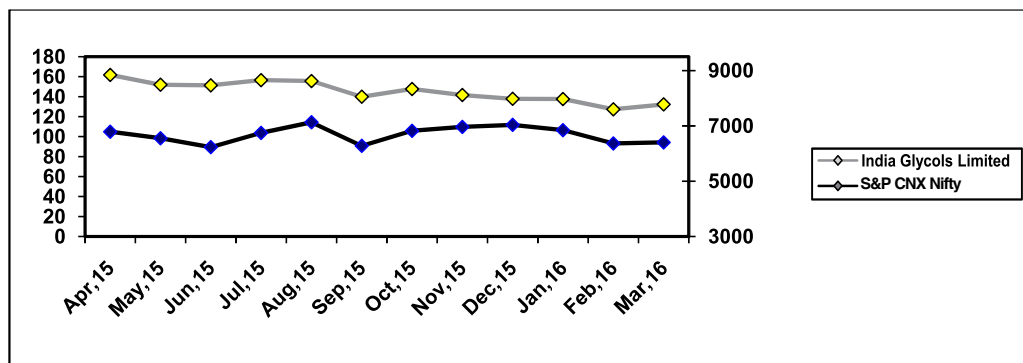
- vii) **Performance of Company's equity shares in comparison to BSE Sensex and S&P CNX NIFTY**

The graphical presentations of movement of share prices of the company on BSE and NSE during the year are as under:

- a. INDIA GLYCOLS' PRICES VERSUS SENSITIVITY AT BSE



- b. INDIA GLYCOLS' PRICES VERSUS S & P CNX NIFTY



**viii) Registrars and Share Transfer Agents**

Name and Address - M/s MCS Share Transfer Agent Limited  
F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi -110 020

Telephone - 011-41406149

E-mail - admin@mcsregistrars.com

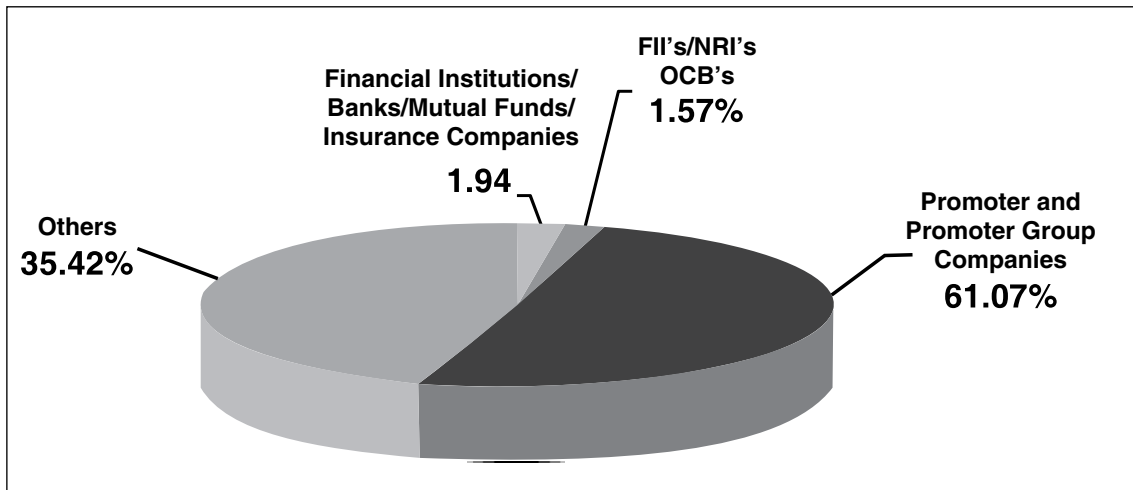
Website - www.mcsregistrars.com

**ix) Share Transfer System**

All share transfers are handled by Company's Registrar and Share Transfer Agent. Transfer of shares in physical form is normally processed within 15 days from the date of receipt of documents complete in all respect. Transfer of shares through depositories is processed within 21 days of receipt of request. A summary of share transfer/transmission of securities of the Company as approved is placed before the Stakeholders' Relationship Committee and the Board. A half-yearly certificate from Company Secretary in practice certifying that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation, renewal as required under Regulation 40 of the SEBI Listing Regulations is obtained by the Company and a copy of the said certificate is filed with the Stock Exchange.

Further, pursuant to Regulations 7(3) of the SEBI Listing Regulations, Compliance Certificate certifying compliance regarding maintenance of securities transfer facilities have been submitted to stock exchanges within stipulated time.

**x) Distribution of shareholding as on 31<sup>st</sup> March, 2016**



**Shares held in physical and dematerialized form**

Mode of Holding	%age
NSDL	28.89
CDSL	60.81
Physical	10.30

**xi) Dematerialization of shares and liquidity**

As on 31<sup>st</sup> March, 2016, 89.70% shares were held in dematerialized form and 10.30% in physical form. 90.37% shares of non-promoters holding is in dematerialized form. The shares of the Company are compulsorily traded in dematerialized form.

**xii) Outstanding GDR's/ADR's/Warrants/convertible instruments, conversion date and their impact on equity –Nil**

**xiii) Plant Locations**

- 1) A-1, Industrial Area, Bazpur Road, Kashipur, Distt. Udham Singh Nagar, Uttarakhand.
- 2) E-1, Sector-15, Gorakhpur Industrial Development Area, Gorakhpur, Uttar Pradesh.
- 3) Plot No. 2, 3, 4 & 5 Pharma City, Selaqui, Dehradun, Uttarakhand.
- 4) Block No. 229-230, Village Valthera, Dholka, Ahmedabad-387810, Gujarat.

**xiv) Address for correspondence**

India Glycols Limited, Plot No. 2B, Sector-126, Noida-201304, Gautam Budh Nagar, Uttar Pradesh

Telephone : 0120-3090100,

Fax : 0120-3090111

Website : [www.indiaglycols.com](http://www.indiaglycols.com)

E-Mail : [compliance.officer@indiaglycols.com](mailto:compliance.officer@indiaglycols.com)

**xv) Management****a) Management discussion and analysis**

Management discussion and analysis report forms separate part of the Annual Report.

**b) Disclosure on Risk Management**

The Company has further strengthened the Risk Management System in the Company. The Board of Directors periodically reviews the Risk Assessment and minimizing procedure thereof.

**xvi) Reconciliation of Share Capital**

The certificate of Reconciliation of Share capital Audit confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL is placed before the Board on quarterly basis and also submitted to the Stock Exchanges.

**xvii) Compliance Certificate from the Statutory Auditors**

Certificate from the Statutory Auditors of the Company, M/s Lodha & Co., Chartered Accountants, confirming compliance with the provisions of Corporate Governance as stipulated in SEBI Listing Regulations is annexed to this Report and forms part of the Annual Report.

**xviii) Equity shares in the suspense account**  
N.A.**xix) Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund**

During the year under review, the Company transferred unpaid/unclaimed dividend amounting to ₹ 20.65 lacs and unclaimed fixed deposits Principals and Interest amounting to ₹ 1.27 lacs to Investor Education and Protection Fund pursuant to Section 205 C of the Companies Act, 1956.

## AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of India Glycols Limited

We have examined the compliance of regulations of Corporate Governance by India Glycols Limited ("Company") for the financial year ended 31<sup>st</sup> March 2016, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

**For LODHA & CO.**  
Chartered Accountants  
Firm's Registration No: 301051E

**(N.K.Lodha)**  
*Partner*

Membership No.85155

Place : Noida  
Date : 5th August, 2016

## CEO/CFO CERTIFICATE

**The Board of Directors**  
**India Glycols Limited**

### **Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

We, the undersigned do hereby certify as under in the capacity of Chairman and Managing Director and Chief Financial Officer of India Glycols Limited in respect of the year ended on 31<sup>st</sup> March, 2016:

- a) We have reviewed financial statements and the cash flow statement for the period and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially 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.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the period;
  - ii) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For India Glycols Limited**

**Anand Singhal**  
*Chief Financial Officer*

**For India Glycols Limited**

**U.S. Bhartia**  
*Chairman and Managing Director*

Place : Noida  
Date : 10<sup>th</sup> May, 2016

**To the Members of India Glycols Limited**

## DECLARATION

I, U.S. Bhartia, Chairman and Managing Director of India Glycols Limited do hereby declare that the Company had received affirmation from all the members of the Board and Senior Management personnel stating compliance of the code of conduct for the year 2015-16 pursuant to the requirement of the Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For India Glycols Limited**

Place : Noida  
Date : 10<sup>th</sup> May, 2016

**U.S. Bhartia**  
*Chairman and Managing Director*



## Independent Auditors' Report TO THE MEMBERS OF INDIA GLYCOLS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of India Glycols Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view

in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Basis for Qualified Opinion

Attention is invited to:

- (a) *Note No. 33 (A)(i) and 33(A)(ii) of the standalone financial statements regarding Non-provision against diminution in the value of investment and inter corporate deposit (including accrued interest ₹950.65 Lacs and total amount as stated in said note) made in a subsidiary M/S Shakumbari Sugar and Allied Industries Limited (SSAIL) and net worth of SSAIL had been fully eroded, where in the opinion of management no provision for diminution in value is necessary considering the long term nature and the intrinsic value of the assets of subsidiary company and direction issued by the Hon'ble Board for Industrial and Financial Reconstruction for preparation of revival scheme by the operating agency as stated in the said note.*

*Also attention is drawn for Non-provision against advance to SSAIL of amounting to ₹ 8,453.81 Lacs and against corporate guarantee extended of amounting to ₹ 10,845.38 Lacs (P.Y. 12,045.43 Lacs) on behalf of SSAIL for loan facility availed by SSAIL (excluding penal interest, penalty etc.) from Financial Institutions and Banks (as stated in Note no. 28 A.(iii) & 33(A) (iii)).*

*Our Audit Report on the standalone financial statements for the year ended March 31, 2015 was also qualified in respect of the above matters.*

- (b) *Note No. 33 (B) of the standalone financial Statement regarding Non-provision against total exposure of amounting to ₹ 14,774.64 Lacs (including Investment of ₹ 125 Lacs) in a subsidiary, IGL Finance Limited (IGLFL), where the management is confident about its recoverability for the reasons as stated in the said note, and our inability to comment thereon. Our Audit Report on the standalone financial statements for the year ended March 31, 2015 was also qualified in respect of the above matter.*

*Further Attention is drawn to:*

*Regarding matters stated under para (a) & (b) above, read with note no. 33(C) of the standalone financial statements regarding reinstatement/suitably rectify the audited financial statements, attention is drawn.*

*Net loss for the year, investments, loans & advances and reserve & surplus are without considering impact of the above which could not be ascertained or otherwise for the*



reason stated in as above. Our opinion was also qualified in respect of matters reported in para (a) & (b) above on the standalone financial statements for the year ended 31<sup>st</sup> March, 2015.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the “**Basis for Qualified Opinion**” paragraph above, the aforesaid standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

### Emphasis of Matters

Attention is drawn to the following:

- (a) Note no. 36 (a) of audited standalone financial statements for the year ended 31<sup>st</sup> March, 2016 regarding pending receipts of necessary approvals as stated in note for provision made of amounting to ₹ 14,167.57 Lacs (including made in earlier years of ₹ 13,421.55 Lacs) for special discount on account of steep fall in prices.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure ‘A’ a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. 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) *Except for the effect of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) *The matter described in the basis for qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.*
- (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) As required by section 143(3)(i) of the Companies Act, 2013, and based on the checking of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, our separate report with respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls is as per Annexure ‘B’.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 28A(i), 31, 32 & 33(A)(iii) to the standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. Refer Note No. 50(C)(b) & 50(C)(c) to the standalone financial statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For LODHA & CO.**

Chartered Accountants  
Firm’s Registration No. 301051E

(N.K. LODHA)

Partner

Place: Noida

Date: 26<sup>th</sup> May, 2016

Membership No. 85155

**Annexure - A to the Auditors' Report**  
**Annexure referred to in paragraph 1 under the heading**  
**"Report on other legal and regulatory requirements"**  
**of our report of even date on the Standalone Financial**  
**Statements of India Glycols Ltd. for the year ended**  
**31<sup>st</sup> March, 2016**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except in case of certain locations where records are in process of updation/compilation.
- (b) As per information & explanation given to us, the fixed assets have been physically verified by the Management. As explained to us there is regular programme of physical verification once in every three years, in phased manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) As per the records and information and explanations given to us, title deeds of immovable properties (fixed assets) are held in the name of the Company (read with footnote of note no 11).
2. The inventory of the Company (except stock in transit which have been verified based on subsequent receipt/reconciliation) has been physically verified by the management at reasonable intervals and the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business. The company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, we are not offering any comment on the provisions of Clause 3(iii) (a), (b) & (c) of the Order. (This is to be read with note no. 45(iv)(j))
4. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable) with regard to deposits accepted from the public. According to the information and explanation given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules specified by the Central Government for the maintenance of cost records under Section 148(1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues to the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31<sup>st</sup> March, 2016.
- (b) According to the records and information and explanations given to us, there are no material dues in respect of Income Tax or cess that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and dues in respect of Duty of Custom, Service Tax, Duty of Excise, VAT & Sales Tax that have not been deposited with appropriate authority on account of dispute and the forum where the dispute is pending are given below:-

Nature of Statute	Nature of Dues	Amount (₹ In Lacs)	Period	Forum
Custom	Custom Duty	11.42	1992-93	U.T High Court
	Custom Duty	193.05	2004-05, 2009-10	Assistant Commissioner Customs
	Custom Duty	196.85	2005-06	CESTAT
	Custom Duty	763.77	2004-05, 2010-11	Commissioner Customs (Appeals)
	Duty Drawback	15.86	2006-07	Joint Secretary, Department of Revenue
Finance Act 1994	ServiceTax	172.66	2010-11 to 2015-16	Commissioner LTU - KSP
	ServiceTax	2.20	2010-11 to 2015-16	Assistant Commissioner LTU –Ahmedabad
	ServiceTax	8.09	2005-06 to 2008-09, 2010-11	Assistant/Deputy Commissioner LTU – GKP
	ServiceTax	36.31	2004- 08	CESTAT

Nature of Statue	Nature of Dues	Amount (₹ In Lacs)	Period	Forum
Central Excise Act	Cenvat Credit	11.75	2007-08 to 2012-13	Commissioner Appeal LTU - KSP
	Cenvat Credit	7.50	2011-12 to 2013-14	Additional Commissioner LTU - KSP
	Cenvat Credit	15.82	2010-11 to 2013-14	Additional Commissioner LTU- GKP
	Cenvat Credit	8.68	2013-14, 2014-15	Assistant/Deputy Commissioner LTU - GKP
	Cenvat Credit	36.53	2010-11 to 2013-14	Commissioner Appeals LTU - GKP
	Cenvat Credit	6.39	2010-11 to 2011-12	Commissioner Appeals, Allahabad
	Cenvat Credit	10.86	2011-12, 2012-13	Commissioner LTU - GKP
	Cenvat Credit	66.97	2006-07 to 2008-09	Commissioner LTU - KSP
	Cenvat Credit	0.22	2013-14	Superintendent - LTU- GKP
	Excise Duty	19.60	2008-09 to 2013-14	Additional Commissioner LTU - KSP
	Excise Duty	922.57	2007-08 to 2011-12	CESTAT
	Excise Duty	4,183.63	2010 – 2011	Commissioner LTU - KSP
	Excise Duty	2.56	2013-14	Joint/Additional Commissioner LTU - KSP
UP VAT Act	Sales Tax	8.39	2008-09, 2009-10,	Additional Commissioner
			2011-12	

8. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government (both State and Central) or dues to debenture holders.
9. On the basis of information and explanations given to us, the Company did not raise any money by way of public offer or further public offer (including debt instruments) during the year and term loans raised were applied for the purposes for which the loans were obtained except pending utilization, have been temporarily parked in the current assets/deposits with banks.
10. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of the audit.
11. On the basis of records and information and explanations made available and based on the examination of the records of the Company, managerial remuneration which has been paid or provided is in accordance with the requisite approvals mandated by Section 197 read with Schedule V to the Act.
12. The Company is not a chit fund or a nidhi /mutual benefit fund /society and therefore, the provisions of clause 3 (xii) of the said Order are not applicable to the Company.
13. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties

transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained and as per records / details of such related parties transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully / partly convertible debentures during the year in terms of provisions of Section 42 of the Act.
15. On the basis of records made available to us and according to information and explanations given to us and based on the examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the provision of section is not applicable to the Company.

**For LODHA & CO.**  
Chartered Accountants  
Firm's Registration No. 301051E

(N.K. LODHA)  
Partner

Place: Noida  
Date: 26<sup>th</sup> May, 2016

Membership No. 85155

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIA GLYCOLS LIMITED**

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

We have audited the internal financial controls over financial reporting of India Glycols Limited ("the Company") as of March 31, 2016 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**

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 ('ICAI'). 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.

### **Auditor's Responsibility**

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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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**

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

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

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**

In our opinion, read with the matters described below under Emphasis of Matters, 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 March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Emphasis of Matter**

Attention is drawn to:

According to the information and explanations given to us, the company has adequate internal financial controls system over financial reporting, however, the company needs to further strengthen its internal control system over financial reporting regarding balance confirmation (Read

with note no. 36) to be made the same commensurate with size and nature of business and our comments under 'Basis of Qualification' in our main report.

Our opinion is not modified in respect of matter stated above.

We have considered the weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31st, 2016 financial statements of the Company, and these weaknesses do not affect our opinion on the 2016 financial statements of the Company.

**For LODHA & CO.**

Chartered Accountants  
Firm's Registration No. 301051E

(N.K. LODHA)

Partner

Membership No. 85155

Place: Noida

Date: 26.05.2016

## Balance Sheet as at 31st March, 2016

(₹ in lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	3,096.15	3,096.15
Reserves and Surplus	3	39,633.33	42,434.34
		<b>42,729.48</b>	45,530.49
<b>Non-current Liabilities</b>			
Long-term borrowings	4	14,616.56	34,458.36
Deferred tax liabilities (Net)	5	2,574.14	4,874.61
Other Long-term liabilities	6	65,394.18	16.83
Long-term provisions	7	556.63	512.71
		<b>83,141.51</b>	39,862.51
<b>Current Liabilities</b>			
Short-term borrowings	8	95,886.68	136,035.84
Trade payables	9	47,067.96	24,328.28
Other current liabilities	10	31,178.07	69,530.39
Short-term provisions	7	353.38	487.79
		<b>174,486.09</b>	230,382.30
<b>TOTAL</b>		<b>300,357.08</b>	315,775.30
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible assets	11	104,882.18	103,138.45
Intangible assets	11	15.76	76.83
Capital work-in-progress	11	16,748.39	14,223.23
Non-current investments	12	8,252.41	8,193.24
Long-term loans and advances	13	7,130.57	5,858.32
Other non-current assets	14	4,452.95	240.78
		<b>141,482.26</b>	131,730.85
<b>Current Assets</b>			
Current Investments	12	-	-
Inventories	15	50,812.43	47,358.27
Trade receivables	16	37,983.91	43,756.15
Cash and Bank balances	17	2,962.22	14,741.32
Short-term loans and advances	18	65,852.21	77,720.66
Other current assets	19	1,264.05	468.05
		<b>158,874.82</b>	184,044.45
<b>TOTAL</b>		<b>300,357.08</b>	315,775.30

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Lodha & Co.**

Chartered Accountants

Firm Registration no. 301051E

**N.K. Lodha**

Partner

Membership No. 85155

Place : Noida, UP

Dated : 26th May, 2016

**U.S. Bhartia**

Chairman and Managing Director

**Rakesh Bhartia**

Chief Executive Officer

**M.K. Rao**

Executive Director

**Anand Singhal**

Chief Financial Officer

## Statement of Profit & Loss for the period ended March 31, 2016 (₹ in lacs), except as otherwise stated

Particulars	Note No.	2015-16	2014-15
Revenue from operations	20	<b>232,223.03</b>	255,741.04
Other income	21	<b>675.98</b>	4,333.98
<b>Total Revenue</b>		<b>232,899.01</b>	260,075.02
<b>Expenses:</b>			
Cost of materials consumed	22	<b>124,328.14</b>	138,900.24
Purchase of Stock-in-Trade	23	<b>25,052.46</b>	32,934.30
Change in inventories of finished goods, work-in-progress and Stock-in-trade	24	<b>(3,099.43)</b>	1,769.51
Employee benefit expenses	25	<b>8,520.96</b>	8,561.44
Finance costs	26	<b>13,281.69</b>	15,769.72
Depreciation and amortization expenses	11	<b>5,323.82</b>	8,116.39
Other expenses	27	<b>58,730.99</b>	59,892.95
<b>Total Expenses</b>		<b>232,138.63</b>	265,944.55
<b>Profit/ (Loss) before exceptional items and tax</b>		<b>760.38</b>	(5,869.53)
Exceptional Items (Net)	47	<b>6,007.00</b>	5,795.51
<b>Profit/ (Loss) before tax</b>		<b>(5,246.62)</b>	(11,665.04)
Tax Expense:			
- Current Tax		-	-
- Deferred tax Charged / (Credit)		<b>(2,240.14)</b>	(5,531.16)
- Tax for earlier years		<b>(0.26)</b>	-
- Minimum Alternate Tax (Credit) entitlement		<b>409.79</b>	-
<b>Profit/ (Loss) for the period</b>		<b>(3,416.01)</b>	(6,133.88)
<b>Earning per Equity share basic/ diluted (in Rs.)</b>		<b>(11.03)</b>	(19.81)

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Lodha & Co.**  
Chartered Accountants  
Firm Registration no. 301051E

**U.S. Bhartia**  
Chairman and Managing Director

**M.K. Rao**  
Executive Director

**N.K. Lodha**  
Partner  
Membership No. 85155  
Place : Noida, UP  
Dated : 26th May, 2016

**Rakesh Bhartia**  
Chief Executive Officer

**Anand Singhal**  
Chief Financial Officer

## Cash Flow Statement for the year ended 31st March, 2016

(₹ in lacs)

	2015-16		2014-15	
<b>A Cash Flow from Operating Activities</b>				
Net Profit/(Loss) Before Tax		(5,246.62)		(11,665.04)
Adjustments For:				
Depreciation	5,323.82		8,116.39	
(Profit)/Loss on Sale of Assets	12.10		(5,197.77)	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	245.19		94.53	
Amortisation of Foreign Currency Monetary Item Translation Difference	857.60		2,355.19	
(Profit)/Loss on Sale of Non-Current Investments	(295.00)		(684.74)	
(Profit)/Loss on Sale of Current Investments	-		0.63	
Insurance Gain Recoverable	-		(2,407.00)	
Bad Debts W/Off & Provision for Doubtful Debts & Advances	1,340.02		6,152.12	
Provision No Longer Required Written Back	(676.10)		(212.40)	
Finance Costs	13,912.59		17,245.90	
Interest/Dividend Income	(959.15)	19,761.07	(2,058.52)	23,404.33
<b>Operating Profit/ (Loss) before Working Capital Changes</b>		<b>14,514.45</b>		<b>11,739.29</b>
Adjustments For:				
(Increase)/Decrease in Trade & Other Receivables	21,001.65		(12,990.18)	
(Increase)/Decrease in Inventories	(3,454.16)		7,360.95	
Increase / (Decrease) in Trade & Other Payables	90,621.66	108,169.15	(21,276.52)	(26,905.75)
<b>Cash Generated from / (Used in) Operations</b>		<b>122,683.60</b>		<b>(15,166.46)</b>
Income Tax Paid (Net)		(192.84)		(256.67)
<b>Net Cash flow from / (Used in) Operating Activities</b>		<b>122,490.76</b>		<b>(15,423.13)</b>
<b>B Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(9,459.88)		(6,692.64)	
Sale of Fixed Assets	59.00		18,925.77	
Interest/Dividend received	1,232.01		1,913.41	
ICDs given	(596.74)		(1,451.30)	
ICDs received back	611.74		4,572.30	
Investments in shares of subsidiaries/ joint venture	(64.17)		(2,507.83)	
Sale of non-current investments	300.00		693.85	
Sale of current investments	-		9.17	
<b>Net Cash flow from / (Used in) Investing Activities</b>		<b>(7,918.04)</b>		<b>15,462.73</b>
<b>C Cash Flow from Financing Activities</b>				
Proceeds from Govt subsidy	30.00		-	
Proceeds from Borrowings	12,433.00		78,105.18	
Repayment of Borrowings	(114,342.04)		(59,947.69)	
Finance Costs	(14,333.25)		(17,884.28)	
Dividends Paid (Including Corporate Dividend Tax)	(21.82)		(371.62)	
<b>Net Cash flow from / (Used in) Financing Activities</b>		<b>(116,234.11)</b>		<b>(98.41)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents [A+B+C]</b>		<b>(1,661.39)</b>		<b>(58.81)</b>
Opening Cash & Cash Equivalent (refer note 17)		2,029.01		2,087.82
Closing Cash & Cash Equivalent (refer note 17)		367.62		2,029.01

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Lodha & Co.**  
Chartered Accountants  
Firm Registration no. 301051E

**N.K. Lodha**  
Partner  
Membership No. 85155  
Place : Noida, UP  
Dated : 26th May, 2016

**U.S. Bhartia**  
Chairman and Managing Director

**Rakesh Bhartia**  
Chief Executive Officer

**M.K. Rao**  
Executive Director

**Anand Singhal**  
Chief Financial Officer

# Notes to the Accounts

## 1. ACCOUNTING POLICIES

### A. ACCOUNTING CONVENTION

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards specified under section 133 of the Companies Act 2013 ('Act') read with Rule 7 of the Company (Accounts) Rules 2014 and relevant provision of the Act. Accounting policies has been consistently applied.

### B. REVENUE RECOGNITION

- (a) Revenue from the sale of goods is recognized at the time of transfer of substantial risks and reward of ownership to the buyers under the term of contract, usually on the delivery of the goods.
- (b) Revenue is recognized based on the nature of the activity to the extent it is probable that the economic benefit will flow to the company and the revenue can be reliably measured with the reasonable certainty of its recovery.
- (c) Revenue in respect of Export benefits are recognized on post export basis at the rate at which the entitlement accrues and is included in the turnover.

### C. FIXED ASSETS AND DEPRECIATION

- (a) (i) All tangible fixed assets are stated at their historical cost less accumulated depreciation. Leasehold land is amortised over the period of lease. Depreciation on fixed assets, has been provided using straight line method over their useful lives prescribed under schedule II of the Companies Act 2013 (except on Plant & Machinery of E.O. Derivative where depreciation is provided on W.D.V. basis). However in respect of certain plant & machinery depreciation is provided as per useful lives as assessed by technical valuer ranging from 30 – 40 years. Depreciation on additions/disposals is provided with reference to the month of addition/disposal.
- (ii) Certain Plant and Machinery have been considered as continuous process plant as provided in Schedule II of the Company Act on technical evaluation.
- (iii) Depreciation on incremental cost arising on exchange difference is amortized over the remaining useful life of Assets.
- (b) Intangible assets: Computer software are accounted for at their cost of acquisition and amortised over the estimated useful life i.e. not exceeding six years.

### D. EXPENDITURE DURING CONSTRUCTION

Expenditure during construction period is being included under capital work-in progress and the same is allocated to fixed assets on completion of installation / construction.

### E. INVESTMENTS

Long term investments are stated at cost. When there is a decline other than temporary in their value, the carrying amount is reduced on individual investment basis and is charged to the Statement of Profit & Loss. Current Investments are valued at lower of cost or fair value.

### F. VALUATION OF INVENTORIES

Inventories are valued 'at lower of cost or net realisable value' except stock of residual products and scrap which are valued at net realisable value. The cost is computed on the weighted average basis. In case of finished goods and stock in process, cost is determined by considering material, labour, related overheads and duties thereon.

### G. FOREIGN EXCHANGE & DERIVATIVE TRANSACTIONS

- a) Foreign currency transactions are recorded at the rate of exchange prevailing at the date of transaction. Foreign Currency Assets and Liabilities are converted at the exchange rates prevailing at the year-end except those covered under firm commitment which are stated at contracted rate. Exchange differences charged to the Statement of Profit & Loss, except arising on account of such conversion related to (i) the purchase of fixed assets is adjusted therewith, and (ii) other long term monetary items is adjusted in the "Foreign Currency Monetary Item Translation Difference".
- b) Transactions covered by derivative contract are adjusted with variations, if any, and are recognized on reinstatement and settlement, except for gains, that are recognized only on settlement. The premium on derivative contract is expensed out over the terms of contract.

### H. EMPLOYEES BENEFITS

#### (a) Defined Contribution Plan:

Employee benefits in the form of Provident Fund (with Government Authorities) are considered as defined contribution plan and the contributions are charged to the Statement of Profit & Loss of the year when the contributions to the respective funds are due.



**(b) Defined Benefit Plan:**

Retirement benefits in the form of Gratuity and Long term compensated leaves are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are immediately recognized in the Statement of Profit & Loss.

(c) Other short term absences are provided based on past experience of leave availed.

**I. GOVERNMENT GRANTS**

Grants in the nature of Project Capital Subsidy are credited to Capital Reserves. Other Government grants are deducted from the related expenses.

**J. BORROWING COST**

Interest and other costs in connection with the borrowing of funds are capitalized up to the date when such qualifying assets are ready for its intended use and other borrowing costs are charged to Statement of Profit & Loss. Ancillary cost incurred in connection with the borrowings is amortized over the term of loan.

**K. PROVISION FOR CURRENT TAX AND DEFERRED TAX**

Provision for current tax has been made on the basis of estimated taxable income computed in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax resulting from all timing differences between book profit and profit as per Income Tax Act, 1961 is accounted for, at the enacted / substantially enacted rate of Tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized only to the extent that there is a reasonable / virtual certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

**L. IMPAIRMENT**

Where the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

**M. USE OF ESTIMATES AND ASSUMPTIONS**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and the estimates are recognized in the period in which the results are known / materialized.

**N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**2. SHARE CAPITAL**

(₹ in Lacs), except as otherwise stated

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Authorised :</b>		
45,000,000 (Previous Year 45,000,000) Equity Shares of ₹ 10/- each	4,500.00	4,500.00
	4,500.00	4,500.00
<b>Issued, Subscribed and paid up :</b>		
30,961,500 (Previous Year 30,961,500) Equity Shares of ₹ 10/- each fully paid up	3,096.15	3,096.15
	3,096.15	3,096.15

**a) Terms/rights attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of Rs.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.

## Notes to the Accounts

### b) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	31.03.2016 No's	31.03.2015 No's
Kashipur Holdings Limited	10,352,406	10,287,486
Sajani Devi Bhartia	2,100,249	2,100,249

### c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	31.03.2016 No's	31.03.2015 No's
Shares outstanding as at the beginning of the year	30,961,500	30,961,500
Additions during the year	-	-
Deletions during the year	-	-
Shares outstanding as at the end of the year	30,961,500	30,961,500

d) In last 5 years there was no Bonus Issue, buy back and /or issue of shares other for cash consideration.

## 3. RESERVES AND SURPLUS

(₹ in Lacs)

	As at 01.04.2015	Additions	Deductions	As at 31.03.2016
Capital Reserve	463.25	30.00*	-	493.25
General Reserve #	10,714.15	-	114.01	10,600.14
Security Premium	3,958.36	-	-	3,958.36
Reserve for Contingencies	200.00	-	-	200.00
Surplus in Statement of Profit & Loss {Refer footnote (a)}	27,797.59	-	3,416.01	24,381.58
<b>Sub Total (a)</b>	43,133.35	30.00	3,530.02	39,633.33
Foreign Currency Monetary Item Translation Difference (Debit Balance)	(699.01)	(158.59)	(857.60)	-
<b>Sub Total (b)</b>	(699.01)	(158.59)	(857.60)	-
<b>Total (a) + (b)</b>	42,434.34	(128.59)	2,672.42	39,633.33
Previous year	47,461.38	(778.50)	4,248.54	42,434.34
<b>(a) Detail of Surplus in the Statement of Profit &amp; Loss</b>	<b>March 31, 2016</b>		March 31, 2015	
Opening balance	27,797.59		33,931.47	
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	(3,416.01)		(6,133.88)	
<b>Net Surplus in the Statement of Profit &amp; Loss</b>		24,381.58		27,797.59
		24,381.58		27,797.59

\* Represent project Capital subsidy received during the year.

# In view of adoption of Component Accounting as prescribed in Companies Act 2013, depreciation on component whose useful life expired prior to 01st April 2015 has charged to General Reserve (net of deferred tax ₹ 60.34 Lacs)

## Notes to the Accounts

### 4. LONG TERM BORROWINGS

(₹ in Lacs)

	Non-Current Portion		Current Maturities	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>SECURED LOANS</b>				
Rupee Term Loans				
from Banks	<b>10,600.33</b>	26,198.59	<b>1,669.43</b>	27,300.22
other than Banks	<b>782.74</b>	508.75	<b>119.34</b>	100.00
Foreign Currency Term Loans from Banks	<b>3,233.49</b>	7,751.02	-	15,919.84
	<b>14,616.56</b>	34,458.36	<b>1,788.77</b>	43,320.06
Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 10)			<b>1,788.77</b>	43,320.06
	<b>14,616.56</b>	34,458.36	-	-

Notes:

- The Term Loans inter-se, are secured / to be secured by mortgage of all immovable properties of the Company both present and future and hypothecation of all movable properties of the Company (save and except book debts) including movable machinery, machinery spares, tools and accessories, both present and future subject to prior charges created and / or to be created in favour of the bankers of the Company on stocks, book debts and other specified movable properties for working capital requirements / Buyers Credit.
- Rupee Term Loans includes loans from Banks of ₹ 28.77 Lacs (Previous Year ₹ 46.19 Lacs) and loans from others of ₹ 56.43 Lacs (Previous Year ₹ Nil) secured by hypothecation of Motor Vehicles purchased there under which is repayable on different dates. Further, Rupee Term Loans from others includes ₹ 845.65 Lacs (Previous Year ₹ 608.75 Lacs) secured against bank guarantee. (read with para 22 & 23)
- Term Loan from bank of ₹ 511.00 Lacs (Previous Year ₹ 4,654.47 lacs), is repayable 1 installment of ₹ 511.00 lacs in May 2017.
- Term Loan from bank of ₹ 3,336.00 Lacs (Previous Year ₹ 10,000.00 Lacs), is repayable in 3 quarterly installments of ₹ 833.00 Lacs commencing from April 2017 and one installment of ₹ 837.00 Lacs in January 2018.
- Term Loan from bank of ₹ Nil (Previous Year ₹ 2,499.60 Lacs).
- Term Loan from bank of ₹ Nil (Previous Year ₹ 2,915.00 Lacs).
- Term Loan from bank of ₹ Nil (Previous Year ₹ 1,249.98 Lacs).
- Term Loan from bank of ₹ Nil (Previous Year ₹ 3,093.75 Lacs).
- Term Loan from bank of ₹ Nil (Previous Year ₹ 1,951.00 lacs).
- Term Loan from bank of ₹ Nil (Previous Year ₹ 2,185.57 Lacs).
- Term Loan from bank of ₹ Nil (Previous Year ₹ 1,875.00 Lacs).
- Term Loan from bank of ₹ Nil (Previous Year ₹ 1,421.29 Lacs).
- Term Loan from bank of ₹ Nil (Previous Year ₹ 2,499.98 Lacs).
- Term Loan from bank of ₹ 364.00 Lacs (Previous Year ₹ 3,431.00 Lacs), is repayable in 1 installment of ₹ 118.85 Lacs in June 2017 and 1 installment of ₹ 245.15 Lacs in Sep 2017.
- Term Loan from bank of ₹ 778.99 Lacs (Previous Year ₹ 4,374.98 Lacs), is repayable in 1 installment in June 2016.
- Term Loan from bank of ₹ 1,626.00 Lacs (Previous Year ₹ 2,551.00 Lacs), is repayable in 1 quarterly installment of ₹ 137.92 Lacs and 7 equal quarterly installments commencing of ₹ 212.58 Lacs each commencing from Sep. 2016.
- Term Loan from bank of ₹ 3,125.00 Lacs (Previous Year ₹ 8,750.00 Lacs), is repayable in 5 equal quarterly installments is ₹ 625.00 Lacs each commencing from July 2017.
- Term Loan from bank of ₹ Nil (Previous Year ₹ 3,923.65 Lacs, USD 62.77 Lacs).
- Term Loan from bank of ₹ Nil (Previous Year ₹ 9,500.77 Lacs , USD 155.46 Lacs).
- Term Loan from bank of ₹ 3,233.49 Lacs (USD 48.80 Lacs) (Previous Year ₹ 10,246.44 Lacs (USD 170.25 Lacs), is repayable in 11 monthly installments, 8 equal monthly installments of ₹ 271.67 Lacs, 3 equal monthly installments of ₹ 353.38 Lacs commencing from May 2017.
- Term Loan from bank of ₹ 2,500.00 Lacs (Previous Year Rs. Nil), is repayable in 8 equal quarterly installments is ₹ 312.50 Lacs each commencing from Feb 2017.
- Term Loan from DBT Bio-pharma ₹ 250.00 Lacs (Previous Year ₹ 350.00 Lacs) is repayable in 5 equal half yearly installment.
- Term Loan from DBT Bio-pharma ₹ 595.65 Lacs (Previous Year ₹ 258.75) is repayable in 10 equal half yearly installment after completion of the project.

## Notes to the Accounts

### 5. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Pursuant to the Accounting Standard on "Accounting for taxes on Income" (AS-22) deferred tax liability/assets are as :		
<b>Deferred Tax Assets :-</b>		
Amount covered U/s 43B	368.70	377.97
Provision for doubtful debts / advances	5,068.55	4,672.63
Unabsorbed Depreciation	10,189.80	7,187.90
Business Loss	569.82	569.82
Others	323.75	236.19
<b>Gross Deferred tax Assets</b>	<b>16,520.62</b>	<b>13,044.51</b>
<b>Deferred Tax Liabilities :-</b>		
Accelerated depreciation	18,086.63	17,279.92
Others	1,008.13	639.20
<b>Gross Deferred tax Liability</b>	<b>19,094.76</b>	<b>17,919.12</b>
<b>Net Deferred Tax Liability</b>	<b>2,574.14</b>	<b>4,874.61</b>

### 6. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Advance from Customers*	65,377.68	-
Security deposits	16.50	16.83
	<b>65,394.18</b>	<b>16.83</b>

\* Long term export advance of ₹ 72,641.64 Lacs received from a customer with supply schedule over period of 10 years. Export advance has been secured by Guarantee given by State Bank of India (SBI) to the customer, while other export performance bank guarantee (EPBG) member banks have given counter guarantee in favor of SBI. Such guarantee are secured by first charge on the fixed assets and second charge on the current assets of the Company on pari passu basis (note no 39).

### 7. PROVISIONS

(₹ in Lacs)

	Long - Term		Short - Term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Provision for employee benefits</b>				
Provision for Gratuity	-	-	167.42	279.59
Provision for Leave Encashment	556.63	512.71	185.96	190.95
	<b>556.63</b>	<b>512.71</b>	<b>353.38</b>	<b>470.54</b>
<b>Others:</b>				
Provision for Fringe Benefit Tax (Net of advance tax ₹ Nil, Previous Year ₹ 38.65 Lacs)	-	-	-	0.26
Provision for Wealth Tax	-	-	-	16.99
	-	-	-	17.25
	<b>556.63</b>	<b>512.71</b>	<b>353.38</b>	<b>487.79</b>

## Notes to the Accounts

### 8. SHORT TERM BORROWINGS

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
<b>SECURED LOANS</b>		
Loans repayable on demand from Banks:		
Buyers Import Credit*	34,949.63	48,713.30
Working Capital Loans*	53,854.91	80,792.81
	<b>88,804.54</b>	129,506.11
<b>UNSECURED LOANS</b>		
Short Term Loans from Banks	7,082.14	6,529.73
	<b>7,082.14</b>	6,529.73
	<b>95,886.68</b>	136,035.84

\* Working Capital Loans from Banks are secured / to be secured by way of hypothecation of book debts and stocks including in-transit and other specified movable properties and second charge on all immovable properties of the Company. Buyers Credit facility is secured against non-fund based facility sanctioned to the Company.

### 9. TRADE PAYABLE

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Payable to Micro Enterprises and Small Enterprises	36.21	3.49
Payable to Others	47,031.75	24,324.79
	<b>47,067.96</b>	24,328.28

### 10. OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Current maturities of long term borrowings (Note No 4)	1,788.77	43,320.06
Interest accrued but not due on borrowings	224.15	342.41
Duties, taxes and other statutory dues	1,911.49	1,609.69
Capital Payables	2,059.02	1,873.71
Advance from Customers	6,947.92	5,250.03
Retention money	158.51	183.64
Expenses payable (Including MTM on derivative contracts)	3,006.91	1,765.06
Other Payables (refer note 36 (a))	14,989.36	15,069.43
Investor education & protection fund shall be credited by the following amounts when due:		
(i) Unclaimed Dividends	90.09	111.91
(ii) Unclaimed matured deposits	1.32	3.36
(iii) Unclaimed interest on above (ii)	0.53	1.09
	<b>31,178.07</b>	69,530.39

## Notes to the Accounts

### 11. Fixed Assets

(₹ in Lacs)

Description	Gross Carrying Amount				Depreciation/ Amortization				Net Carrying Amount	
	As at 01.04.2015	Additions*	Sales/ Other Adjustments	As at March 31, 2016	As at 01.04.2015	For the year **	Sales/ Other Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible assets</b>										
Freehold Land @	1,068.67	-	-	<b>1,068.67</b>	-	-	-	-	<b>1,068.67</b>	1,068.67
Leasehold Land	836.53	-	-	<b>836.53</b>	104.04	10.19	-	<b>114.23</b>	<b>722.30</b>	732.49
Buildings @	7,796.41	318.43	-	<b>8,114.84</b>	2,066.79	231.19	-	<b>2,297.98</b>	<b>5,816.86</b>	5,729.62
Plant and Machinery	166,529.85	5,648.67	-	<b>172,178.52</b>	72,525.02	4,809.45	-	<b>77,334.47</b>	<b>94,844.05</b>	94,004.83
Office Equipment	1,744.04	69.03	13.81	<b>1,799.26</b>	1,342.57	92.76	11.09	<b>1,424.24</b>	<b>375.02</b>	401.47
Furniture and Fixtures	1,357.84	1,113.29	26.86	<b>2,444.27</b>	597.60	200.68	22.14	<b>776.14</b>	<b>1,668.13</b>	760.24
Vehicles#	883.58	102.26	136.10	<b>849.74</b>	442.45	92.58	72.44	<b>462.59</b>	<b>387.15</b>	441.13
<b>Total (A)</b>	<b>180,216.92</b>	<b>7,251.68</b>	<b>176.77</b>	<b>187,291.83</b>	<b>77,078.47</b>	<b>5,436.85</b>	<b>105.67</b>	<b>82,409.65</b>	<b>104,882.18</b>	<b>103,138.45</b>
Previous Year	189,199.95	6,948.31	15,931.34	<b>180,216.92</b>	70,639.14	8,643.08	2,203.75	<b>77,078.47</b>	<b>103,138.45</b>	
<b>Intangible assets</b>										
Computer software	852.94	0.25	-	<b>853.19</b>	776.11	61.32	-	<b>837.43</b>	<b>15.76</b>	76.83
<b>Total (B)</b>	<b>852.94</b>	<b>0.25</b>	<b>-</b>	<b>853.19</b>	<b>776.11</b>	<b>61.32</b>	<b>-</b>	<b>837.43</b>	<b>15.76</b>	<b>76.83</b>
Previous Year	814.15	38.79	-	852.94	584.28	191.83	-	776.11	76.83	
Capital work-in-progress									<b>16,748.39</b>	14,223.23

Notes:

\* (i) Addition to Plant and Machinery includes foreign exchange fluctuation difference arising under AS-11 (The effect of changes in foreign exchange rates) vide notification no. G.S.R 225 (E) dated 31st March, 2009 issued by Ministry of corporate affairs of Government of India as amended by Companies (Accounting Standards) (Second Amendment) Rules 2011.

\* (ii) Includes capitalisation of:

(a) Finance cost: Plant & Machinery ₹ 138.95 Lacs (Previous Year ₹ 651.82 Lacs).

(b) Exchange difference: Plant and Machinery includes CWIP ₹ 374.45 Lacs (Previous Year ₹ 993.82 Lacs). (Unamortised amount ₹ 4,127.32 Lacs (Previous Year ₹ 3,880.59 Lacs)

\*\* includes depreciation charged to General reserve ₹ 174.35 Lacs (Previous year ₹ 718.52 Lacs), refer note no 38. Also refer Note No -37 regarding impact of revision of useful life.

# Gross block includes ₹ 137.30 Lacs (Previous Year ₹ 117.95 Lacs) secured by hypothecation against loan

@ Gross Block includes ₹ 79.77 Lacs Pending transfer of title in the name of the Company.



## Notes to the Accounts

### 12. INVESTMENTS

(₹ in Lacs), except as otherwise stated

Particulars	Nominal Value	As at 31.03.2016		As at 31.03.2015	
<b>Non-Current Investments</b>					
<b>Long Term, Non- Trade Investment - At Cost less provision</b>					
<b>Investment in Equity Instruments</b>					
<b>Unquoted, Fully paid up - Subsidiary Companies</b>					
1,500,000* (Previous Year 1,500,000) Equity Shares of IGL Finance Ltd.	₹ 10	550.00		550.00	
Less: Provision for diminution		425.00	125.00	425.00	125.00
100,000 (Previous Year 100,000) Equity Shares of IGL CHEM International PTE Ltd.,Singapore	SGD 1		27.41		27.41
200,000** (Previous Year 100,000) Equity Shares of IGL CHEM International USA LLC	USD 1		127.00		62.83
50,112,100* (Previous Year 50,112,100 ) Equity Shares of Shakumbari Sugar & Allied Industries Ltd.	₹ 10		4,427.50		4,427.50
Nil** (Previous Year 50,000 ) Equity Shares of IGL Infrastructure Private Ltd.	₹ 10		-		5.00
<b>Unquoted, Fully paid up - Joint Venture</b>					
24,45,000 (Previous Year 24,45,000) Equity Shares of Kashipur Infrastructure and Freight Terminal Pvt Ltd	₹ 10		2,440.50		2,440.50
			7,147.41		7,088.24
<b>Quoted, fully paid up - Others</b>					
211,360 (Previous Year 211,360) Equity Shares of IDBI Bank Ltd	₹ 10		105.00		105.00
			105.00		105.00
			7,252.41		7,193.24
<b>Investment in Preference Share (Unquoted, fully paid up) - Subsidiary Company</b>					
10,000,000* (Previous Year 10,000,000) 10% Cumulative Redeemable Preference Shares of Shakumbari Sugar & Allied Industries Ltd.	₹ 10		1,000.00		1,000.00
			1,000.00		1,000.00
<b>Total Non - Current investments</b>			8,252.41		8,193.24
Aggregated book value of unquoted investment			8,147.41		8,088.24
Aggregated book value of quoted investment			105.00		105.00
Market value of quoted investments			146.90		150.07
Aggregate provision made for diminution in value of investments			425.00		425.00

\* Refer Note no 33 to financial statements.

\*\* Refer Note no 34 to financial statements.

### 13. LONG TERM LOANS AND ADVANCES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Capital Advances	2,638.94	2,094.55
Security Deposits @	3,371.41	2,701.14
Inter Corporate Deposits #	964.48	979.48
Other Loans & advances *	155.74	83.15
	<b>7,130.57</b>	<b>5,858.32</b>

\* Prepaid expenses and loans to employees

# Includes loans to related parties ₹ 964.48 lacs (Previous year ₹ 979.48 lacs)

@ Includes ₹ 1563.85 lacs (Previous Year ₹ 980.00 Lacs) security deposit to director, private companies in which director/directors of company is director and are also related parties.

### 14. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Bank balance in deposit account* (Refer Note No. 17)	4,023.52	8.76
Interest receivable	235.41	-
Others		
Upfront fee, processing charges, etc amortised over tenure of loans	194.02	232.02
	<b>4,452.95</b>	<b>240.78</b>

\* Pledged with bank/Government Authorities as margin money/security against guarantees, packing credit facility and other borrowings maturing after 12 months

## Notes to the Accounts

### 15. INVENTORIES (At lower of cost or net realisable value)

(As taken, valued and certified by the management)

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Raw Materials *	16,673.98	16,994.96
Work-in-Process	6,443.36	4,448.56
Finished Goods **	11,060.03	9,774.55
Stores and Spares	16,539.43	16,108.99
Residue Product	64.76	2.21
Scrap	3.24	3.26
Loose Tools	27.63	25.74
	<b>50,812.43</b>	47,358.27

\* Includes in transit ₹ 5,563.41 Lacs (Previous Year ₹ 923.16)

\*\* Includes in transit ₹ 264.65 Lacs (Previous Year ₹ 20.83 Lacs)

### 16. TRADE RECEIVABLES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good (Refer Note No. 36 (a))	15,250.73	14,117.32
- Doubtful	303.43	33.43
(b) Other (Considered good)	22,733.18	29,638.83
	<b>38,287.34</b>	43,789.58
Less: Provision for Doubtful debts	303.43	33.43
	<b>37,983.91</b>	43,756.15

## Notes to the Accounts

### 17. CASH AND BANK BALANCES

(₹ in Lacs)		
	As at 31.03.2016	As at 31.03.2015
<b>(a) Cash and Cash equivalents</b>		
(i) Cash on Hand	52.56	62.59
(ii) Balance with Banks		
- On Current Accounts	315.06	1,966.42
	<b>367.62</b>	2,029.01
<b>(b) Other bank balances</b>		
- In Fixed Deposit Accounts * - Current	2,504.51	12,600.40
- In Fixed Deposit Accounts * - Non current	4,023.52	8.76
- On Dividend Accounts	90.09	111.91
	<b>6,985.74</b>	14,750.08
Less: Amount disclosed under Other Non Current Assets (Note No 14)	4,023.52	8.76
	<b>2,962.22</b>	14,741.32

\* Pledged with bank/Government Authorities as margin money/security against guarantees, packing credit facility and other borrowings.

### 18. SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)				
		As at 31.03.2016		As at 31.03.2015
Deposits with Non Banking Financial Institutions		1,429.00		1,429.00
Inter Corporate Deposits #		14,649.64		14,649.64
Interest receivable		1,121.33		1,629.60
(Includes receivable from related parties ₹ 950.65 Lacs (Previous Year ₹ 950.65 Lacs)				
Export Incentive receivable		2,254.48		1,643.13
Balance with Excise and Other Authorities		15,009.82		9,107.89
Deposits with Government Departments & Others		150.14		161.56
MAT Credit Entitlements		7,665.95		8,075.74
Advance Income Tax/ Tax deducted at source (net of income tax provision of ₹ 4,076.08 Lacs, Previous Year ₹ 4,076.08 Lacs)		1,089.86		897.02
Receivable from sale of Rental business division		-		18,420.00
Prepaid expenses		5,096.73		1,578.60
Other Advances:				
Advances recoverable in cash or in kind or for value to be received*	17,385.26		20,128.49	
Doubtful advances / loans	370.61		46.61	
	<b>17,755.87</b>		20,175.09	
Less : Provision for doubtful advances / loans	(370.61)	17,385.26	(46.61)	20,128.48
		<b>65,852.21</b>		77,720.66

\*Includes business advance of ₹ 8,453.81 Lacs (Previous Year ₹ 8,453.81 Lacs) to related parties.

# Deposit with a related party.

## Notes to the Accounts

### 19. OTHER CURRENT ASSETS

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Upfront fee, processing charges, etc amortised over tenure of loans	1,264.05	468.05
	<b>1,264.05</b>	468.05

The Company has during the year amortised the ancillary cost incurred in connection with the borrowing over the term of the loan.

### 20. REVENUE FROM OPERATIONS

(₹ in Lacs)

	2015-16	2014-15
<b>Sales of Products</b>		
Glycols	69,994.05	70,599.53
E.O. Derivatives	97,448.96	110,937.14
Guar Gum Powder and derivatives	2,406.98	11,837.37
Ethyl Alcohol (Potable)	115,020.19	69,111.92
Industrial Gases	3,834.03	3,758.33
Sale of traded goods		
Chemical and oil Products	24,687.38	32,279.89
Export Incentive receivable	1,877.17	1,294.92
Others	7,924.59	7,276.54
	<b>323,193.35</b>	307,095.64
Less: Excise Duty	95,147.10	57,022.11
	<b>228,046.25</b>	250,073.53
<b>Sales of Service</b>		
Rent	-	1,407.24
Others	743.14	669.88
	<b>743.14</b>	2,077.12
<b>Other Operating Revenue</b>		
Provision no longer required written back / Sundry balances written back	676.10	212.40
Miscellaneous Income	2,757.54	3,377.99
	<b>3,433.64</b>	3,590.39
<b>Total Revenue from operations</b>	<b>232,223.03</b>	255,741.04

## Notes to the Accounts

### 21. OTHER INCOME

(₹ in Lacs)		
	2015-16	2014-15
Interest Income	326.66	574.38
Dividend on Long term Investment	1.59	7.96
Rent	33.41	-
Insurance Claim Recoverable	-	2,407.00
Gain on settlement with JV partner	-	621.50
Profit on sale of Non-Current Investment	295.00	684.74
Profit on sale of Fixed Assets	19.32	38.40
	<b>675.98</b>	<b>4,333.98</b>

### 22. COST OF MATERIALS CONSUMED

(₹ in Lacs)		
	2015-16	2014-15
Raw Materials consumed		
i) Molasses	25,648.83	34,575.98
ii) Chain Starters	11,806.99	18,459.09
iii) Special Denatured Spirit	57,905.38	53,827.23
iv) Guar split, Guar seeds, etc.	1,587.12	9,154.20
v) Production Chemicals & Others	12,370.79	10,731.98
vi) Packing Material	15,009.03	12,151.76
<b>Total</b>	<b>124,328.14</b>	<b>138,900.24</b>

Consumption of Imported and Indigenous Raw Materials	2015-16		2014-15	
	% age	Amount	% age	Amount
Imported	46.02	57,220.60	29.50	40,972.19
Indigeneous	53.98	67,107.54	70.50	97,928.05
	<b>100.00</b>	<b>124,328.14</b>	<b>100.00</b>	<b>138,900.24</b>

### 23. PURCHASE OF STOCK-IN-TRADE

(₹ in Lacs)		
	2015-16	2014-15
Chemical and Oil Products	25,052.46	32,934.30
	<b>25,052.46</b>	<b>32,934.30</b>



## Notes to the Accounts

### 24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	(₹ in Lacs)	
	2015-16	2014-15
<b>CLOSING STOCK</b>		
<b>Finished Goods</b>		
- Glycols	3,456.21	1,982.04
- E.O. Derivatives	7,114.20	7,084.24
- Ethyl Alcohol (Potable)	293.18	356.63
- Guar Gum Powder and derivatives	37.37	58.60
- Guar Churi	0.50	0.41
- Industrial Gases	23.23	24.72
- Herbal Products	135.34	267.92
<b>Total Finished Goods</b>	<b>11,060.03</b>	<b>9,774.56</b>
<b>Work-in-Process (Note @ below)</b>	<b>6,443.36</b>	<b>4,448.56</b>
<b>Residue Product</b>	<b>64.76</b>	<b>2.21</b>
	<b>17,568.15</b>	<b>14,225.33</b>
<b>OPENING STOCK</b>		
<b>Finished Goods</b>		
- Glycols	1,982.04	2,586.72
- E.O. Derivatives	7,084.24	7,238.13
- Ethyl Alcohol (Potable)	356.63	309.59
- Guar Gum Powder and derivatives	58.60	1,232.94
- Guar Churi	0.41	0.26
- Industrial Gases	24.72	12.25
- Herbal Products	267.92	273.38
<b>Total Finished Goods</b>	<b>9,774.56</b>	<b>11,653.27</b>
<b>Work-in-Process (Note @ below)</b>	<b>4,448.56</b>	<b>4,401.57</b>
<b>Residue Product</b>	<b>2.21</b>	<b>53.14</b>
	<b>14,225.33</b>	<b>16,107.98</b>
Less: Differential Excise Duty provided on Stocks.	243.39	(113.14)
Change in inventories of finished goods, work-in-progress and Stock-in-trade	<b>(3,099.43)</b>	<b>1,769.51</b>
<b>Note @</b>		
<b>Work-in-Process</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Alcohol	746.96	794.02
EO	64.71	50.13
Guar Gum	135.28	120.20
RS/ENA	835.07	467.56
Others	4,661.34	3,016.65
	<b>6,443.36</b>	<b>4,448.56</b>

## Notes to the Accounts

### 25. EMPLOYEE BENEFIT EXPENSES

	(₹ in Lacs)	
	2015-16	2014-15
Salaries, Wages, Allowances, etc.	7,195.93	7,241.06
Contribution to Provident and other Funds	575.82	558.70
Employees' Welfare and other Benefits	749.21	761.68
	<b>8,520.96</b>	8,561.44

### 26. FINANCE COSTS

	(₹ in Lacs)	
	2015-16	2014-15
Interest on Fixed Loans	3,697.18	8,350.45
Other Interest	6,696.16	6,254.16
Other Borrowing Cost		
Financial Charges	3,519.25	2,641.29
	<b>13,912.59</b>	17,245.90
Less: Interest Received on temporary deposits	630.90	1,476.18
	<b>13,281.69</b>	15,769.72

### 27. OTHER EXPENSES

	(₹ in Lacs)	
	2015-16	2014-15
Stores and spares consumed	6,258.24	6,071.32
Power and Fuel	30,145.52	33,528.78
Repairs and Maintenance		
- Buildings	330.14	485.38
- Plant and Machinery	1,828.46	1,911.99
- Others	611.74	467.18
Rent	694.23	111.53
Rates and Taxes	1,240.80	1,265.93
Travelling and Conveyance	859.26	927.01
Insurance	727.86	500.43
Directors' sitting Fee	11.62	12.20
Donation	-	31.40
Commission to Selling agents	1,970.17	1,283.08
Freight forwarding and others [(Net of recovery from customers / provision written back ₹ 1,004.46 Lacs, (Previous Year ₹ 1003.42 Lacs)]	6,998.48	7,734.02

## Notes to the Accounts

### 27. OTHER EXPENSES(Contd..)

(₹ in Lacs)

	2015-16		2014-15	
Loss on sale of Current Investment		-		0.63
Commodity Derivative Loss		-		21.59
Bad debts written off			3.00	
Less : Provision for doubtful debts written back		-	3.00	-
Provision for doubtful debts and advances		594.00		-
Loss on Sale / Discard of Fixed Assets		31.42		34.89
Legal & Professional		2,563.00		610.78
Amortisation of Foreign Currency Monetary Item Transaction Difference		857.60		2,355.19
Wealth Tax		-		26.36
Printing & Stationery, Postage, Telephone, security and other Miscellaneous Expenses		3,008.45		2,513.26
		58,730.99		59,892.95
<b>Consumption of Imported and Indigenous Stores and spares</b>	<b>2015-16</b>		<b>2014-15</b>	
	<b>% age</b>	<b>Amount</b>	<b>% age</b>	<b>Amount</b>
Imported	38.09	2,383.95	37.71	2,289.40
Indigenous	61.91	3,874.29	62.29	3,781.92
	100.00	6,258.24	100.00	6,071.32

### 28. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR (AS CERTIFIED BY THE MANAGEMENT):-

(i) In respect of:-

(₹ in Lacs)

Particulars	As on March 31, 2016	As on March 31, 2015
Central Excise/ State Excise@	5,569.18	22,644.34
Customs	1,235.12	1,025.70
Service Tax	245.62	70.76
Sales Tax	9.84	18.24
Other matters	278.37	958.75
Total	7,338.14	24,717.79

@ Excluding show cause notices (SCNs), where management is confident that on merits SCNs will be dropped and also as legally advised possibility of an outflow of fund is remote

(ii) Bills discounted with banks ₹ 1,703.13 Lacs (Previous Year: ₹ 3,829.60 Lacs).

(iii) Corporate Guarantee to banks for loan availed by Shakumbari Sugar & Allied Industries Limited (a subsidiary company) amounting to ₹ 10,845.38 Lacs (Previous year ₹ 12,045.43 Lacs) (excluding penal interest, penalty etc). (Refer Note No. 33 (A)(ii)).

(B) Custom duty saved on import of raw material under Advance License pending fulfillment of export obligation is amounting to ₹ 2,807.51 Lacs (Previous Year ₹ 3,026.13 Lacs).

The management is of the view that considering the past export performance and future prospects there is certainty that pending export obligation under advance licenses, will be fulfilled before expiry of the respective advance licenses. Accordingly and on "Going Concern Concept" basis there is no need to make any provision for custom duty saved.

29. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 2,638.94 Lacs, Previous Year ₹ 2,094.55 Lacs) are ₹ 2,609.53 Lacs (Previous Year ₹ 2,923.53 Lacs).

**30. Employees Benefits:**

a) **Defined Contribution Plan:**

Contribution to Defined Contribution Plan, recognized as expense for the year are as under: (₹ in Lacs)

	Current Year	Previous Year
Employer's Contribution to Provident Fund	513.29	486.95

b) **Defined Benefit Plan:**

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

**I. Reconciliation of opening and closing balance of Defined Benefit Obligation** (₹ in Lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
Present Value of Obligation at the beginning of the year	2282.27	1915.07	703.66	498.74
Current Service Cost	197.10	187.04	70.54	67.05
Interest Cost	178.02	174.27	54.88	45.39
Actuarial (gain)/ loss on obligations	(94.13)	174.40	(54.13)	133.68
Benefit Paid	(113.47)	(168.51)	(32.36)	(41.20)
Present Value of Obligation as at the end of the year	2449.79	2282.27	742.59	703.66

**II. Reconciliation of opening and closing balance of fair value of plan assets** (₹ in Lacs)

	Gratuity	
	31.03.2016	31.03.2015
Fair value of plan assets at the beginning of the year	2002.68	1787.95
Expected Return on Plan Assets	300.40	160.91
Contributions	279.59	127.12
Actuarial gain/ (loss) on Plan assets	(186.83)	95.21
Benefit Paid	(113.47)	(168.51)
Fair value of plan assets at the end of the year	2282.37	2002.68

**III. Reconciliation of fair value of assets and obligation** (₹ in Lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Fair value of plan assets at the end of the year	2282.37	2002.68	-	-
Present Value of Obligation at the end of the year	2449.79	2282.27	742.59	703.66
Funded Status [surplus/(Deficit)]	(167.42)	(279.59)	(742.59)	(703.66)
Net Assets/(Liability) Recognized in Balance Sheet	(167.42)	(279.59)	(742.59)	(703.66)

**IV. Expenses recognized during the year**

(₹ in Lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Current Service Cost	197.10	187.04	70.54	67.05
Interest Cost	178.02	174.27	54.88	45.39
Expected Return on Plan Assets	(300.40)	(160.91)	-	-
Actuarial (gain)/ loss	92.70	79.19	(54.13)	133.68
Net Expenses Recognized	167.42	279.59	71.29	246.12

**V. Investment Detail**

All Investments are made with Trust.

**VI. Actuarial / Demographic assumptions:**

	Gratuity		Leave Encashment (Unfunded)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Mortality Table (LIC)	2006-08 (Ultimate)	1994-96 (Ultimate)	2006-08 (Ultimate)	1994-96 (Ultimate)
Discount rate (Per annum)	7.70%	7.80%	7.70%	7.80%
Expected Return on Plan Assets (Per annum)	6.00%	9.00%	NA	NA
Rate of escalation in salary (Per annum)	8.00%	8.00%	8.00%	8.00%
Retirement Age	58 Years		58 years	
Withdrawal Rate (All Ages)	10%		10%	

The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities

- 31.** In the earlier years, the State Government of Uttar Pradesh (UP) had imposed a levy of license fee on transfer of alcohol from the distillery to the chemical plant. The levy was challenged by the Company in the Hon'ble Supreme Court and on October 18, 2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, Company had filed an application for refund of amount paid of ₹ 507.05 Lacs (Previous Year ₹ 507.05 Lacs) (shown as recoverable under the head Short Term Loans and Advances) with State Government of Uttarakhand, which is still pending for refund of the amount.
- 32.** In the earlier years, the State Government of Uttarakhand had levied Export Pass Fee on ENA/R.S. export outside India. The matter is finally disposed of by Hon'ble High Court of Uttarakhand vide its Order dated 9th January, 2012 and has declared the levy of said fee as unsustainable and irrecoverable. Subsequently, on June 8, 2012, vide Uttarakhand Excise (Amendment) Act, 2012, Uttarakhand Government retrospectively revived old notification relating to imposition of export fee on ENA and R.S. The Company filed Writ Petition challenging the above said notification and vide order dated September 12, 2012 the Hon'ble High Court of Uttarakhand has granted stay and restrained State from imposing export fee. Amount of ₹ 106.15 Lacs (Previous Year ₹ 106.15 Lacs) paid under protest is shown as recoverable from State Govt. of Uttarakhand, under the head Short Term Loans and Advances.
- 33.** (A) (i) Company has investment of ₹ 5,427.50 Lacs (Previous Year ₹ 5,427.50 Lacs) in equity share capital and 10% cumulative redeemable preference share capital in a subsidiary company Shakumbari Sugar and Allied Industries Limited (SSAIL) whose net worth has been fully eroded and SSAIL has also been declared sick industrial undertaking as per the provision of Sick Industrial Companies Act, 1985. Considering the intrinsic value of the investee assets, long term nature of investment and filing of TEV (Technical Evaluation Study) report, and revival scheme by the operating agency (OA- IDBI) so appointed as directed by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), no provision at this stage is considered necessary by the management against investments made in above stated subsidiary namely SSAIL.



- (ii) Loans and advances includes Inter corporate deposit with SSAIL amounting to ₹ 1,915.13 Lacs (Previous Year ₹ 1,915.13 Lacs) (including interest thereon) and advances of ₹ 8,453.81 Lacs (Previous Year ₹ 8,453.81 Lacs), where management is confident about recoverability/ realisability of the same. Accordingly, considering the facts as stated in Para (i) above and read with comment in Para (iii) below, amount is considered good and fully recoverable and no provision there against and also against corporate guarantee extended read with note no 28 A (iii) of ₹ 10,845.38 Lacs (Previous year ₹ 12,045.43 Lacs) (excluding penal interest, penalty etc) is considered necessary by the management.
- (iii) Central Bank of India (CBI) vide its letter dated 28.05.2014 had issued a notice under Section 13(2) of SARFAESI Act 2002 to SSAIL and IGL. The said notice was replied by SSAIL and IGL has challenged the legality of issuance of such notices. CBI, thereafter, on 11.09.2014 had issued another notice under Section 13(4) of SARFAESI on SSAIL and IGL, which has been challenged at DRT, Lucknow. As per the legal opinion, the notice issued by the CBI is not valid since SSAIL is registered with BIFR as sick industrial Company. Meanwhile BIFR vide its order dated 24.09.2015 has rejected the appeal of CBI for seeking recovery certificate, against the order of BIFR, CBI has filed an appeal before Appellate Authority for Industrial and Financial Reconstruction (AAIFR) which is pending.
- (B) (i) Short term loans and advances to related party includes Inter Corporate Deposit (ICD) amounting to ₹14,649.64 Lacs (Previous Year ₹ 14,649.64 Lacs) given to IGL Finance Ltd. (IGLFL), a 100% subsidiary of the company. IGLFL in earlier year had invested funds for short term in commodity financing contracts offered by National Spot Exchange Ltd. (NSEL). NSEL had defaulted in settling the contracts on due dates, for which IGLFL has initiated legal and other action and in turn IGLFL did not pay due amount to the company. Accordingly considering the prudence no interest on above ICD has been accrued for the period from 01-09-2013 onwards. Further considering the arrangement of merger of NSEL with Financial Technologies (India) Limited (FTIL) and other measure which have so far been taken for and pending before the Govt. and other authorities, the management and IGLFL is confident for recovery of dues from NSEL over a period of time.
- (ii) Considering above no provision has been considered necessary at this stage against total exposure in IGLFL of ₹ 14,774.64 Lacs (Previous Year ₹ 14,774.64 Lacs) (including Investment in capital of ₹125.00 Lacs), and the same is considered good and fully recoverable, by the management.
- (C) Company has received letters dated 30<sup>th</sup> Oct 2014 and 05<sup>th</sup> May 2015 from National Stock Exchange of India (NSE), wherein the Company has been advised to reinstate its financial statement w.r.t. qualification raised for the years FY 2012-13 by the statutory auditor on investments and loans to SSAIL (Note no. 33 (A) (i) &(ii)) and suitably rectified the qualification raised for the year FY 2013-14 by the statutory auditor w.r.t. investment and loan to IGLFL (Note no. 33 (B)) respectively. For the above matters, the Company has submitted reply based on legal advice.
34. During the year, the Company had divested its entire stake of ₹ 5 Lacs (50,000 equity Share Capital) in wholly owned subsidiary IGL Infrastructure Private Limited for consideration of ₹ 300.00 Lacs and further invested ₹ 64.17 Lacs in equity capital of wholly owned subsidiary IGL Chem International USA LLC.
35. The Company had filed a claim in earlier year of ₹ 4,815.06 Lacs (including reinstatement loss ₹ 622.63 Lacs) with the insurance company for the reinstatement of machinery as well as loss incurred due to business interruption on account of fire at Kashipur Plant and on prudent basis accounted for ₹ 3,029.63 Lacs (including reinstatement loss ₹ 622.63 Lacs) in previous year. Against this in P.Y. ₹ 348.64 Lacs (since Balance Sheet Date the Company has also received ₹ 748.80 Lacs) has been received and balance of ₹ 2,680.99 Lacs being receivable from the Insurance Company is shown under short term loans & advances, where management is confident about recovery of full amount and hence considered good.
36. (a) Other current liabilities includes provision amounting to ₹ 14,167.57 Lacs (till Previous Year ₹ 13,421.55 Lacs) made against special discount allowed to an overseas party (Refer Note No. 47(c)), pending receipt of approval of RBI.
- (b) Balances of certain receivable, payable, (including of party stated in para (a) above) loans and advances are subject to confirmation and reconciliation.
37. During the current year, the Company has upward revised the useful life of certain class of fixed assets (plant & machinery) based on technical study and assessment done by an external technical valuer as well as based on internal assessment carried out by the management. The Company believes that the useful life as certified by external technical valuer best represent the period over which Company expects to use these assets. Had there



not been any change in the useful lives of the certain plant & machinery, the depreciation for the year would have been higher by ₹ 2,487.70 Lacs.

- 38.** During the current year, The Company has completed the process of Componentisation of fixed assets as prescribed in part II of The Companies Act 2013. The impact of component accounting has taken place w.e.f 01st April 2015 and accordingly the depreciation expenses for the quarter and year ended 31<sup>st</sup> March 2016 is higher by ₹ 483.45 Lacs. Further based on transitional provision provided in Note 7(b) of Schedule II, an amount of ₹114.01 Lacs (net of deferred tax of ₹ 60.34 Lacs) on account of assets whose useful life is already exhausted as on 1st April 2015 have been adjusted to General Reserve during the year ended March 31<sup>st</sup>, 2016.
- 39.** Out of advance export proceeds which the Company has raised during the year of ₹ 72,641.64 Lacs (USD 114 Million) (note no 6) certain amount of long term debt and working capital has been paid/ reduced.
- 40.** In accordance with Companies (Accounting Standards) Amendment Rules 2009 as amended by Companies (Accounting Standards) (Second Amendment) Rules 2011, the Company continued its policy, as exercised in financial year 2008-09, the option of adjusting exchange differences arising on reporting of long term foreign currency monetary items related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets and other long term monetary item in the "Foreign Currency Monetary Item Translation Difference" to be amortised over the period of loan. Accordingly: (a) Exchange differences (gain)/ loss relating to long-term monetary items, in so far related to acquisition of depreciable capital assets, arising during the year amounting to ₹ 371.58 Lacs (Previous Year ₹ 983.59 Lacs) (net of depreciation ₹ 2.87 Lacs, Previous Year ₹ 10.23 Lacs) adjusted to the cost of fixed assets, and (b) relating to other long-term monetary items arising during the year amounting to ₹ Nil (Previous Year ₹ 237.22 Lacs) (Net of amortization of ₹ 158.59 Lacs, Previous Year ₹ 541.28 Lacs) are adjusted to "Foreign Currency Monetary Item Translation Difference". As on 31<sup>st</sup> March 2016, un-amortize amount of ₹ 4,127.32 Lacs and ₹ Nil (Previous Year ₹ 3,880.59 Lacs and ₹ 699.01 Lacs) is included in Plant & Machinery & CWIP respectively under Note 11 and in Foreign Currency Monetary Item Translation Difference Account under Note 3 respectively.
- 41.** As required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed:

		(₹ in Lacs)	
S. No	Particular	2015-16	2014-15
a)	Principal and interest amount due and remaining unpaid at the end of the accounting year	-	-
b)	Interest paid in terms of section 16 of the MSME Act during the year.	-	-
c)	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.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
e)	The amount of further interest remaining due and payable in succeeding year, until such interest when the interest dues above are actually paid.	-	-

The above information's regarding Micro, Small and medium Enterprise has been determined to the extent such parties have been identified of information available with the Company and as certified by the management.

- 42.** (i) Catalyst is charged to the Statement of Profit & Loss as consumable (Stores & Spares) based on technically assessed useful life (1 to 3 Years).  
(ii) Specialized Computer Software is amortized over its useful life of 6 years on SLM basis.
- 43.** Earnings per share (EPS):

	2015-16	2014-15
Net profit/ (loss) for the year attributable to equity shareholders (₹ in Lacs)	<b>(3,416.01)</b>	(6,133.88)
Weighted average number of equity shares outstanding	<b>30961500</b>	30961500
Basic and diluted earnings per share (face value of Rs. 10 each) (₹)	<b>(11.03)</b>	(19.81)

44. Capital work-in-progress includes machinery under installation, buildings under construction, construction/ erection material in hand and other assets and also includes the following pre-operative expenses:

(₹ in Lacs)		
Particulars	2015-16	2014-15
Amount brought forward from previous year	2,411.02	1,438.53
Add: Raw Material & Chemical Consumed	33.15	83.07
Salary, wages, allowances, etc.	244.39	32.46
Contribution to Provident and other funds	11.30	4.01
Employees' welfare and other benefits	33.52	25.06
Legal and Professional charges	40.32	1.06
Repair and Maintenance	90.12	104.15
Travelling and Conveyance	113.17	27.60
Interest on Fixed Loans	301.84	789.84
Power and Fuel	647.68	768.46
Rates and Taxes	0.51	1.05
Miscellaneous Expenses	106.38	3.52
	<b>4,033.40</b>	<b>3,278.81</b>
Less: Transferred/ Capitalised during the year	1,108.97	867.79
Balance carried forward	<b>2,924.43</b>	<b>2,411.02</b>

45. Related Parties Disclosure (As identified by the management):

(i) Relationships:

A. Subsidiary Companies

- IGL Finance Limited (IGLFL)
- Shakumbari Sugar and Allied Industries Limited (SSAIL)
- IGL CHEM International PTE. Ltd. (IGLCHEM)
- IGL CHEM International USA LLC (IGLCHEM US)
- IGL Infrastructure Private Limited.(IGL Infra) (Ceased on 14.09.2015)

B. Key Management Personnel

- U. S. Bhartia (Chairman and Managing Director)
- M. K. Rao (Executive Director)
- Rakesh Bhartia (Chief Executive Officer) @
- Anand Singhal (Chief Financial Officer) @
- Lalit Sharma (Company Secretary)(Ceased on 31.05.2015) @
- Kapil Bhalla (Company Secretary)(w.e.f. 24.06.2015) @

C. Relatives of Key Management Personnel

- Pragya Bhartia
- Jayshree Bhartia
- Anand Singhal (HUF) @
- Rakesh Bhartia (HUF) @
- Smita Bhartia @
- Alpana Sharma (Ceased on 31.05.2015) @
- Geeta Bhalla (w.e.f. 24.06.2015) @

D. Enterprises over which Key Management Personnel have significant influence:

- Ajay Commercial Co. (P) Ltd.
- J. B. Commercial Co. (P) Ltd.
- Kashipur Holdings Limited
- Polylink Polymers (India) Ltd.
- Hindustan Wires Limited
- Supreet Vyapaar (P) Ltd.
- Mayur Barter (P) Ltd.
- Facit Commosales (P) Ltd.
- J. Boseck & Co. (P) Ltd.
- IGL Infrastructure Private Limited.(IGL Infra) (w.e.f. 15.09.2015)

E. Joint Venture Enterprise

- Kashipur Infrastructure and Freight Terminal Private Limited (KIFTPL)
- @ in accordance with Companies Act 2013.

## (ii) Detail of Transactions with related parties:

(₹ in Lacs)

Related Party Transaction Summary	Subsidiaries		Significant Influence		Joint Venture		Key Managerial Person		Relative of KMP	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Purchase of Material	403.81	615.73	0.46	-	-	-	-	-	-	-
Purchase of Services	-	-	34.17	80.16	-	-	-	-	-	-
Sale of Material	5,556.55	2,982.11	244.15	281.74	-	-	-	-	-	-
Slump Sale	-	18,420.00	-	-	-	-	-	-	-	-
ICD given	596.74	15.00	-	-	-	1,436.30	-	-	-	-
ICD Received Back	611.74	74.00	-	-	-	1,436.30	-	-	-	-
Advance against agreement	-	-	2,663.00	-	-	-	-	-	-	-
Advance Received Back	-	-	2,663.00	-	-	-	-	-	-	-
Interest Income	2092.66	2,078.61	44.95	-	-	36.82	-	-	-	-
Interest Waived-Off	2,076.11	1,989.39	-	-	-	-	-	-	-	-
Security Given	583.85	-	-	-	-	-	-	220.00	-	-
Investment in Equity Shares	64.17	67.83	-	-	-	2,440.00	-	-	-	-
Sale of Investment in Equity Share	-	-	300.00	-	-	-	-	-	-	-
Reimbursement of Expenses made	0.02	1.46	49.71	32.49	-	6.85	-	-	-	-
Reimbursement of Expenses Received	330.45	-	250.12	-	19.71	-	-	-	-	-
Payment of income received	357.56	-	-	-	-	-	-	-	-	-
ICD Received	-	-	700.00	6,383.00	-	-	-	-	-	-
ICD Paid Back	-	-	700.00	13,293.24	-	-	-	-	-	-
Advances Given	152.90	-	-	-	180.00	-	-	-	-	-
Advances Received back	152.90	-	-	-	180.00	-	-	-	-	-
Interest Expense	-	-	113.17	396.90	-	-	-	-	-	-
Rent & maintenance Paid	475.18	-	598.68	29.22	-	-	24.00	24.00	-	-
Vehicle Lease Rent	-	-	-	-	-	-	-	-	19.50	14.16
Salary Paid	-	-	-	-	-	-	260.9	263.40	27.29	27.29
Managerial Remuneration	-	-	-	-	-	-	221.22	220.48	-	-
Balance Outstanding	-	-	-	-	-	-	-	-	-	-
<b>Payable</b>										
Others	-	-	6.41	151.71	-	-	0.46	9.75	-	1.44
<b>Receivable</b>										
ICD (including interest)	16,564.77	16,579.77	-	-	-	-	-	-	-	-
Capital Advance Given	-	-	1,000.00	1,000.00	-	-	-	-	-	-
Security Deposit	-	-	1,063.85	480.00	-	-	500.00	500.00	-	-
Others	10,522.76	27,353.02	-	4.60	-	-	-	-	-	-

- (iii) Detail of remuneration to KMP :-
- a) Chairman & Managing Director – ₹ 151.70 Lacs (Previous Year ₹ 151.70 Lacs)
  - b) Executive Director – ₹ 69.52 Lacs (Previous Year ₹ 68.78 Lacs)
  - c) Chief Executive Officer – ₹ 185.88 Lacs (Previous Year ₹ 185.05 Lacs)
  - d) Chief Financial Officer – ₹ 52.74 Lacs (Previous Year ₹ 54.24 Lacs)
  - e) Company Secretary – ₹ 22.35 Lacs (Previous Year ₹ 24.11 Lacs)
- (iv) Disclosure in respect of Material Related Party transactions during the year:
- a) Purchases of Material are from:
    - SSAIL ₹ 403.81 Lacs (Previous Year ₹ 615.73 Lacs).
  - b) Purchase of Services
    - Polylink polymers (India) Ltd ₹ Nil (Previous Year ₹ 46.45 Lacs)
    - Hindustan Wires Ltd ₹ 34.17 Lacs (Previous Year ₹ 33.71 Lacs)
  - c) Sales of Material are to:
    - IGLCHEM, Singapore ₹ 5,249.09 Lacs (Previous Year ₹ 2,981.47 Lacs).
    - IGLCHEM, USA ₹ 307.46 Lacs (Previous Year ₹ Nil).
    - Hindustan Wires Limited. ₹ 244.15 Lacs (Previous Year ₹ 281.74 Lacs).
  - d) Slump Sale to IGL Infra ₹ Nil (Previous Year ₹ 18,420.00 Lacs)
  - e) Inter Corporate Deposit / Other Deposits given includes to:
    - IGL Infra ₹ 596.74 Lacs (Previous Year ₹ 15.00 Lacs)
    - KIFTPL ₹ Nil (Previous Year ₹ 1,436.30 Lacs)
  - f) Inter Corporate Deposit / Others Deposits received back includes from:
    - IGL Infra ₹ 611.74 Lacs (Previous Year ₹ Nil)
    - IGLFL ₹ Nil (Previous Year ₹ 74 Lacs)
    - KIFTPL ₹ Nil (Previous Year ₹ 1,436.30 Lacs)
  - g) Advance against Agreement includes to:
    - Kashipur Holding Ltd ₹ 2,663.00 Lacs (Previous Year ₹ Nil)
  - h) Advance received back includes to:
    - Kashipur Holding Ltd ₹ 2,663.00 Lacs (Previous Year ₹ Nil)
  - i) Interest Income includes from:
    - SSAIL ₹ 135.03 Lacs (Previous Year ₹ 135.03 Lacs)
    - IGLFL ₹ 1,941.08 Lacs (Previous Year ₹ 1,943.58 Lacs)
    - Kashipur Holding Ltd ₹ 44.95 Lacs (Previous Year ₹ Nil)
    - KIFTPL ₹ Nil (Previous Year ₹ 36.82 Lacs)
  - j) Interest Waived off includes :
    - SSAIL ₹ 135.03 Lacs (Previous Year ₹ 45.81 Lacs)
    - IGLFL ₹ 1,941.08 Lacs (Previous Year ₹ 1,943.58 Lacs)
  - k) Advance given includes :
    - SSAIL ₹ 152.90 Lacs (Previous Year ₹ Nil)
    - KIFTPL ₹ 180.00 Lacs (Previous Year ₹ Nil)
  - l) Advance Received back includes :
    - SSAIL ₹ 152.90 Lacs (Previous Year ₹ Nil)
    - KIFTPL ₹ 180.00 Lacs (Previous Year ₹ Nil)
  - m) Security Deposit given to
    - US Bhartia ₹ Nil (Previous Year ₹ 220.00 Lacs)
    - IGL Infra ₹ 583.85 Lacs (Previous Year ₹ Nil)
  - n) Investment In Equity Share
    - KIFTPL ₹ Nil (Previous Year ₹ 2,440.00 Lacs)
    - IGLCHEM US ₹ 64.17 Lacs (Previous Year ₹ 62.83 Lacs)
    - IGL Infra ₹ Nil (Previous Year ₹ 5.00 Lacs)
  - o) Sale of Investment in Equity share.
    - Supreet Vyapaar Pvt Ltd ₹ 15.00 Lacs (Previous Year ₹ Nil)
    - J Boseck & Co Pvt Ltd ₹ 57.00 Lacs (Previous Year ₹ Nil)
    - Facit Commosales (P) Ltd ₹ 57.00 Lacs (Previous Year ₹ Nil)
    - J. B. Commercial Co. (P) Ltd ₹ 57.00 Lacs (Previous Year ₹ Nil)
    - Hindustan Wires Limited ₹ 57.00 Lacs (Previous Year ₹ Nil)
    - Kashipur Holdings Limited ₹ 57.00 Lacs (Previous Year ₹ Nil)
  - p) Reimbursement of expense made.
    - Polylink Polymers (India) Ltd ₹ 47.83 Lacs (Previous Year ₹ 30.01 Lacs)
  - q) Reimbursement of expense Received.
    - IGL Infrastructure ₹ 580.57 Lacs (Previous Year ₹ Nil)
    - KIFTPL ₹ 19.71 Lacs (Previous Year ₹ 6.85 Lacs)

- r) Payment of Income received.
- IGL Infrastructure ₹ 357.56 Lacs (Previous Year ₹ Nil)
- s) Inter Corporate Deposit received includes from:
- Kashipur Holding Limited ₹ 700.00 Lacs (Previous Year ₹ 5,308.00 Lacs).
  - J Boseck & Co. (P) Limited ₹ Nil (Previous Year ₹ 600.00 Lacs).
  - Supreet Vyapaar (P) Limited ₹ Nil (Previous Year ₹ 415.00 Lacs).
- t) Inter Corporate Deposit paid back includes to:
- Kashipur Holding Limited ₹ 700.00 Lacs (Previous Year ₹ 11,152.24 Lacs).
  - Mayur Barter (P) Ltd. ₹ Nil (Previous Year ₹ 745.00 Lacs).
  - Supreet Vyapaar (P) Ltd. ₹ Nil (Previous Year ₹ 646.00 Lacs).
  - J Boseck & Co. (P) Limited ₹ Nil (Previous Year ₹ 600.00 Lacs).
  - Facit Commosales (P) Ltd ₹ Nil (Previous Year ₹ 90.00 Lacs)
- u) Interest Expense includes to:
- Kashipur Holding Limited ₹ 113.17 Lacs (Previous Year ₹ 294.86 Lacs).
  - Supreet Vyapaar (P) Ltd. ₹ Nil (Previous Year ₹ 21.88 Lacs).
  - Mayur Barter (P) Ltd. ₹ Nil (Previous Year ₹ 67.05 Lacs).
- v) Rent & Maintenance Paid to :
- Polylink Polymers (India) Ltd. ₹ 13.67 Lacs (Previous Year ₹ 13.48 Lacs)
  - IGL Infra Rs. 1,041.42 Lacs (Previous Year Rs. Nil)
  - Kashipur Holding Limited ₹ 10.68 Lacs (Previous Year ₹ 7.69 Lacs)
- w) Vehicle Lease Paid to:
- Rakesh Bhartia HUF ₹ 1.06 Lacs(Previous Year ₹ 6.36 Lacs)
  - Anand Singhal HUF Rs. 6.00 Lacs(Previous Year ₹ 4.80 Lacs)
  - Alpna Sharma ₹ 0.50 Lacs (Previous Year ₹ 3.00 Lacs)
  - Smita Bhartia ₹ 10.00 Lacs (Previous Year ₹ Nil)
  - Geeta Bhalla ₹ 1.94 Lacs (Previous Year ₹ Nil)
- x) ICD Receivable including interest includes:
- SSAIL ₹ 1,915.13 Lacs (Previous Year ₹ 1,915.13 Lacs). (Maximum balance outstanding during the year ₹ 1,915.13 Lacs, Previous Year ₹ 1,915.13 Lacs).
  - IGLFL Rs. 14,649.64 Lacs (Previous Year ₹ 14,649.64 Lacs). (Maximum balance outstanding during the year ₹ 14,649.64 Lacs, Previous Year ₹ 14,649.64 Lacs).
- y) Capital Advance receivable:
- Hindustan Wires Limited ₹ 1,000.00 Lacs (Previous Year ₹ 1,000.00 Lacs)
- z) Security Deposit receivable:
- Ajay Commercial Co. (P) Limited ₹ 240.00 Lacs (Previous Year ₹ 240.00 Lacs)
  - J.B. Commercial Co. (P) Limited ₹ 240.00 Lacs (Previous Year ₹ 240.00 Lacs)
  - IGL Infra ₹ 583.85 Lacs (Previous Year ₹ Nil)
  - US Bhartia ₹ 500.00 Lacs (Previous Year ₹ 500.00 Lacs)
- aa) Others Receivable includes:
- IGL Infra ₹ Nil (Previous Year ₹ 18,420 Lacs). (Maximum balance outstanding during the year ₹ 18,420 Lacs, Previous Year ₹ 18,420 Lacs)
  - SSAIL ₹ 8,453.81 Lacs (Previous Year ₹ 8,453.81 Lacs). (Maximum balance outstanding during the year ₹ 8,658.98 Lacs, Previous Year ₹ 8,453.81 Lacs).
  - IGL CHEM Singapore ₹ 1,840.92 Lacs (Previous Year ₹ 477.75 Lacs). (Maximum balance outstanding during the year ₹ 3,569.69 Lacs, Previous Year ₹ 1,462.93 Lacs).
  - IGL CHEM USA ₹ 228.03 Lacs (Previous Year ₹ 1.46 Lacs). (Maximum balance outstanding during the year ₹ 228.03 Lacs, Previous Year ₹ 1.46 Lacs).

**46. Expenditure on Research & Development:**

(₹ in Lacs)

Particulars	2015-16	2014-15
Capital	1,101.76	158.05
Revenue	934.57	339.66
<b>Total</b>	<b>2,036.33</b>	497.71

**47. Exceptional item includes:**

(a) A Provision/ Liability of ₹ 49.04 Lacs (Previous Year ₹ 1,100.00 Lacs ) has been created against final settlement of foreign exchange contract related dispute; (b) Loss on account of exchange rate differences amounting to ₹ 4,294.94 Lacs (net of gain of ₹ 3,830.44 Lacs) [Previous Year ₹ 1,600.55 Lacs (net of gain of ₹ 5,064.53 Lacs)] on payment, settlement as well as reinstatement of short term foreign currency borrowings and other monetary assets/ liabilities; (c)Provision on account to special discount to an overseas overdue receivables amounting to ₹ 746.02 Lacs (Previous Year ₹ 5,052.12 Lacs),in view of remote chances of realization on account of steep fall in price in the international commodity market. (Refer Note No. 36 (a));(d) Profit on sale of 'Rental Business Division' amounting to ₹ Nil (Previous Year ₹ 5,194.26 Lacs); (e) Loss on sale of spent silver catalyst amounting to ₹ 917.00 Lacs (Previous Year ₹ 2,480.78 Lacs) and (f) Writing off of export incentive receivable of ₹ Nil (Previous Year ₹ 756.32 Lacs) which has been recognized in earlier years as per applicable government schemes.

48. In compliance with Accounting Standard 27 on Financial Reporting of Interest in Joint Ventures, following disclosures are made in respect of jointly controlled entity - Kashipur Infrastructure and Freight Terminal Private Limited, in which the Company is a joint venturer:

(₹ in Lacs)

	31.03.2016	31.03.2015
Country of Incorporation	<b>India</b>	
Percentage of Share in Joint Venture	<b>48.90%</b>	48.90%
Assets	<b>4,355.17</b>	3306.44
Liabilities	<b>4,355.17</b>	3306.44
Income	<b>0.21</b>	-
Expenditure	<b>3.10</b>	3.07
Capital Commitment (Net of advances)	<b>460.55</b>	1116.79

49. Segment Information:

A. Information about Business Segments (Primary Segments): (₹ in Lacs)

	Business Segments				Others		Unallocable		Total	
	Industrial Chemicals		Liquor		31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	31.03.2016	31.03.2015	31.03.2016	31.03.2015						
<b>A REVENUE</b>										
1 Gross Sales (External)	200,657.42	230,894.39	116,262.92	70,056.34	7,016.15	8,222.03	-	-	323,936.49	309,172.76
Inter-Segment	145.78	136.99	-	-	-	-	-	-	145.78	136.99
Total	200,803.20	231,031.38	116,262.92	70,056.34	7,016.15	8,222.03	-	-	324,082.27	309,309.75
2 Other Income	3,007.66	5,864.22	259.31	76.07	133.26	679.23	709.39	1,304.85	4,109.62	7,924.37
3 Total Revenue	203,665.08	2,36,758.61	116,522.23	70,132.41	7,149.41	8,901.26	709.39	1,304.85	328,046.11	3,17,097.13
<b>B RESULTS</b>										
1 Segment Result (PBIT)	11,850.72	2,911.89	4,172.22	1,759.83	2,260.44	1,579.74	(10,248.31)	(2,146.78)	8,035.07	4,104.68
2 Interest Expense (Net)									13,281.69	15,769.72
3 Profit Before Tax									(5,246.62)	(11,665.04)
4a Provision for Current Tax (net of MAT credit)									-	-
4b Deferred Tax									(2,240.14)	(5,531.16)
4c Taxation provision of earlier year/ MAT (Credit) entitlement									409.53	-
5 Profit after Tax									(3,416.01)	(6,133.88)
<b>C Other Information:</b>										
1 Segment Assets	206,859.46	223,530.20	30,577.32	26,336.20	17,079.83	16,720.38	45,840.47	49,188.52	300,357.08	3,15,775.30
2 Segment Liabilities	126,801.84	37,643.66	13,042.88	9,976.85	1,761.43	2,523.20	116,021.45	2,20,101.10	257,627.60	2,70,244.81
3 Capital Expenditure	8,793.95	7,860.41	468.07	281.53	1,059.46	687.07	-	-	10,321.48	8,829.01
4 Depreciation and Amortisation expenses	4,514.50	6,720.25	260.76	276.25	463.44	1,021.45	259.47	816.96	5,498.17	8,834.91

Information about Geographical Segments (Secondary Segments): (₹ in Lacs)

	Domestic		Overseas		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1 Gross Sales (External)	236,641.74	2,06,197.87	87,294.75	1,02,974.89	323,936.49	309,172.76
2 Segment Assets	247,334.09	2,42,692.54	7,182.52	23,894.24	254,516.61	266,586.78

Notes:

**Primary Segment reporting (by business segment)**

Segments have been identified in line with Accounting Standard on 'Segment Reporting' (AS-17), taking into account the organisational structure as well as the differential risks and returns of these segments. The Company has identified three segments i.e. business Industrial chemical, Liquor and others which includes herbal products and reported accordingly.



**Secondary Segment reporting (by geographical segment-customer location)**

In respect of secondary segment information, the Company has identified its geographical segment as (a) domestic and (b) overseas on the basis of location of customers.

**Reportable segments**

Reportable segments have been identified as per the quantitative criteria specified in 'Accounting Standard 17: Segment Reporting'.

**Segment Composition**

**Industrial Chemicals Segment** comprises Glycols, Specialty Chemicals, Natural Gum and other related goods etc.

**Liquor Segment** comprises manufacture and sale of Ethyl Alcohol (Potable).

**'Others'** primarily includes Herbal Products and Rental.

**50. Additional Information:**
**A. (a) Payment to Auditors (Exclusive of applicable service tax) (₹ in Lacs)**

		2015-16	2014-15
i)	As Auditors	17.50	15.00
ii)	In other capacity in respect of		
	a) Out of Pocket Expenses	1.27	1.08
	b) Certification and other matters	13.69	6.15
		32.46	22.23

**(b) Cost Auditors (Exclusive of applicable service tax) (₹ in Lacs)**

		2015-16	2014-15
i)	Audit Fees	1.75*	1.00
ii)	Out of Pocket Expenses	0.00	0.13
		1.75	1.13

\*includes ₹ 0.25 lacs of earlier year

**B. (a) C.I.F. Value of Imports (₹ in Lacs)**

	Particulars	2015-16	2014-15
i)	Capital Goods	6,270.49	6,818.34
ii)	Stores & Spares	806.96	1,423.74
iii)	Raw Materials	38,507.44	33,778.60
iv)	Traded Goods	25,052.46	32,934.30

**(b) Earning in Foreign currency (₹ in Lacs)**

Particulars	2015-16	2014-15
FOB Value of Exports – Goods	81,575.12	96,151.79

**C. Commodity and Foreign Exchange Derivatives and exposures (as certified by the management).**
**(a) Outstanding at the year- end as follows**

Nature of Instruments	2015-16 Amount (FC in millions)	2015-16 Amount (₹ in Lacs)	2014-15 Amount (FC in millions)	2014-15 Amount (₹ in Lacs)
Forward Contracts				
- USD	0.30	198.78	2.00	1,250.10
Foreign currency options				
- USD	10.25	6,791.65	-	-
<b>Open foreign exchange exposures:</b>				
Packing Credit Net of Export debtors				
- USD	20.65	13,683.77	52.38	32,742.26
Loans				
- USD	5.66	3,748.01	49.44	30,906.86
Payable				
- USD	17.71	11,733.77	17.86	11,166.39
- EURO	-	-	0.03	18.24
- JPY	-	-	1.33	6.91
- CHF	-	-	0.01	2.82

- (b) The Company uses derivative instruments for hedging possible losses and exchange fluctuation loss is ₹ 209.99 Lacs net off gain of ₹ 1,193.91 Lacs (Previous Year gain ₹ 923.67 Lacs net off loss of ₹ 1,270.11 Lacs) which is inclusive of loss of ₹ 505.06 Lacs (Previous Year loss of ₹ 71.37 Lacs) provision for mark to market gain/loss on account of all outstanding financial transactions as on 31<sup>st</sup> March 2016.
- (c) Considering the principle of prudence and announcement made by The Institute of Chartered Accountants of India 'Accounting for Derivatives' in March, 2008, the Company has provided for an amount of ₹ 36.59 Lacs included in (b) (Previous Year ₹ 41.08 Lacs) on outstanding contracts to the Statement of Profit & Loss, on account of foreign exchange derivative instruments.

D. Disclosures of leasing arrangements (Operating lease)

- (a) The Company has operating lease for its Head office premises in Noida for a period up to 9 years. Lease agreements are locked-in for a period of first 3 years (Non-Cancellable period) and subsequently, the lease can be maintained at the option of the Company (lessee) (cancellable period). There are escalation clauses every 3 years.

The lease rental charged during the year for cancellable and non-cancellable operating lease are as follows:

Particular	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Lease Rent Expenses	694.23	111.53

- (b) The schedule of future minimum lease rental in respect of non-cancellable operating leases period is set out as under:

Particular	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Not later than one year	583.85	-
Later than one year but not later than five years	583.85	-
Later than five years	-	-

E. Expenditure in Foreign Currency

Particulars	(₹ in Lacs)	
	2015-16	2014-15
a) Travelling and other matters	131.34	125.59
b) Interest	465.08	408.96
c) Advertisement/ Subscription/ Membership	103.83	314.88
d) Commission	944.19	372.50
e) Others	9.25	10.58

F. Remittance in Foreign Currency on Dividend Account

	2015-16	2014-15
Amount of Final Dividend Remitted*	₹ Nil	₹ 0.40 Lacs
Year to which the Dividend relates	-	Year ended 31 <sup>st</sup> March 2014
No. of Equity Shares held by Non-resident shareholders	-	40300
No. of Non-resident shareholders	-	54

\* Excluding for those shareholders for whom dividend has been credited to their NRE Accounts in India.

51. Previous year's figures have been regrouped/ rearranged/ recast wherever considered necessary.

As per our report of even date

**For Lodha & Co.**  
Chartered Accountants  
Firm Registration no. 301051E

**N.K. Lodha**  
Partner  
Membership No. 85155  
Place : Noida, UP  
Dated : 26th May, 2016

**U.S. Bhartia**  
Chairman and Managing Director

**Rakesh Bhartia**  
Chief Executive Officer

**M.K. Rao**  
Executive Director

**Anand Singhal**  
Chief Financial Officer

**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 statements of subsidiaries/associate companies/joint ventures**
**PART "A" : Subsidiaries**

(₹ in Lacs)

S. No	1	2	3	4
<b>Name of the Subsidiary Company</b>	<b>Shakumbari Sugar &amp; Allied Industries Limited</b>	<b>IGL Chem International PTE. LTD.</b>	<b>IGL Finance Limited</b>	<b>IGL Chem International USA LLC.</b>
Financial ending year on	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016
Reporting Currency	INR	INR	USD	INR
Exchange Rate on the last date of financial year			66.26	
Share Capital	6,067.71	27.41	0.79	150.00
Reserves & Surplus	(19,423.88)	(227.75)	(3.82)	(65.09)
Total Assets	11,221.22	2,301.55	34.74	14,934.89
Total Liabilities	11,221.22	2,301.55	34.74	14,934.89
Investments	-	-	-	290.00
Turnover	1,095.34	5,050.36	76.28	-
Profit / (loss) before tax	(1,024.30)	(11.50)	(0.19)	(0.39)
Provision for Taxation	-	0.00	0.00	0.75
Profit / (loss) after Taxation	(1,024.30)	(11.50)	(0.19)	(1.15)
Proposed Dividend	-	-	-	-
% of Shareholding	98.89%	100%	100%	100%

**Note :**

i) During the year, Comapy has sold its entire stake in wholly owned subsidiary, IGL Infrastructure Pvt Ltd.

**PART "B" : Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lacs)

S.No	1
<b>Name of the Associates/Joint Venture</b>	Kashipur Infrastructure and Freight Terminal Private Limited
<b>1. Latest audited Balance Sheet Date</b>	March 31, 2016
Reporting Currency	INR
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>	
No.	2,445,000.00
Amount of Investment in Associates/Joint Venture	2,440.50
Extend of Holding %	48.90%
<b>3. Description of how there is significant influence</b>	Joint Venture Agreement
<b>4. Reasons why the associate/joint venture is not consolidated</b>	N.A.
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	2,652.53
<b>6. Profit/Loss for the year</b>	
i. Considered in Consolidation	(2.89)
ii. Not Considered in Consolidation	(3.02)

**Note :**

- i) Kashipur Infrastructure and Freight Terminal Pvt Ltd yet to commence operation.
- ii) There are no Associates or Joint Venture which have been liquidated or sold during the year.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIA GLYCOLS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of India Glycols Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and joint venture, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well

as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) & (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### Basis for Qualified Opinion

#### Attention is invited to:

- i. Note no. 32 of the consolidated financial statements regarding non provision against total exposure of amounting ₹14,444.43 Lacs (Previous Year ₹14,444.43 Lacs) in NSEL made by a subsidiary, where the management is confident about its recoverability for the reason as stated in said note, and our inability to comment thereon.
- ii. (a) Note no. 47(b)(iii) of the consolidated financial statements related with a subsidiary Company SSAIL regarding non-provisioning of interest amounting to ₹ 2,079.64 Lacs (P.Y. - ₹ 977.52 lacs) (excluding penal interest, charges etc. - amount unascertained) and pending confirmation of secured loans, as stated in the said note. In respect of loan facility availed by the SSAIL (a sick company), the Company has given corporate guarantee to the Banks and Financial Institutions as stated in note no. 29 (A)(iv) & 34; and  
(b) preparation of Financial Statements of SSAIL on going concern basis as stated in note no. 47(a) for the reason stated in the said note and our inability to comment thereon.
- iii. Note no. 44 of the consolidated financial statements related with a subsidiary SSAIL regarding non provision against impairment loss on its fixed assets for the reason stated in the said note, as its expected recoverable value is more than its carrying value and our inability to comment thereon.

We further report that the loss for the year, reserve & surplus, balance of banks, fixed assets, secured loans, loans & advances are without considering impact of the above which cannot be ascertained or otherwise for the reason stated in as above. Our opinion was also qualified in respect of matter reported in para (i), (ii)(a) & (iii) above on the financial statements for the year ended 31<sup>st</sup> March 2015.

### Qualified Opinion

In our opinion and best to our information and according to the explanations given to us, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above, and based on the consideration of the reports of other auditors on the financial statements of the subsidiaries and the joint venture as noted below, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of the affairs of the Group and its joint venture as at 31<sup>st</sup> March 2016, and its consolidated loss and its consolidated cash flows for the year ended on that date.

### Emphasis of Matter

Attention is drawn to the following:

- i. Note no. 37 (a) of audited financial statement for the year ended 31.03.2016 regarding pending receipts of necessary approvals as stated in note for provision made amounting to ₹ 14,167.57 Lacs (including made in earlier years of ₹ 13,421.55 Lacs) for special discount on account of steep fall in prices.
- ii. Note no. 45 and 43 (i) (a) related with a subsidiary regarding pending confirmation/ reconciliation of balances of receivables, payables, banks (including fixed deposits with bank), loans & advances (including capital advances), current liabilities and provision and internal control to be further strengthened for the reasons as stated in the said

note and consequential impact whereof presently cannot be ascertained and pending verification and updation of certain fixed assets records as stated in the said note.

- iii. For the qualifications (a) and (b) stated under para **Basis of Qualified Opinion** of standalone audit report regarding letters received dated 30<sup>th</sup> October 2014 and 5<sup>th</sup> May 2015 from National Stock Exchange of India, wherein the Company has advised to reinstatement/suitably rectify financial statements, attention is drawn. (read with note no. 33).

Our opinion is not modified in respect of above matters.

#### Other Matters

- (a) We did not audit the financial statements of the subsidiary company M/s IGL Finance Limited, M/s IGL Chem International PTE Limited and M/s IGL Chem International USA LLC whose financial statements reflect total assets of ₹ 17,386.85 Lacs as at 31<sup>st</sup> March, 2016, total revenues of Rs. 5,219.66 Lacs and net profit/(loss) after tax amounting to ₹ (244.70)Lacs 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 the aforesaid subsidiaries is based solely on the report of the other auditors.
- (b) We did not audit the financial statements of the joint venture M/s Kashipur Infrastructure and Freight Terminal Pvt. Ltd. whose financial statements reflect total assets of ₹ 4,355.17 Lacs as at 31<sup>st</sup> March 2016, total revenues of ₹ 0.21 lacs and net profit/(loss) after tax of ₹ (2.89) Lacs for the year then ended. The said financial statements have been audited by other auditor, whose report has been furnished to us by the management and our opinion, in so far as it relates to this joint venture is based solely on the report of their auditors and further information and explanation provided to us and relied upon by us.
- (c) Financial statements of one subsidiary company namely Shakumbari Sugar & Allied Industries Limited, whose financial statement reflect total assets of ₹ 11,221.22 Lacs as at 31<sup>st</sup> March 2016 and total revenue of ₹ 1095.34 Lacs and net profit/(loss) after tax of ₹ (1,024.30) Lacs for the year then ended, have been audit by us where net worth of the Company is negative and accounts has been prepared on going concern basis.

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 auditors.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) *Except for the effect of the matter described in the Basis for Qualified Opinion paragraph above*, 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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) *The matter described in the basis for qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the group.*
- f) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of subsidiaries companies and joint venture incorporated in India, none of the directors of the Group's companies and joint venture incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) 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 separate report in "**Annexure-A**", and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture— Refer Note No. 29(A)(i), 29(A)(ii), 29(A)(v), 29(A)(vi) 30, 31, 32 and 34 to the consolidated financial statements.
  - Provision has been made in the consolidated financial statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. Refer Note No. 52(b) & 52(c) to the consolidated financial statements.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group and its joint venture incorporated in India.

**For Lodha & Co.**  
Chartered Accountants  
Firm's Registration No. 301051E

**(N. K. Lodha)**  
Partner

Place: Noida, UP  
Date : 26<sup>th</sup> May, 2016

Membership No: - 85155

#### Annexure-A of the Auditors' Report

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

In conjunction with our audit of the Consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial control over financial reporting of **India Glycols Limited** ("the Holding Company") and its subsidiary companies (**the Holding company and its subsidiaries** (incorporated in India) together referred to as "**the Group**"), and joint venture, which are companies incorporated in India, as of that date.

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

The Respective Board of Directors of the Holding company and its subsidiary Companies, which are 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 ('ICAI'). 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.

#### Auditor's Responsibility

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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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.

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.

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.

We did not audit the financial statements of the one subsidiary company namely, M/s IGL Finance Limited and one Joint venture namely M/s Kashipur Infrastructure and Freight Terminal Pvt. Ltd., whose financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion, in respect of these subsidiaries under sub section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries as at 31<sup>st</sup> March 2016, is based solely on the report of other auditors.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Group'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 Group'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 Group; (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 Group (Holding company, its subsidiaries and joint venture, which are companies incorporated in India) ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting (IFCoFR), 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

In our opinion, read with the matters described below under Emphasis of Matters, the Holding Company and its subsidiary companies and joint venture, which are companies 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 March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Emphasis of Matter

Attention is drawn to:

- (i) According to the information and explanations given to us, the company has adequate internal financial controls system over financial reporting, however, the company needs to further strengthen its internal control system over financial reporting regarding balance confirmation (Read with note no. 37) to be made the same commensurate with size and nature of business and our comments under 'Basis of Qualification' in our main report.
- (ii) In respect of subsidiary SSAIL - The Company IFCoFR needs to be strengthen w.r.t. processes/assessment of impact of (a) confirmation/reconciliation of balances of receivables, payables, banks (including fixed deposits with banks), loans & advances (including capital advances), current liabilities and provision (note no. 45); (b) verification and updation of certain fixed assets records (note no. 43(i)(a)) and assessment of impairment loss on Fixed Assets (Read with note no. 44).

Our opinion is not modified in respect of matter stated above. We have considered the weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31<sup>st</sup>, 2016 consolidated financial statements of the Company, and these weaknesses do not affect our opinion on the 2016 consolidated financial statements of the Company.

**For Lodha & Co.**  
Chartered Accountants  
Firm's Registration No. 301051E

**(N. K. Lodha)**  
Partner

Place: Noida, UP  
Date : 26<sup>th</sup> May, 2016

Membership No: - 85155



## Consolidated Balance Sheet as at 31st March, 2016

(₹ in lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	3,096.15	3,096.15
Reserves and Surplus	3	22,344.89	26,609.08
		<b>25,441.04</b>	<b>29,705.23</b>
<b>Non-current Liabilities</b>			
Long-term borrowings	4	21,473.25	40,068.17
Deferred tax liabilities (Net)	5	2,574.14	4,874.61
Other Long-term liabilities	6	65,858.51	407.97
Long-term provisions	7	561.27	519.95
		<b>90,467.17</b>	<b>45,870.70</b>
<b>Current Liabilities</b>			
Short-term borrowings	8	101,609.94	141,759.10
Trade payables	9	48,043.88	24,652.96
Other current liabilities	10	33,726.76	72,954.49
Short-term provisions	7	364.96	498.94
		<b>183,745.54</b>	<b>239,865.49</b>
<b>TOTAL</b>		<b>299,653.75</b>	<b>315,441.42</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	11	112,794.32	111,476.28
Intangible assets	11	15.93	76.90
Capital work-in-progress	11	19,995.20	16,137.61
Intangible assets under development	11	50.17	48.90
Goodwill on Consolidation		3,039.30	3,039.30
Non-current investments	12	395.00	400.00
Long-term loans and advances	13	6,995.28	5,816.21
Other non-current assets	14	4,265.02	314.29
		<b>147,550.22</b>	<b>137,309.49</b>
<b>Current Assets</b>			
Current Investments	12	-	-
Inventories	15	52,611.56	48,708.73
Trade receivables	16	36,848.13	43,719.81
Cash and Bank balances	17	4,577.52	16,191.85
Short-term loans and advances	18	56,801.87	69,043.49
Other current assets	19	1,264.45	468.05
		<b>152,103.53</b>	<b>178,131.93</b>
<b>TOTAL</b>		<b>299,653.75</b>	<b>315,441.42</b>

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Lodha & Co.**

Chartered Accountants

Firm Registration no. 301051E

**N.K. Lodha**

Partner

Membership No. 85155

Place : Noida, UP

Dated : 26th May, 2016

**U.S. Bhartia**  
 Chairman and Managing Director

**Rakesh Bhartia**  
 Chief Executive Officer

**M.K. Rao**  
 Executive Director

**Anand Singhal**  
 Chief Financial Officer

## Consolidated Statement of Profit & Loss for the year ended March 31, 2016

(₹ in lacs), except as otherwise stated

Particulars	Note No.	2015-16	2014-15
Revenue from operations	20	232,576.55	257,949.78
Other income	21	677.26	4,226.86
<b>Total Revenue</b>		<b>233,253.81</b>	<b>262,176.64</b>
<b>Expenses:</b>			
Cost of materials consumed	22	123,924.33	138,647.78
Purchase of Stock-in-Trade	23	26,619.18	32,934.30
Change in inventories of finished goods, work-in-progress and Stock-in-trade	24	(3,851.88)	4,378.13
Employee benefit expense	25	8,773.90	9,214.27
Finance costs	26	13,802.76	16,338.73
Depreciation and amortization expense	11	5,756.18	8,878.48
Other expenses	27	58,964.69	60,385.87
<b>Total Expenses</b>		<b>233,989.16</b>	<b>270,777.56</b>
<b>Profit/ (Loss) before exceptional items and tax</b>		<b>(735.35)</b>	<b>(8,600.92)</b>
Exceptional Items (Net)	48	6,007.00	5,795.51
<b>Profit/ (Loss) before tax</b>		<b>(6,742.35)</b>	<b>(14,396.43)</b>
Tax Expense:			
- Current Tax		-	-
- Deferred tax Charged / (Credit)		(2,240.14)	(5,531.16)
- Tax for earlier years		0.49	(0.78)
- Minimum Alternate Tax (Credit) entitlement		409.79	-
<b>Profit/ (Loss) for the period</b>		<b>(4,912.49)</b>	<b>(8,864.49)</b>
<b>Earning per Equity share basic/ diluted (in ₹)</b>		<b>(15.87)</b>	<b>(28.63)</b>

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Lodha & Co.**  
Chartered Accountants  
Firm Registration no. 301051E

**U.S. Bhartia**  
Chairman and Managing Director

**M.K. Rao**  
Executive Director

**N.K. Lodha**  
Partner  
Membership No. 85155

**Rakesh Bhartia**  
Chief Executive Officer

**Anand Singhal**  
Chief Financial Officer

Place : Noida, UP  
Dated : 26th May, 2016

## Consolidated Cash Flow Statement for the year ended 31st March, 2016 (₹ in lacs)

	2015-16		2014-15	
<b>A Cash Flow from Operating Activities</b>				
Net Profit/ (Loss) Before Tax		(6,742.35)		(14,396.43)
Adjustments For:				
Depreciation	5,756.18		8,878.48	
(Profit)/Loss on Sale of Assets	12.10		(5,197.77)	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	245.19		94.53	
Amortisation of Foreign Currency Monetary Item Translation Difference	857.60		2,355.19	
Effect of Exchange Difference on Translation of Foreign Currency Cash & Cash Equivalent	0.03		0.01	
Insurance Gain Recoverable	-		(2,407.00)	
(Profit)/Loss on Sale of Non-Current Investments	(295.00)		(684.74)	
(Profit)/Loss on Sale of Current Investments	-		0.63	
Bad Debts W/Off & Provision for Doubtful Debts & Advances	1,340.02		6,280.49	
Provision No Longer Required Written Back	(678.04)		(214.01)	
Finance Costs	14,433.66		17,867.38	
Interest/Dividend Income	(959.22)	20,712.52	(2,003.87)	24,969.32
<b>Operating Profit/ (Loss) before Working Capital Changes</b>		<b>13,970.17</b>		<b>10,572.89</b>
Adjustments For:				
(Increase)/Decrease in Trade & Other Receivables	23,015.62		(14,735.50)	
(Increase)/Decrease in Inventories	(3,902.83)		9,965.79	
Increase / (Decrease) in Trade & Other Payables	90,938.36	110,051.15	(22,648.89)	(27,418.60)
<b>Cash Generated from / (Used in) Operations</b>		<b>124,021.32</b>		<b>(16,845.71)</b>
Income Tax Paid (Net)		(182.14)		(257.19)
<b>Net Cash flow from / (Used in) Operating Activities</b>		<b>123,839.18</b>		<b>(17,102.90)</b>
<b>B Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(10,702.94)		(7,117.33)	
Sale of Fixed Assets	59.05		18,943.67	
Interest / Dividend received	1,257.72		1,890.02	
ICDs given	(596.74)		(15.00)	
ICDs received back	611.74		3,062.00	
Investments in shares of subsidiaries/ joint venture	-		(5.00)	
Sale of Non-Current Investments	300.00		693.85	
Sale of Current Investments	-		9.17	
<b>Net Cash flow from / (Used in) Investing Activities</b>		<b>(9,071.17)</b>		<b>17,461.38</b>
<b>C Cash Flow from Financing Activities</b>				
Proceeds from Govt subsidy	30.00		-	
Proceeds from Issue of Share Capital	-		220.19	
Proceeds from Borrowings	14,866.22		79,389.88	
Repayment of Borrowings	(116,123.38)		(61,203.10)	
Finance Costs	(14,728.61)		(18,415.36)	
Dividends Paid (Including Corporate Dividend Tax)	(21.82)		(371.62)	
<b>Net Cash flow from / (Used in) Financing Activities</b>		<b>(115,977.59)</b>		<b>(380.01)</b>
<b>D Effect of Changes in Currency Fluctuation Reserve</b>		<b>33.30</b>		<b>(2.67)</b>
<b>E Effect of Exchange Differences on Translation of Foreign Currency Cash &amp; Cash Equivalent</b>		<b>(0.03)</b>		<b>(0.01)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents [A+B+C+D+E]</b>		<b>(1,176.31)</b>		<b>(24.21)</b>
Opening Cash & Cash Equivalent (refer note 17)		<b>2,183.89</b>		<b>2,208.10</b>
Closing Cash & Cash Equivalent (refer note 17)		<b>1,007.58</b>		<b>2,183.89</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Lodha & Co.**

Chartered Accountants

Firm Registration no. 301051E

**N.K. Lodha**

Partner

Membership No. 85155

Place : Noida, UP

Dated : 26th May, 2016

**U.S. Bhartia**  
Chairman and Managing Director

**Rakesh Bhartia**  
Chief Executive Officer

**M.K. Rao**  
Executive Director

**Anand Singhal**  
Chief Financial Officer

## Notes to Consolidated Financial Statements

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### PRINCIPLES OF CONSOLIDATION

- (i) The Consolidated Financial Statements (CFS) comprises the financial statements of India Glycols Limited (IGL) and its following Subsidiaries/ Joint Venture as on March 31, 2016.

Name of the Company	Nature	Country of Incorporation	% of Shareholding & Voting Power
Shakumbari Sugar & Allied Industries Limited (SSAIL)	Subsidiary	India	98.89%
IGL Chem International PTE. LTD.	Subsidiary	Singapore	100%
IGL Finance Limited	Subsidiary	India	100%
IGL Infrastructure Pvt. Ltd.*	Subsidiary	India	100%
IGL Chem International USA LLC (IGLCHEM US)	Subsidiary	USA	100%
Kashipur Infrastructure and Freight Terminal Private Limited (KIFTPL)	Joint Venture	India	48.90%

\* Ceased to subsidiary on 14.09.2015

- (ii) For Consolidation IGL Infrastructure Pvt. Ltd., a wholly owned subsidiary has not been considered as the investment was held temporarily with a view to its subsequent disposal in the near future.
- (iii) The Consolidated Financial Statements have been prepared using uniform accounting policies and in accordance with the generally accepted accounting principles (GAAP).
- (iv) The effects of intergroup balances and transactions are eliminated in consolidation.
- (v) The difference between the costs to the Holding Company of its investment in the Subsidiary Companies over the Holding Company's portion of equity of the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill arisen on consolidation is shown as separate line item in the balance sheet under Assets and Capital Reserve on consolidation is shown under Reserve & Surplus.
- (vi) The policy adopted by SSAIL for valuation of Inventories is enumerated below:-
- Finished Goods and Stock in Process of Sugar - At cost or at net realisable value whichever is lower, the net realizable value of sugar in case of finished goods stock of levy sugar is considered based on the levy price notified by the Central Government.
  - Store and spares parts – At cost arrived at applying weighted average method.
  - Cane crop – At net realisable value determined on the basis of estimated yield per hectare and Inventory of Molasses, Bagasse, Press mud and Bio Compost are considered at net realizable value.
- (vii) Foreign Subsidiary conversion: Operation of foreign subsidiary has been considered non integral foreign operation by the management thus all assets and liabilities are converted at the rates prevailing at the end of the year and Revenue items have been consolidated at the average rates. Exchange gain/ loss arising on translation of financial statements of foreign subsidiaries are shown under the head 'Foreign Currency Translation Reserve' in the Consolidated Balance Sheet.
- (viii) Interests in Joint Venture (KIFTPL) has been accounted by using the proportionate consolidation method as per Accounting Standard 27- "Financial Reporting of interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.

### 2. SHARE CAPITAL

(₹ in Lacs), except as otherwise stated

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Authorised :</b>		
45,000,000 (Previous Year 45,000,000) Equity Shares of ₹ 10/- each	4,500.00	4,500.00
	4,500.00	4,500.00
<b>Issued, Subscribed and paid up :</b>		
30,961,500 (Previous Year 30,961,500) Equity Shares of ₹ 10/- each fully paid up	3,096.15	3,096.15
	3,096.15	3,096.15

## Notes to Consolidated Financial Statements

### a) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as 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.

### b) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	31.03.2016 No's	31.03.2015 No's
Kashipur Holdings Limited	10,352,406	10,287,406
Sajani Devi Bhartia	2,100,249	2,100,249

### c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	31.03.2016 No's	31.03.2015 No's
Shares outstanding as at the beginning of the year	30,961,500	30,961,500
Additions during the year	-	-
Deletions during the year	-	-
Shares outstanding as at the end of the year	30,961,500	30,961,500

d) In last 5 years there was no Bonus Issue, buy back and /or issue of shares other for cash consideration.

### 3. RESERVES AND SURPLUS

	As at 01.04.2015	Additions	Deductions	(₹ in Lacs) As at 31.03.2016
Capital Reserve	679.33	30.00*	-	709.33
Capital Reserve on Consolidation	220.19	-	-	220.19
General Reserve #	10,714.15	-	114.01	10,600.14
Statutory Reserve	0.30	-	-	0.30
Security Premium	3,958.36	-	-	3,958.36
Mollases Reserve Fund	1.89	-	-	1.89
Foreign Currency Translation Reserve	(20.92)	33.30	-	12.38
Reserve for Contingencies	200.00	-	-	200.00
Surplus in Statement of Profit & Loss {Refer footnote (a)}	11,554.79	(4,912.49)	-	6,642.30
<b>Sub Total (a)</b>	27,308.09	(4,849.19)	114.01	22,344.89
Foreign Currency Monetary Item Translation Difference (Debit Balance)	(699.01)	(158.59)	(857.60)	-
<b>Sub Total (b)</b>	(699.01)	(158.59)	(857.60)	-
<b>Total (a+b)</b>	26,609.08	(5,007.78)	(743.59)	22,344.89
Previous year	34,149.21	(9,422.80)	(1,882.67)	26,609.08

## Notes to Consolidated Financial Statements

(₹ in Lacs)

	March 31, 2016		March 31, 2015	
<b>(a) Detail of Surplus in the Statement of Profit &amp; Loss</b>				
Opening balance	11,554.79		20,419.28	
Add: Net Profit/ (Loss) after tax transferred from Statement of Profit and Loss	(4,912.49)		(8,864.49)	
	6,642.30		11,554.79	
<b>Net Surplus in the Statement of Profit &amp; Loss</b>		6,642.30		11,554.79
		6,642.30		11,554.79

\* Represent project Capital subsidy received during the year.

# In view of adoption of Component Accounting as prescribed in Companies Act 2013, depreciation on component whose useful life expired prior to 01st April 2015 has charged to General Reserve (net of deferred tax ₹ 60.34 Lacs)

### 4. LONG TERM BORROWINGS

(₹ in Lacs)

	Non-Current Portion		Current Maturities	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>SECURED LOANS</b>				
Rupee Term Loans				
from Banks	14,199.19	29,345.16	2,243.62	28,443.11
Other than Banks	2,589.53	2,448.29	252.10	258.93
Foreign Currency Term Loans from Banks	3,233.49	7,751.02	-	15,919.84
	20,022.21	39,544.47	2,495.72	44,621.88
<b>UNSECURED LOANS</b>				
Loan from related parties (Body Corporates)	-	-	-	-
Loan from others	1,451.04	523.70	-	-
	1,451.04	523.70	-	-
Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 10)	-	-	2,495.72	44,621.88
	21,473.25	40,068.17	-	-



## Notes to Consolidated Financial Statements

### Notes:

- 1 The Term Loans inter-se, are secured / to be secured by mortgage of all immovable properties of the Company both present and future and hypothecation of all movable properties of the Company (save and except book debts) including movable machinery, machinery spares, tools and accessories, both present and future subject to prior charges created and / or to be created in favour of the bankers of the Company on stocks, book debts and other specified movable properties for working capital requirements / Buyers Credit.
- 2 Rupee Term Loans includes loans from Banks of ₹ 28.77 Lacs (Previous Year ₹ 46.19 Lacs) and loans from others of ₹ 56.43 Lacs (Previous Year ₹ Nil) secured by hypothecation of Motor Vehicles purchased there under which is repayable on different dates. Further, Rupee Term Loans from others includes ₹ 845.65 Lacs (Previous Year ₹ 608.75 Lacs) secured against bank guarantee. (read with para 22 & 23)
- 3 Term Loan from bank of ₹ 511.00 Lacs (Previous Year ₹ 4,654.47 lacs), is repayable 1 installment of ₹ 511.00 lacs in may 2017.
- 4 Term Loan from bank of ₹ 3,336.00 Lacs (Previous Year ₹ 10,000.00 Lacs), is repayable in 3 quarterly installments of ₹ 833.00 Lacs commencing from April 2017 and one installment of ₹ 837.00 Lacs in January 2018.
- 5 Term Loan from bank of ₹ Nil (Previous Year ₹ 2,499.60 Lacs).
- 6 Term Loan from bank of ₹ Nil (Previous Year ₹ 2,915.00 Lacs).
- 7 Term Loan from bank of ₹ Nil (Previous Year ₹ 1,249.98 Lacs).
- 8 Term Loan from bank of ₹ Nil (Previous Year ₹ 3,093.75 Lacs).
- 9 Term Loan from bank of ₹ Nil (Previous Year ₹ 1,951.00 lacs).
- 10 Term Loan from bank of ₹ Nil (Previous Year ₹ 2,185.57 Lacs).
- 11 Term Loan from bank of ₹ Nil (Previous Year ₹ 1,875.00 Lacs).
- 12 Term Loan from bank of ₹ Nil (Previous Year ₹ 1,421.29 Lacs).
- 13 Term Loan from bank of ₹ Nil (Previous Year ₹ 2,499.98 Lacs).
- 14 Term Loan from bank of ₹ 364.00 Lacs (Previous Year ₹ 3,431.00 Lacs), is repayable in 1 installment of ₹ 118.85 Lacs in June 2017 and 1 installment of ₹ 245.15 Lacs in September 2017.
- 15 Term Loan from bank of ₹ 778.99 Lacs (Previous Year ₹ 4,374.98 Lacs), is repayable in 1 installment in June 2016.
- 16 Term Loan from bank of ₹ 1,626.00 Lacs (Previous Year ₹ 2,551.00 Lacs), is repayable in 1 quarterly installments of ₹ 137.92 Lacs and 7 equal quarterly installments commencing of ₹ 212.58 Lacs each commencing from September 2016.
- 17 Term Loan from bank of ₹ 3,125.00 Lacs (Previous Year ₹ 8,750.00 Lacs), is repayable in 5 equal quarterly installments is ₹ 625.00 Lacs each commencing from July 2017.
- 18 Term Loan from bank of ₹ Nil (Previous Year ₹ 3,923.65 Lacs, USD 62.77 Lacs).
- 19 Term Loan from bank of ₹ Nil (Previous Year ₹ 9,500.77 Lacs , USD 155.46 Lacs).
- 20 Term Loan from bank of ₹ 3,233.49 Lacs (USD 48.80 Lacs) (Previous Year ₹ 10,246.44 Lacs (USD 170.25 Lacs), is repayable in 11 monthly installments, 8 equal monthly installments of ₹ 271.67 Lacs, 3 equal monthly installments of ₹ 353.38 Lacs commencing from May 2017.
- 21 Term Loan from bank of ₹ 2,500.00 Lacs (Previous Year ₹ Nil), is repayable in 8 equal quarterly installments is ₹ 312.50 Lacs each commencing from Feb 2017.
- 22 Term Loan from DBT Bio-pharma ₹ 250.00 Lacs (Previous Year ₹ 350.00 Lacs) is repayable in 5 equal half yearly installment.
- 23 Term Loan from DBT Bio-pharma ₹ 595.65 Lacs (Previous Year ₹ 258.75 Lacs) is repayable in 10 equal half yearly installment after completion of the project.
- 24 Term loan from Banks of ₹ 1,778.98 Lacs (Previous year ₹ 1,778.98 Lacs) in respect of subsidiary company restructured, is repayable in 8 equal quarterly installments of ₹ 44.47 Lacs each, 8 equal quarterly installments of ₹ 88.95 Lacs each & 4 equal quarterly installments of ₹ 177.89 Lacs each starting from Year 2016. The loan is secured by a first pari passu charge on the entire fixed assets of the company present and future and second pari passu charge on current assets of the company both present & future.
- 25 Term loan from Banks of ₹ 208.33 Lacs (Previous year ₹ 1,250.00 Lacs) in respect of subsidiary company, is repayable in 1 installment of ₹ 208.33 Lacs . The loan is secured by a first pari passu charge created on movable and immovable properties both present and future of Company's plant situated at saharanpur in state of Uttar Pradesh.
- 26 Term loan from Banks of ₹ 18.85 Lacs (Previous year ₹ 18.85 Lacs) in respect of subsidiary company, is repayable in 2 quarterly installment 1st of ₹ 10.11 Lacs and 2nd quarterly installment of ₹ 8.74 Lacs. The loan is secured by a first pari passu charge created on movable (including book debts) and immovable properties both present and future of Company's plant situated at saharanpur in state of Uttar Pradesh.
- 27 Term Loan from Banks of ₹ 761.00 Lacs (Previous year ₹ 761.00 Lacs) in respect of subsidiary company, is repayable in 36 monthly installments of ₹ 21.14 Lacs each started from 2016. The Loan is secured by first pari passu charge on fixed assets of the Company.
- 28 (The above loans (24 to 27) is secured by corporate guarantees of India Glycols Ltd. (The Holding Company))
- 29 Term Loan from Others of ₹ Nil (Previous year ₹ 92.55 Lacs).
- 30 Term Loan from Others of ₹ 1,740.42 Lacs (Previous year ₹ 1,740.42 Lacs ) in respect of subsidiary company, is repayable in 5 equal yearly installments of ₹ 348.08 Lacs each started from year 2017.
- 31 Term Loan from Others of ₹ 199.11 Lacs (Previous year ₹ 265.50 Lacs) in respect of subsidiary company, is repayable in 3 equal yearly installments of ₹ 66.38 Lacs each started from year 2016.
- 32 The above loans (29 to 31) is also secured by bank guarantee, which is further secured by corporate guarantees of India Glycols Ltd. (The Holding Company)
- 33 Loan from Others of ₹ 1451.04 Lacs (Previous year ₹ 523.70 Lacs) in respect of subsidiary company, is payable after a period of 3 years from the respective date of loans.
- 34 Term Loan facilities from Bank of ₹ Nil (Previous Year ₹ 480.63 Lacs)
- 35 IndusInd Bank Ltd has sanctioned Term Loan facility of ₹ 4,000.00 Lacs and working capital facility of ₹ 500.00 Lacs during the current financial year to Joint Venture Company. Company has availed partial disbursement of ₹ 2,875.00 Lacs on 15th March 2016 out of this term loan sanction by IndusInd Bank Limited.

## Notes to Consolidated Financial Statements

### 5. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Pursuant to the Accounting Standard on "Accounting for taxes on Income" (AS-22) deferred tax liability/assets are as:		
<b>Deferred Tax Assets :-</b>		
Amount covered U/S 43B	368.70	377.97
Provision for doubtful debts/ Advances	5,068.55	4,672.63
Unabsorbed Depreciation	10,189.80	7,187.90
Business Loss	569.82	569.82
Others	323.75	236.19
<b>Gross Deferred tax Assets</b>	<b>16,520.62</b>	13,044.51
<b>Deferred Tax Liabilities :-</b>		
Accelerated depreciation	18,086.63	17,279.92
Others	1,008.13	639.20
<b>Gross Deferred tax Liability</b>	<b>19,094.76</b>	17,919.12
<b>Net Deferred Tax Liability</b>	<b>2,574.14</b>	4,874.61

### 6. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Interest Accrued but not due on borrowings	370.94	321.06
Retention Money	67.51	44.35
Advance From Customers *	65,377.68	-
Security deposits	42.38	42.56
	65,858.51	407.97

\* Long term export advance of ₹ 72,641.64 Lacs received from a customer with supply schedule over period of 10 years. Export advance has been secured by Guarantee given by State Bank of India (SBI) to the customer, while other export performance bank guarantee (EPBG) member banks have given counter guarantee in favor of SBI. Such guarantee are secured by first charge on the fixed assets and second charge on the current assets of the Company on pari passu basis (note no 40).

### 7. PROVISIONS

(₹ in Lacs)

	Long - Term		Short - Term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Provision for employee benefits</b>				
Provision for Gratuity	-	-	170.75	281.80
Provision for Leave Encashment	561.27	519.95	194.21	199.89
	561.27	519.95	364.96	481.69
Others:				
Provision for Fringe Benefit Tax {Net of advance tax ₹ Nil} (Previous Year ₹ 38.65 Lacs)}	-	-	-	0.26
Provision for Wealth Tax	-	-	-	16.99
	-	-	-	17.25
	561.27	519.95	364.96	498.94

## Notes to Consolidated Financial Statements

### 8. SHORT TERM BORROWINGS

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
<b>SECURED LOANS</b>		
Loans repayable on demand from Banks:		
Buyers Import Credit*	34,949.63	48,713.30
Working Capital Loans*	59,578.17	86,516.07
	<b>94,527.80</b>	135,229.37
<b>UNSECURED LOANS</b>		
Short Term Loans from Banks	7,082.14	6,529.73
	<b>7,082.14</b>	6,529.73
	<b>101,609.94</b>	141,759.10

\* Working Capital Loans from Banks are secured / to be secured by way of hypothecation of book debts and stocks including in-transit and other specified movable properties and second charge on all immovable properties of the Company. Buyers Credit facility is secured against non-fund based facility sanctioned to the Company.

### 9. TRADE PAYABLE

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Payable to Micro Enterprises and Small Enterprises	36.21	3.49
Payable to Others	48,007.67	24,649.47
	<b>48,043.88</b>	24,652.96

### 10. OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Current maturities of long term borrowings (Note No 4)	2,495.72	44,621.88
Interest accrued but not due on borrowings	343.37	385.80
Duties, taxes and other statutory dues	2,039.66	1,801.74
Capital Payables	2,392.38	2,205.82
Advance from Customers	7,492.81	6,111.02
Retention money	272.95	208.73
Interest accrued and due on borrowings	39.30	88.72
Expenses payable (Including MTM on derivative contracts)	3,007.31	1,770.79
Other Payables (Ref Note no 37 (a))	15,551.32	15,643.63
Investor education & protection fund shall be credited by the following amounts when due:		
(i) Unclaimed Dividends	90.09	111.91
(ii) Unclaimed matured deposits	1.32	3.36
(iii) Unclaimed interest on above (ii)	0.53	1.09
	<b>33,726.76</b>	72,954.49

## Notes to the Accounts

### 11. Fixed Assets

(₹ in Lacs)

Description	Gross Carrying Amount				Depreciation/ Amortization				Net Carrying Amount	
	As at 01.04.2015	Additions*	Sales/ Other Adjustments	As at 31.03.2016	As at 01.04.2015	For the year **	Sales/ Other Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible assets</b>										
Freehold Land @	1,762.33	0.89	-	<b>1,763.22</b>	-	-	-	-	<b>1,763.22</b>	1,762.33
Leasehold Land	836.52	-	-	<b>836.52</b>	104.02	10.19	-	<b>114.21</b>	<b>722.31</b>	732.50
Buildings @	9,920.59	318.43	-	<b>10,239.02</b>	2,801.31	296.31	-	<b>3,097.62</b>	<b>7,141.40</b>	7,119.28
Plant and Machinery	180,012.51	5,648.67	-	<b>185,661.18</b>	79,814.31	5,170.96	-	<b>84,985.27</b>	<b>100,675.91</b>	100,198.20
Office Equipment	2,125.57	71.01	13.84	<b>2,182.74</b>	1,668.28	97.95	11.09	<b>1,755.14</b>	<b>427.60</b>	457.29
Furniture and Fixtures	1,405.15	1,117.08	26.88	<b>2,495.35</b>	642.60	201.16	22.14	<b>821.62</b>	<b>1,673.73</b>	762.55
Vehicles #	1,046.52	102.26	136.10	<b>1,012.68</b>	602.39	92.58	72.44	<b>622.53</b>	<b>390.15</b>	444.13
<b>Total (A)</b>	197,109.19	7,258.34	176.82	<b>204,190.71</b>	85,632.91	5,869.15	105.67	<b>91,396.39</b>	<b>112,794.32</b>	111,476.28
Previous year	206,114.40	6,948.76	15,953.97	<b>197,109.19</b>	78,435.45	9,405.98	2,208.52	<b>85,632.91</b>	<b>111,476.28</b>	
<b>Intangible assets</b>										
Computer software	853.11	0.41	-	<b>853.52</b>	776.21	61.38	-	<b>837.59</b>	<b>15.93</b>	76.90
<b>Total (B)</b>	853.11	0.41	-	<b>853.52</b>	776.21	61.38	-	<b>837.59</b>	<b>15.93</b>	76.90
Previous year	814.32	38.79	-	853.11	584.35	191.86	-	776.21	76.90	
<b>Capital work-in-progress</b>									<b>19,995.20</b>	16,137.61
<b>Intangible assets under development</b>									<b>50.17</b>	48.90

Notes:

\* (i) Addition to Plant and Machinery includes foreign exchange fluctuation difference arising under AS-11 (The effect of changes in foreign exchange rates) vide notification no. G.S.R 225 (E) dated 31st March, 2009 issued by Ministry of corporate affairs of Government of India as amended by Companies (Accounting Standards) (Second Amendment) Rules 2011.

\* (ii) Includes capitalisation of:

(a) Finance cost: Plant & Machinery ₹ 138.95 Lacs (Previous Year ₹ 651.82 Lacs).

(b) Exchange difference: Plant and Machinery includes CWIP ₹ 374.45 Lacs (Previous Year ₹ 993.82 Lacs). (Unamortised amount ₹ 4,127.32 Lacs (Previous Year ₹ 3,880.59 Lacs)

\*\* includes depreciation charged to General reserve ₹ 174.35 Lacs (Previous year ₹ 718.52 Lacs), refer note no 39. Also refer Note No -38 regarding impact of revision of useful life.

# Gross block includes ₹ 137.30 Lacs (Previous Year ₹ 117.95 Lacs) secured by hypothecation against loan

@ Gross Block includes ₹ 79.77 Lacs Pending transfer of title in the name of the Company.

Note:

Opening Gross Block & Accumulated depreciation of Foreign Subsidiary, IGL Chem PTE LIMITED, Singapore, & IGL Chem USA LLC, USA as on 31st March, 2016 is reinstated as per AS-11 and amount of ₹ Nil (Previous Year Rs NIL) ( Net of depreciation of Rs Nil, Previous Year ₹ Nil) is adjusted in Foreign Currency Translation Reserve.

## Notes to the Accounts

### 12. INVESTMENTS

(₹ in Lacs), except as otherwise stated

Particulars	Nominal Value	As at 31.03.2016		As at 31.03.2015	
<b>Non-Current Investments</b>					
<b>Long Term, Non- Trade Investment - At Cost less provision</b>					
<b>Investment in Equity Instruments</b>					
<b>Unquoted, Fully paid up - Subsidiary Companies</b>					
Nil* (Previous Year 50,000 ) Equity Shares of IGL Infrastructure Private Ltd.	Rs. 10		-		5.00
			-		5.00
<b>Quoted, fully paid up - Others</b>					
211,360 (Previous Year 211,360) Equity Shares of IDBI Bank Ltd.	Rs. 10		105.00		105.00
			105.00		105.00
			105.00		110.00
<b>Investment in Preference Share (Unquoted, fully paid up)</b>					
4,68,000 (Previous year 4,68,000) 15% Redemable Non-cumulative Preference Shares of Hindustan Wires Ltd.	Rs 100	468.00		468.00	
Less: Provision for diminution		191.02	276.98	191.02	276.98
22,000 (Previous year 22,000) 15% Redemable Non-cumulative Preference Shares of Hindustan Wire Ltd.	Rs 100	22.00		22.00	
Less: Provision for diminution		8.98	13.02	8.98	13.02
			290.00		290.00
<b>Total Non - Current investments</b>			395.00		400.00
Aggregated book value of Unquoted investment			290.00		295.00
Aggregated book value of quoted investment			105.00		105.00
Market value of quoted investments			146.90		150.07
Aggregate provision made for Diminution in value of Investments			200.00		200.00

\* Refer Note no 35 to financial statements.

## Notes to the Accounts

### 13. LONG TERM LOANS AND ADVANCES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
Capital Advances	3,414.96	2,967.58
Security Deposits @	3,424.58	2,750.48
Inter Corporate Deposits#	-	15.00
Other Loans & advances *	155.74	83.15
	<b>6,995.28</b>	<b>5,816.21</b>

\* Prepaid expenses and loans to employees

# Includes loans to related parties ₹ Nil (Previous year ₹ 15 Lacs)

@ Includes ₹ 1563.85 lacs (Previous Year ₹ 980.00 Lacs) security deposit to Private companies in which director/directors of company is director and are also related parties.

### 14. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

	As at 31.03.2016	As at 31.03. 2015
Bank balance in deposit account* (Refer Note No. 17)	3,731.68	56.53
Interest Receivable	249.17	13.76
Others		
Upfront fee, processing charges, etc amortised over tenure of loans	284.17	244.00
	<b>4,265.02</b>	<b>314.29</b>

\* Pledged with bank/Government Authorities as margin money/security against guarantees, packing credit facility and other borrowings maturing after 12 months.

### 15. INVENTORIES (At lower of cost and net realisable value)

(As taken, valued and certified by the management)

(₹ in Lacs)

	As at 31.03.2016	As at 31.03. 2015
Raw Materials *	16,677.83	17,249.79
Work-in-Process	6,454.46	4,618.51
Finished Goods **	12,667.37	10,515.69
Stores and Spares	16,716.27	16,293.53
Residue Product	64.76	2.21
Scrap	3.24	3.26
Loose Tools	27.63	25.74
	<b>52,611.56</b>	<b>48,708.73</b>

\* Includes in transit ₹ 5,563.41 Lacs (Previous Year ₹ 923.16 Lacs)

\*\*Includes in transit ₹ 264.65 Lacs (Previous Year ₹ 20.83 Lacs)



## Notes to Consolidated Financial Statements

### 16. TRADE RECEIVABLES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good (Refer Note No 37(a))	15,427.53	14,294.12
- Doubtful	421.35	151.35
(b) Other (Considered Good)	21,420.60	29,425.69
	<b>37,269.48</b>	43,871.16
Less: Provision for Doubtful debts	421.35	151.35
	<b>36,848.13</b>	43,719.81

### 17. CASH AND BANK BALANCES

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
<b>(a) Cash and Cash equivalents</b>		
(i) Cash in Hand	52.89	67.25
(ii) Balance with Banks		
- On Current Accounts	954.69	2,116.64
	<b>1,007.58</b>	2,183.89
<b>(b) Other bank balances</b>		
- In Fixed Deposit Accounts * - Current	3,479.85	13,896.05
- In Fixed Deposit Accounts * - Non current	3,731.68	56.53
- On Dividend Accounts	90.09	111.91
	<b>8,309.20</b>	16,248.38
Less: Amount disclosed under Other Non Current Assets (Note No 14)	3,731.68	56.53
	<b>4,577.52</b>	16,191.85

\*Pledged with bank/Government Authorities as margin money/security against guarantees, packing credit facility and other borrowings.

## Notes to Consolidated Financial Statements

### 18. SHORT TERM LOANS & ADVANCES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	As at 31.03.2016		As at 31.03.2015	
Deposits with Non Banking Financial Institutions		1,429.00		1,429.00
Interest receivable		237.65		771.56
Export Incentive receivable		2,254.48		1,643.13
Balance with Excise and Authorities		15,189.01		9,284.85
Deposits with Government Departments & Others		184.24		168.83
MAT Credit Entitlements		7,665.95		8,075.74
Advance Income Tax/ Tax deducted at source (net of income tax provision of ₹ 4,076.08 Lacs, Previous Year ₹ 4,076.08 Lacs)		1,111.32		929.41
Receivable from sale of Rental business division		-		18,420.00
Prepaid expenses		5,100.88		1,581.60
Other Advances:				
Advances recoverable in cash or in kind or for value to be received	23,629.34		26,739.37	
Doubtful advances / loans	395.56		71.97	
	24,024.90		26,811.34	
Less : Provision for doubtful advances / loans	(395.56)	23,629.34	(71.97)	26,739.37
		56,801.87		69,043.49

### 19. OTHER CURRENT ASSETS

(₹ in Lacs)

	As at 31.03.2016		As at 31.03.2015	
Upfront fee, processing charges, etc amortised over tenure of loans		1,264.45		468.05
		1,264.45		468.05

The Company has during the year amortised the ancillary cost incurred in connection with the borrowing over the term of the loan.

## Notes to Consolidated Financial Statements

### 20. REVENUE FROM OPERATIONS

	(₹ in Lacs)	
	2015-16	2014-15
<b>Sales of Products</b>		
Glycols	69,994.05	70,599.53
E.O. Derivatives	91,892.41	107,955.67
Guar Gum Powder and derivatives	2,576.16	11,837.37
Ethyl Alcohol (Potable)	115,020.19	69,111.92
Industrial Gases	3,834.03	3,758.33
Sugar	622.43	2,041.86
Sale of traded goods		
Chemical and oil Products	29,737.74	35,483.49
Export Incentive receivable	1,877.17	1,294.92
Others	7,925.43	7,228.28
	323,479.61	309,311.37
Less: Excise Duty	95,239.20	57,173.58
	228,240.41	252,137.79
<b>Sales of Service</b>		
Rent	-	1,408.55
Others	743.14	669.88
	743.14	2,078.43
<b>Other Operating Revenue</b>		
Provision no longer required written back/ Sundry Balances written back	678.04	214.01
Miscellaneous Income	2,914.96	3,519.55
	3,593.00	3,733.56
<b>Total Revenue from operations</b>	<b>232,576.55</b>	<b>257,949.78</b>

### 21. OTHER INCOME

	(₹ in Lacs)	
	2015-16	2014-15
Interest Income	326.73	467.26
Dividend on Long term Investment	1.59	7.96
Rent	34.47	-
Exchange Fluctuation loss (Net of Loss Rs. 0.36 Lacs, previous year Rs. Nil)	0.15	-
Insurance Claim Recoverable	-	2,407.00
Gain on settlement with JV partner	-	621.50
Profit on sale of Non-Current investment	295.00	684.74
Profit on sale of Fixed Assets	19.32	38.40
	677.26	4,226.86

## Notes to Consolidated Financial Statements

### 22. COST OF MATERIALS CONSUMED

(₹ in Lacs)		
	2015-16	2014-15
Raw Materials consumed		
i) Molasses	25,648.83	34,928.44
ii) Chain Starters	11,806.99	18,459.09
iii) Special Denatured Spirit	57,501.57	53,177.15
iv) Guar split and Guar Seeds	1,587.12	9,154.20
v) Production Chemicals & Others	12,370.79	10,777.14
vii) Packing Material	15,009.03	12,151.76
<b>Total</b>	<b>123,924.33</b>	<b>138,647.78</b>

### 23. PURCHASE OF STOCK IN TRADE

(₹ in Lacs)		
	2015-16	2014-15
Chemical and Oil Products	26,409.26	32,934.30
Molasses	209.92	-
	<b>26,619.18</b>	<b>32,934.30</b>

### 24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)		
	2015-16	2014-15
<b>CLOSING STOCK</b>		
<b>Finished Goods</b>		
- Glycols	4,807.79	1,982.04
- E.O. Derivatives	7,114.20	7,084.24
- Ethyl Alcohol (Potable)	407.46	470.91
- Guar Gum Powder and derivatives	154.88	58.60
- Guar Churi	0.50	0.41
- Industrial Gases	23.23	24.72
- Sugar	-	593.07
- Molasses & Bagasse	7.25	7.25
- Anhydrous Alcohol and Rectified Sprit	14.95	21.73
- Bio compost & Press mud	1.77	4.80
- Herbal Products	135.34	267.92
<b>Total Finished Goods</b>	<b>12,667.37</b>	<b>10,515.69</b>
<b>Work-in-Process</b>	<b>6,454.46</b>	<b>4,618.51</b>
<b>Residue Product</b>	<b>64.76</b>	<b>2.21</b>
	<b>19,186.59</b>	<b>15,136.41</b>

## Notes to Consolidated Financial Statements

### 24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (Contd.)

(₹ in Lacs)

	2015-16	2014-15
<b>OPENING STOCK</b>		
<b>Finished Goods</b>		
- Glycols	1,982.04	2,586.72
- E.O. Derivatives	7,084.24	7,414.56
- Ethyl Alcohol (Potable)	470.91	423.87
- Guar Gum Powder and derivatives	58.60	1,232.94
- Guar Churi	0.41	0.26
- Industrial Gases	24.72	12.25
- Sugar	593.07	3,003.32
- Molasses & Bagasse	7.25	19.99
- Anhydrous Alcohol and Rectified Sprit	21.73	44.97
- Bio compost & Press mud	4.80	8.93
- Herbal Products	267.92	273.38
<b>Total Finished Goods</b>	<b>10,515.69</b>	<b>15,021.19</b>
<b>Work-in-Process</b>	<b>4,618.51</b>	<b>4,618.72</b>
<b>Residue Product</b>	<b>2.21</b>	<b>53.14</b>
	<b>15,136.41</b>	<b>19,693.05</b>
Less: Differential Excise Duty provided on Stocks.	198.30	(178.51)
Change in inventories of finished goods, work-in-progress and Stock-in-trade	<b>(3,851.88)</b>	<b>4,378.13</b>

### 25. EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

	2015-16	2014-15
Salaries, Wages, Allowances, etc.	7,435.40	7,870.44
Contribution to Provident and other Funds	584.52	576.25
Employees' Welfare and other Benefits	753.98	767.58
<b>Total</b>	<b>8,773.90</b>	<b>9,214.27</b>

### 26. FINANCE COSTS

(₹ in Lacs)

	2015-16	2014-15
Interest on Fixed Loans	4,215.15	9,042.45
Other Interest	6,696.16	6,164.96
Other Borrowing Cost		
Financial Charges	3,522.35	2,659.97
	<b>14,433.66</b>	<b>17,867.38</b>
Less: Interest Received on temporary deposits	630.90	1,528.65
	<b>13,802.76</b>	<b>16,338.73</b>

## Notes to Consolidated Financial Statements

### 27. OTHER EXPENSES

(₹ in Lacs)

	2015-16	2014-15
Stores and spares Consumed	6,258.74	6,106.13
Power and Fuel	30,160.29	33,594.40
Repairs and Maintenance		
- Buildings	341.24	505.04
- Plant and Machinery	1,832.55	1,928.77
- Others	622.42	483.67
Rent	709.36	123.98
Rates and Taxes	1,250.38	1,265.98
Travelling and Conveyance	895.45	945.78
Insurance	734.16	511.62
Directors' sitting Fee	11.62	12.20
Donation	-	31.40
Commission to Selling agents	1,973.16	1,292.52
Freight forwarding and others (Net of recovery from customers / provision written back ₹ 1,004.46 Lacs, Previous year ₹1,003.42 Lacs)	6,998.48	7,758.01
Exchange Fluctuation loss (Net of gain ₹ Nil, previous year ₹ 0.40 Lacs)	-	1.96
Loss on sale of Current Investment	-	0.63
Commodity Derivative Loss	-	21.59
Provision for doubtful debts	594.00	91.03
Bad debts written off	-	37.34
Less : Provision for doubtful debts written back	-	3.00
Loss on Sale / Discard of Fixed Assets	31.42	34.89
Amortisation of Foreign Currency Monetary Item Transaction Difference	857.60	2,355.19
Wealth Tax	-	26.36
Legal & Professional	2,566.95	610.78
Printing & Stationery, Postage, Telephone, security, and other Miscellaneous Expense	3,126.87	2,649.60
	<b>58,964.69</b>	<b>60,385.87</b>

28. Accounting Policies and other notes to the accounts of the financial statements of the Company and its subsidiaries are set out in their respective financial statements.

29. (A) Contingent Liabilities not provided for (As certified by the Management):

Particulars	As on March 31, 2016	As on March 31, 2015
Central Excise/ State Excise@	5,613.83	22,688.99
Customs	1,235.12	1,025.70
Service Tax	245.62	70.76
Sales Tax	3,501.65	2,890.46
Other matters	278.37	958.75
<b>Total</b>	<b>10,874.59</b>	<b>27,634.66</b>

@Excluding show cause notices (SCNs), where management is confident that on merits SCNs will be dropped and also as legally advised possibility of an outflow of fund is remote.

- (ii) In respect of subsidiary company (SSAIL), claims against the Company not acknowledged as debts ₹140.33 Lacs (Previous Year: ₹116.79 Lacs).
- (iii) Bills discounted with Banks ₹ 1,703.13 Lacs (Previous Year: ₹ 3,829.60 Lacs).
- (iv) Corporate Guarantee to banks for loan availed by Shakumbari Sugar & Allied Industries Limited (a subsidiary company) amounting to ₹ 10,845.38 Lacs (Previous year ₹ 12,045.43 Lacs) (excluding penal interest, penalty etc). (Refer Note No. 34 below).
- (v) In respect of subsidiary company (SSAIL), Recovery Charges claimed by S.D.M. Behat towards payment of cane dues ₹ 66.82 Lacs (Previous Year ₹ 66.82 Lacs) including the interest on cane dues ₹ 46.89 Lacs (Previous Year ₹ 46.89 Lacs).
- (vi) Pending final disposal by the Appellate Tribunal (CESTAT), Central Excise, SSAIL has not reversed in the books of account CENVAT credit taken, in respect of certain inputs and capital goods and godown rent for ₹ 15.21 Lacs (Previous Year ₹15.21 Lacs) initially disallowed by authorities, however, the same has been reversed in the Excise records and the same is included in CENVAT receivables.

(B) Custom duty saved on import of raw material under Advance License pending fulfillment of export obligation is amounting to ₹ 2,807.51 Lacs (Previous Year ₹ 3,026.13 Lacs).

The management is of the view that considering the past export performance and future prospects there is certainty that pending export obligation under advance licenses, will be fulfilled before expiry of the respective advance licenses. Accordingly and on "Going Concern Concept" basis there is no need to make any provision for custom duty saved.

(C) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 3,414.96 Lacs, Previous Year ₹ 2,967.58 Lacs) are ₹ 6,516.78 Lacs (Previous Year ₹ 7,487.02 Lacs).

30. In the earlier years, the State Government of Uttar Pradesh (UP) had imposed a levy of license fee on transfer of alcohol from the distillery to the chemical plant. The levy was challenged by the Company in the Hon'ble Supreme Court and on October 18, 2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, Company had filed an application for refund of amount paid of ₹ 507.05 Lacs (Previous Year ₹ 507.05 Lacs) (shown as recoverable under the head Short Term Loans and Advances) with State Government of Uttarakhand, which is still pending for refund of the amount.

31. In the earlier years, the State Government of Uttarakhand had levied Export Pass Fee on ENA/R.S. export outside India. The matter is finally disposed of by Hon'ble High Court of Uttarakhand vide its Order dated 9th January, 2012 and has declared the levy of said fee as unsustainable and irrecoverable. Subsequently, on June 8, 2012, vide Uttarakhand Excise (Amendment) Act, 2012, Uttarakhand Government retrospectively revived old notification relating to imposition of export fee on ENA and R.S. The Company filed Writ Petition challenging the above said notification and vide order dated September 12, 2012 the Hon'ble High Court of Uttarakhand has granted stay and restrained State from imposing export fee. Amount of ₹ 106.15 Lacs (Previous Year ₹ 106.15 Lacs) paid under protest is shown as recoverable from State Govt. of Uttarakhand, under the head Short Term Loans and Advances.

32. The subsidiary company, IGL Finance Limited, had invested funds for short term in commodity financing contracts offered by National Spot Exchange Limited (NSEL). NSEL has defaulted in settling the contracts on due dates. However, considering the proposal of the arrangement of merger of NSEL with Financial Technologies (India) Limited (FITL) as announced by the Central Government and other measure which have so far been taken for and



pending before the Govt. and other authorities, legal actions taken by the subsidiary company, the management is confident of recovery of the dues from NSEL over the period of time. Accordingly, against total exposure of ₹ 14,444.43 Lacs (Previous Year ₹ 14,444.43 Lacs), no provision has been considered necessary at this stage by the subsidiary company and hence treated as good and fully recoverable.

33. Company has received letters dated 30th Oct 2014 and 05th May 2015 from National Stock Exchange of India (NSE), wherein the Company has been advised to reinstate its financials w.r.t. qualification raised by the statutory auditor of the company for the years FY 2012-13 on investments and loans to SSAIL and to suitably rectify the qualification raised for the year FY 2013-14 by the statutory auditor w.r.t. investment and loan to IGLFL respectively. For the above matters, the Company has submitted reply based on legal advice
34. Central Bank of India (CBI) vide its letter dated 28.05.2014 had issued a notice under Section 13(2) of SARFAESI Act 2002 to SSAIL and IGL. The said notice was replied by SSAIL and IGL has challenged the legality of issuance of such notices. CBI, thereafter, on 11.09.2014 had issued another notice under Section 13(4) of SARFAESI on SSAIL and IGL, which has been challenged in DRT, Lucknow. As per the legal opinion, the notice is not valid since SSAIL has already been registered with BIFR as sick Company. Meanwhile BIFR vide its order dated 24.09.2015 has rejected the appeal of CBI for seeking recovery certificate, against the order of BIFR, CBI has filed an appeal before Appellate Authority for Industrial and Financial Reconstruction (AAIFR) which is pending.
35. During the year, the Company had divested its entire stake of ₹ 5 Lacs (50,000 equity Share Capital ) in wholly owned subsidiary IGL Infrastructure Private Limited for consideration of ₹ 300.00 Lacs and further invested ₹ 64.17 Lacs in equity capital of wholly owned subsidiary IGL Chem International USA LLC.
36. The Company had filed a claim in earlier year of ₹ 4,815.06 Lacs (including reinstatement loss ₹ 622.63 Lacs) with the insurance company for the reinstatement of machinery as well as loss incurred due to business interruption on account of fire at Kashipur Plant and on prudent basis accounted for ₹ 3,029.63 Lacs (including reinstatement loss ₹ 622.63 Lacs) in previous year. Against this in P.Y. ₹ 348.64 Lacs (since Balance Sheet Date the Company has also received ₹ 748.80 Lacs) has been received and balance of ₹ 2,680.99 Lacs being receivable from the Insurance Company is shown under short term loans & advances, where management is confident about recovery of full amount and hence considered good.
37. (a) Other current liabilities includes provision amounting to ₹ 14,167.57 Lacs (till Previous Year ₹ 13,421.55 Lacs) made against special discount allowed to an overseas party (Refer Note No. 48(c)), pending receipt of approval of RBI.  
(b) Balances of certain receivable, payable, (including of party stated in para (a) above) loans and advances are subject to confirmation and reconciliation.
38. During the current year, Parent Company has upward revised the useful life of certain class of fixed assets (plant & machinery) based on technical study and assessment done by an external technical valuer as well as based on internal assessment carried out by the management. The Company believes that the useful life as certified by external technical valuer best represent the period over which Company expects to use these assets. Had there not been any change in the useful lives of the certain plant & machinery, the depreciation for the year would have been higher by ₹ 2,487.70 Lacs.
39. During the current year, The Parent Company has completed the process of Componentisation of fixed assets as prescribed in part II of The Companies Act 2013. The impact of component accounting has taken place w.e.f 01st April 2015 and accordingly the depreciation expenses for the quarter and year ended 31st March 2016 is higher by ₹483.45 Lacs. Further based on transitional provision provided in Note 7(b) of Schedule II, an amount of ₹ 114.01 Lacs (net of deferred tax of ₹ 60.34 Lacs) on account of assets whose useful life is already exhausted as on 1st April 2015 have been adjusted to General Reserve during the year ended March 31st, 2016.
40. Out of advance export proceeds which the Company has raised during the year of ₹ 72,641.64 Lacs (USD 114 Million) (note no 6) certain amount of long term debt and working capital has been paid/ reduced.
41. In accordance with Companies (Accounting Standards) Amendment Rules 2009 as amended by Companies (Accounting Standards) (Second Amendment) Rules 2011, the Company continued its policy, as exercised in financial year 2008-09, the option of adjusting exchange differences arising on reporting of long term foreign currency monetary items related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets and other long term monetary item in the "Foreign Currency Monetary Item Translation Difference" to be amortised over the period of loan. Accordingly: (a) Exchange differences (gain)/ loss relating to long-term monetary items, in so far related to acquisition of depreciable capital assets, arising during the year amounting to ₹ 371.58 Lacs (Previous Year ₹ 983.59 Lacs) (net of depreciation ₹ 2.87 Lacs, Previous Year ₹ 10.23 Lacs) adjusted to the cost of fixed assets, and (b) relating to other long-term monetary items arising during the year amounting to ₹ Nil (Previous Year ₹ 237.22 Lacs) (Net of amortization of ₹ 158.59 Lacs, Previous Year ₹ 541.28 Lacs) are adjusted to "Foreign Currency Monetary Item Translation Difference". As on 31st March 2016, un-amortize amount of ₹ 4,127.32 Lacs and ₹ Nil (Previous Year ₹ 3,880.59 Lacs and ₹ 699.01 Lacs) is included in Plant & Machinery & CWIP respectively under Note 11 and in Foreign Currency Monetary Item Translation Difference Account under Note 3 respectively.

42. (i) Catalyst is charged to the Profit & Loss Account as consumable (Stores & Spares) based on technically assessed useful life (1 to 3 Years).  
(ii) Specialized Computer Software is amortised over its useful life of 6 years on SLM basis
43. In respect of subsidiary company(SSAIL) :-  
i) (a) SSAIL is in process of updating the fixed assets records and no physical verification of Fixed Assets has been carried out accordingly difference between the book and physical inventory could not be ascertained.  
(b) In view of the reasons stated in (a), depreciation is calculated on estimated basis. Further management is in process of assessment of item wise details of depreciation on fixed assets and in the opinion of management there will not be material impact on final assessment.  
ii) Inventory of finished goods, raw materials, stores and spares has been taken / valued and as certified by the management as certain subsidiary records are in process of updation. In view of the adequate security arrangements, management is of the view that there will not be any material discrepancies between book and physical stock of inventories and fixed assets on completion of physical verification.  
iii) No provision against non-moving and damaged/old inventory of finished goods, raw materials and stores and spares has been considered necessary by the management (read with note no. (i) & (ii) above).  
iv) The auditor of SSAIL has drawn attention on Internal Financial control over Financial Reporting (IFCoFR), in respect of matter stated in Note no. 44, 45 and 43(i)(a).
44. In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, in view of the management with respect to SSAIL, no impairment loss on its Fixed Assets [including Capital Work in Progress of ₹ 1,368.38 Lacs. (Previous Year ₹ 1368.38 lacs) and Capital Advance of ₹ 708.27 lacs (Previous Year ₹ 708.27 lacs)] is considered necessary at this stage, as its expected recoverable value is more than its carrying value.
45. In respect of a subsidiary company (SSAIL), balances of receivables, payables, banks (including fixed deposits with banks), loans & advances (including capital advances), current liabilities and provisions are in process of confirmation and/or reconciliation. Company has initiated further steps to strengthen the internal control in this regard and this to be read with note no. 43.
46. Related Parties Disclosure (As identified by the management):  
(i) **Relationship**  
A. Subsidiary Company  
- IGL Infrastructure Private Limited (IGL Infra) (Ceased on 14.09.2015)  
B. Key Management Personnel & their Relatives  
- U. S. Bhartia (Chairman and Managing Director)  
- M. K. Rao (Executive Director)  
- Rakesh Bhartia (Chief Executive Officer) @  
- Anand Singhal (Chief Financial Officer) @  
- Lalit Sharma (Company Secretary)(Ceased on 31.05.2015) @  
- Kapil Bhalla (Company Secretary) (w.e.f. 24.06.2015) @  
C. Relatives of Key Management Personnel  
- Pragya Bhartia  
- Jayshree Bhartia  
- Anand Singhal (HUF) @  
- Rakesh Bhartia (HUF) @  
- Smita Bhartia @  
- Alpna Sharma (Ceased on 31.05.2015) @  
- Geeta Bhalla @  
D. Enterprises over which Key Management Personnel have significant influence:  
- Ajay Commercial Co. (P) Ltd.  
- J. B. Commercial Co. (P) Ltd.  
- Kashipur Holdings Limited  
- Polylink Polymers (India) Ltd.  
- Hindustan Wires Limited  
- Supreet Vyapaar (P) Ltd.  
- Mayur Barter (P) Ltd.  
- Facit Commosales (P) Ltd.  
- J. Boseck & Co. (P) Ltd.  
- IGL Infrastructure Private Limited.(IGL Infra) (w.e.f. 15.09.2015)  
@ in accordance with Companies Act, 2013.

(ii) Detail of Transactions with related parties:

Related Party Transaction Summary	Significant Influence		Key Managerial Person		Relative of KMP		Subsidiary	
	2016	2015	2016	2015	2016	2015	2016	2015
Purchase of Services	34.17	80.16	-	-	-	-	-	-
Purchase of Material	0.46	-	-	-	-	-	-	-
Sale of Material	244.15	281.74	-	-	-	-	-	-
Security Deposit Given	-	-	-	220.00	-	-	583.85	-
Slump Sale	-	-	-	-	-	-	-	18,420.00
Investment in Equity Shares	-	-	-	-	-	-	-	5.00
Reimbursement of Expenses made	49.71	32.49	-	-	-	-	-	-
Reimbursement of Expenses received	250.12	-	-	-	-	-	330.45	-
Reimbursement of Income made	-	-	-	-	-	-	357.56	-
Sale of Investment in Equity Share	300.00	-	-	-	-	-	-	-
ICD Received	700.00	6,432.88	-	-	-	-	-	-
ICD Paid Back	700.00	13,382.73	-	-	-	-	-	-
Interest Expense	113.17	400.01	-	-	-	-	-	-
ICD given	596.74	15.00	-	-	-	-	-	-
ICD Received Back	611.74	-	-	-	-	-	-	-
Advance against agreement	2,663.00	-	-	-	-	-	-	-
Advance Received back	2,663.00	-	-	-	-	-	-	-
Interest Income	44.95	-	-	-	-	-	16.56	-
Rent & maintenance Paid	598.68	29.59	24.00	24.00	-	-	475.18	-
Vehicle Lease Rent	-	-	-	-	19.50	14.16	-	-
Salary	-	-	260.96	263.40	27.29	27.29	-	-
Managerial Remuneration	-	-	221.22	220.48	-	-	-	-
<b>Balance Outstanding</b>	-	-	-	-	-	-	-	-
<b>Payable</b>	-	-	-	-	-	-	-	-
ICD Payable	-	-	-	-	-	-	-	-
Others	6.41	151.71	0.46	9.75	-	1.44	-	-
<b>Receivable</b>	-	-	-	-	-	-	-	-
Capital Advances	1,000.00	1,000.00	-	-	-	-	-	-
Security Deposit	1,063.85	480.00	500.00	500.00	-	-	-	-
Others	-	4.60	-	-	-	-	-	18,420.00

(iii) Detail of remuneration to KMP :-

- Chairman & Managing Director – ₹ 151.70 Lacs (Previous Year ₹ 151.70 Lacs)
- Executive Director – ₹ 69.52 Lacs (Previous Year ₹ 68.78 Lacs)
- Chief Executive Officer – ₹ 185.88 Lacs (Previous Year ₹ 185.05 Lacs)
- Chief Financial Officer – ₹ 52.74 Lacs (Previous Year ₹ 52.24 Lacs)
- Company Secretary – ₹ 22.35 Lacs (Previous Year ₹ 24.11 Lacs)

Disclosure in respect of Material Related Party transactions during the year:

- a) Purchase of Services
  - Polylink polymers (India) Ltd ₹ Nil (Previous Year ₹ 46.45 Lacs)
  - Hindustan Wires Ltd ₹ 34.17 Lacs (Previous Year ₹ 33.71 Lacs)
- b) Sales of Material are to:
  - Hindustan Wires Ltd ₹ 244.15 Lacs (Previous Year ₹ 281.74 Lacs)
- c) Security Deposit given to IGL Infra ₹ 583.85 Lacs (Previous Year ₹ Nil).
- d) Sale of Investment in Equity share.
  - Supreet Vyapaar Pvt Ltd ₹ 15.00 Lacs (Previous Year ₹ Nil)
  - J Boseck & Co Pvt Ltd ₹ 57.00 Lacs (Previous Year ₹ Nil)
  - Facit Commosales (P) Ltd ₹ 57.00 Lacs (Previous Year ₹ Nil)
  - J. B. Commercial Co. (P) Ltd ₹ 57.00 Lacs (Previous Year ₹ Nil)
  - Hindustan Wires Ltd ₹ 57.00 Lacs (Previous Year ₹ Nil)
  - Kashipur Holdings Ltd ₹ 57.00 Lacs (Previous Year ₹ Nil)
- e) Reimbursement of expense made.
  - Polylink Polymers (India) Limited ₹ 47.83 Lacs (Previous Year ₹ 30.01 Lacs)
- f) Reimbursement of expense received.
  - IGL Infra ₹ 580.57 Lacs (Previous Year ₹ Nil)
- g) Reimbursement of Income Received.
  - IGL Infra ₹ 357.76 Lacs (Previous Year ₹ Nil)
- h) Inter Corporate Deposit received includes from:
  - Kashipur Holding Limited ₹ 700.00 Lacs (Previous Year ₹ 5,308.00 Lacs).
  - J Boseck (P) Ltd ₹ Nil (Previous Year ₹ 600.00 Lacs)
  - Supreet Vyapaar(P) Ltd ₹ Nil (Previous Year ₹ 415.00 Lacs)
- i) Inter Corporate Deposit paid back includes to:
  - Kashipur Holding Limited ₹ 700.00 Lacs (Previous Year ₹ 11,152.24 Lacs).
  - Mayur Barter (P) Ltd. ₹ Nil (Previous Year ₹ 745.00 Lacs).
  - SupreetVyapaar (P) Ltd. ₹ Nil Lacs (Previous Year ₹ 646.00 Lacs).
  - J Boseck (P) Ltd. ₹ Nil (Previous Year ₹ 600.00 Lacs).
  - Facit Commosales (P) Ltd ₹ Nil (Previous Year ₹ 90.00 Lacs)
- j) Advance against Agreement includes to:
  - Kashipur Holding Ltd ₹ 2,663.00 Lacs (Previous Year ₹ Nil)
- k) Advance received back includes to:
  - Kashipur Holding Ltd ₹ 2,663.00 Lacs (Previous Year ₹ Nil)
- l) Inter Corporate Deposit / Other Deposits given includes to:
  - IGL Infra ₹ 596.74 Lacs (Previous Year ₹ 15.00 Lacs)
- m) Inter Corporate Deposit / Others Deposits received back includes from:
  - IGL Infra ₹ 611.74 Lacs (Previous Year ₹ Nil)
- n) Interest Expense includes to:
  - Kashipur Holding Limited ₹ 113.17 Lacs (Previous Year ₹ 294.86 Lacs).
  - Supreet Vyapaar (P) Ltd. ₹ Nil (Previous Year ₹ 21.88 Lacs).
  - Mayur Barter (P) Ltd. ₹ Nil (Previous Year ₹ 67.05 Lacs).
- o) Interest Income includes from:
  - Kashipur Holding Ltd ₹ 44.95 Lacs (Previous Year ₹ Nil)
- p) Rent & Maintenance Paid to
  - Polylink Polymers (India) Ltd ₹ 13.67 Lacs (Previous Year ₹ 13.48 Lacs)
  - Kashipur Holding Limited ₹ 10.68 Lacs (Previous Year ₹ 7.69 Lacs)
  - IGL Infra ₹ 1,041.42 Lacs (Previous Year ₹ Nil)
- q) Vehicle Lease Paid to:
  - Rakesh Bhartia HUF ₹ 1.06 Lacs (Previous Year ₹ 6.36 Lacs)
  - Anand Singhal HUF ₹ 6.00 Lacs (Previous Year ₹ 4.80 Lacs)
  - Alpna Sharma ₹ 0.50 Lacs (Previous Year ₹ 3.00 Lacs)
  - Smita Bhartia ₹ 10.00 Lacs (Previous Year ₹ Nil)
  - Geeta Bhalla Rs. 1.94 Lacs (Previous Year ₹ Nil)
- r) Capital advances Receivable:
  - Hindustan Wires Limited ₹ 1,000.00 Lacs (Previous year ₹ 1,000.00 Lacs)
- s) Security Deposit receivable:
  - Ajay Commercial Co. (P) Limited ₹ 240.00 Lacs (Previous Year ₹ 240.00 Lacs)
  - J.B. Commercial Co. (P) Limited ₹ 240.00 Lacs (Previous Year ₹ 240.00 Lacs)
  - US Bhartia ₹ 500.00 Lacs (Previous Year ₹ 280.00 Lacs)
  - IGL Infra ₹ 583.85 Lacs (Previous Year ₹ Nil)

**47. In respect of subsidiary SSAIL;**

- a) The Company had been incurring cash losses due to which its net worth has been completely eroded and its current liabilities are far in excess of its current assets. Accordingly in the Year 2012-13 SSAIL had filed application with the Board for Industrial and Financial Reconstruction (BIFR). The BIFR vide its order dated 4th April 2013 has declared M/s. SSAIL as a sick industrial company in terms of Sec 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985. Further, BIFR has appointed IDBI as the Operating Agency (OA) with directions to prepare a revival scheme for the company and also company had filed draft rehabilitation scheme with BIFR in the year 2013-14. Further, company is looking and evaluating other business opportunities, considering this and continuous support from the holding company, the management considers it appropriate to prepare these Financial Statements of SSAIL on Going Concern basis despite the negative net worth on the balance sheet date.
- b) As stated in note no. (a) above and in view of financial tightness SSAIL could not pay on time interest as well as principal and made default in repayment of:
- Principal: -Sugar Development Fund (SDF) ₹ 66.38 Lacs (Mar-16- since paid) Central Bank of India (CBI) ₹ 5,723.26 Lacs (Cash Credit including interest till March 2014) & Term Loan from Central Bank of India ₹ 18.85 Lacs (Apr-2013 to Mar-2016)
  - Interest :-Sugar Development Fund (SDF) ₹ 15.38 Lacs (Mar-16- since paid) Central Bank of India ₹ 5.41 Lacs (Apr-2013 to Mar-2016), Axis Bank ₹ 18.50 Lacs (Mar 2016- since paid)
  - Interest on borrowings (which has been categorised as NPA) from Bank ₹ 2,079.64 Lacs (including previous year ₹ 977.52 Lacs) has not been provided as rehabilitation scheme with OA are in process and balance of loan are subject to confirmation.

**48. Exceptional item includes:**

- (a) A Provision/ Liability of ₹ 49.04 Lacs (Previous Year ₹ 1,100.00 Lacs ) has been created against final settlement of foreign exchange contract related dispute; (b) Loss on account of exchange rate differences amounting to ₹ 4,294.94 Lacs (net of gain of ₹ 3,830.44 Lacs) [Previous Year ₹ 1,600.55 Lacs (net of gain of ₹ 5,064.53 Lacs)] on payment, settlement as well as reinstatement of short term foreign currency borrowings and other monetary assets/ liabilities; (c) Provision on account to special discount to an overseas overdue receivables amounting to ₹ 746.02 Lacs (Previous Year ₹ 5,052.12 Lacs), in view of remote chances of realization on account of steep fall in price in the international commodity market. (Refer Note No. 37 (a)); (d) Profit on sale of 'Rental Business Division' amounting to ₹ Nil (Previous Year ₹ 5,194.26 Lacs); (e) Loss on sale of spent silver catalyst amounting to ₹ 917.00 Lacs (Previous Year ₹ 2,480.78 Lacs) and (f) Writing off of export incentive receivable of ₹ Nil (Previous Year ₹ 756.32 Lacs) which has been recognized in earlier years as per applicable government schemes.

**49. In compliance with Accounting Standard 27 on "Financial Reporting of Interest in Joint Venture", the details of company's share in its joint venture in the respective head of Financial Statement are as under:**

Particulars	Amount (₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Liabilities</b>		
Long term Liabilities	1,405.88	417.09
Other Long-term liabilities	67.51	44.35
Other current liabilities	229.26	189.58
<b>Assets</b>		
Tangible assets	746.38	744.18
Intangible assets	0.03	0.06
Capital work-in-progress	2,839.33	1507.67
Intangible assets under development*	50.17	48.90
Long-term loans and advances	211.47	214.10
Other non-current assets	-	11.98
Cash and cash equivalents	439.64	762.84
Short-term loans and advances	68.15	16.71
<b>Income</b>	0.21	-
<b>Expenses</b>		
Rates and taxes	-	-
Miscellaneous expenses	3.10	3.07

\* Share in Railway License Fee

**50. Segment Information:**
**A. Information about Business Segments (Primary Segments):**

(₹ in Lacs)

	Business Segments				Others		Unallocable		Total		
	Chemicals		Liquor								
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	
<b>A</b>	<b>REVENUE</b>										
1	Gross Sales (External)	200,209.73	231,069.80	116,262.92	70,056.34	7,750.10	10,263.66	-	-	324,222.75	311,389.80
	Inter- Segment	145.78	136.99	-	-	-	-	-	-	145.78	136.99
	Total	200,355.51	231,206.79	116,262.92	70,056.34	7,750.10	10,263.66	-	-	324,368.53	311,526.79
2	Other Income	3,014.04	5,870.51	259.13	76.07	286.34	816.22	710.57	1,197.62	4,270.26	7,960.42
3	Total Revenue	203,223.77	236,940.31	116,522.23	70,132.41	8,036.44	11,079.88	710.57	1,197.62	328,493.01	319,350.22
<b>B</b>	<b>RESULTS</b>										
1	Segment Result (PBIT)	11,238.54	2,537.19	4,168.18	1,751.16	1,959.18	(25.39)	(10,305.49)	(2,320.66)	7,060.41	1,942.30
2	Interest Expense (Net)									13,802.76	16,338.73
3	Profit Before Tax									(6,742.35)	(14,396.43)
4a	Provision for Current Tax (net of MAT credit)									-	-
4b	Deferred Tax									(2,240.14)	(5,531.16)
4c	Taxation provision of earlier year/ Mat (Credit) entitlement									410.28	(0.78)
5	Profit after Tax									(4,912.49)	(8,864.49)
<b>C</b>	<b>Other Information:</b>										
1	Segment Assets	202,704.27	218,755.40	30,897.02	26,664.01	22,299.08	23,075.51	43,753.38	46,946.50	299,653.75	315,441.42
2	Segment Liabilities	127,790.03	37,896.17	13,138.09	10,071.90	4,873.57	5,807.58	128,411.02	231,960.54	274,212.71	285,736.19
3	Capital Expenditure	8,793.95	7,860.40	468.07	281.53	1,059.46	687.07	1,237.39	431.34	11,558.87	9,260.34
4	Depreciation and Amortisation expenses	4,605.59	6,858.15	264.79	284.92	772.46	1,602.13	287.69	852.64	5,930.53	9,597.84

**B. Information about Geographical Segments (Secondary Segments):**

(₹ in Lacs)

	Domestic		Overseas		Total		
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	
1	Gross Sales (External)	237,265.01	208,867.52	86,957.74	102,522.28	324,222.75	311,389.80
2	Segment Assets	248,347.78	244,824.27	7,552.59	23,670.65	255,900.37	268,494.92

**Notes:**
**Primary Segment reporting (by business segment)**

Segments have been identified in line with Accounting Standard on 'Segment Reporting' (AS-17), taking into account the organisational structure as well as the differential risks and returns of these segments. The Company has identified three segments i.e. business Industrial chemical, Liquor and others which includes herbal products, rental and sugar and reported accordingly.

**Secondary Segment reporting (by geographical segment-customer location)**

In respect of secondary segment information, the Company has identified its geographical segment as (a) domestic and (b) overseas on the basis of location of customers.

**Reportable segments**

Reportable segments have been identified as per the quantitative criteria specified in 'Accounting Standard 17: Segment Reporting'.

**Segment Composition**

**Industrial Chemicals Segment** comprises Glycols, Specialty Chemicals, Natural Gum and other related goods etc.

**Liquor Segment** comprises manufacture and sale of Ethyl Alcohol (Potable).

'Others' primarily includes Herbal Products, Rental and Sugar.

**51. Earnings per share (EPS):**

	2015-16	2014-15
Net profit / (loss) for the year attributable to equity shareholders (₹ in Lacs)	<b>(4,912.49)</b>	(8,864.49)
Weighted average number of equity shares outstanding	<b>30961500</b>	30961500
Basic and diluted earnings per share (face value of ₹ 10 each) (₹)	<b>(15.87)</b>	(28.63)

**52. Commodity and Foreign Exchange Derivatives and exposures (as certified by the management).**
**(a) Outstanding at the year- end as follows**

Nature of Instruments	2015-16 Amount (FC in millions)	2015-16 Amount (₹ in Lacs)	2014-15 Amount (FC in millions)	2014-15 Amount (₹ in Lacs)
Forward Contracts - USD	0.30	198.78	2.00	1,250.10
Foreign currency options - USD	10.25	6,791.65	-	-
<b>Open foreign exchange exposures:</b>				
Packing Credit Net of Export debtors - USD	20.65	13,683.77	52.38	32,742.26
Loans - USD	5.66	3,748.01	49.44	30,906.86
Payable - USD	17.71	11,733.77	17.86	11,166.39
- EURO	-	-	0.03	18.24
- JPY	-	-	1.33	6.91
- CHF	-	-	0.01	2.82

- (b) The Company uses derivative instruments for hedging possible losses and exchange fluctuation loss is ₹ 209.99 Lacs net off gain of ₹ 1,193.91 Lacs (Previous Year gain ₹ 923.67 Lacs net off loss of ₹ 1,270.11 Lacs) which is inclusive of loss of ₹ 505.06 Lacs (Previous Year loss of ₹ 71.37 Lacs) provision for mark to market gain/loss on account of all outstanding financial transactions as on 31st March 2016.
- (c) Considering the principle of prudence and announcement made by The Institute of Chartered Accountants of India 'Accounting for Derivatives' in March, 2008, the Company has provided for an amount of ₹ 36.59 Lacs included in (b) (Previous Year ₹ 41.08 Lacs) on outstanding contracts to the Statement of Profit & Loss, on account of foreign exchange derivative instruments.



53. Additional Information as required under schedule III of the Companies Act, 2013, of the enterprises consolidated as subsidiary/ Associates/ Joint Ventures.

Sl. No	Name of the entity	Net Assets,( i.e., total assets minus total liabilities)		Share in profit or (loss)	
		As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated profit or loss	Amount (₹ in Lacs)
<b>A</b>	<b>Parent</b>				
	India Glycols limited	190.74%	42,729.48	69.54%	(3,416.01)
<b>B</b>	<b>Subsidiaries</b>				
<b>(a)</b>	<b>Indian</b>				
1	Shakumbari Sugar & Allied Industries Limited.	(59.62%)	(13,356.17)	20.85%	(1,024.30)
2	IGL Finance Limited	0.38%	84.91	0.02%	(1.14)
<b>(b)</b>	<b>Foreign</b>				
1	IGL Chem International PTE. LTD.	(0.89%)	(200.34)	0.23%	(11.50)
2	IGL Chem International USA LLC	0.46%	(103.77)	4.72%	(232.05)
<b>C</b>	<b>Minority Interest is insignificant and immaterial, hence not considered.</b>				
<b>D</b>	<b>Joint Ventures (as per Proportionate Consolidation Method)</b>				
<b>(a)</b>	<b>Indian</b>				
	Kashipur Infrastructure and Freight Terminal Private Limited (KIFTPL)	11.84%	2,652.53	0.06%	(2.89)
	Eliminations	(41.99%)	(9,404.90)	4.58%	(224.60)
	<b>TOTAL</b>	<b>100.00%</b>	<b>22,401.74</b>	<b>100.00%</b>	<b>(4,912.49)</b>

54. Previous Year's figures have been regrouped/ rearranged/ recast wherever considered necessary.

As per our report of even date  
**For Lodha & Co.**  
Chartered Accountants  
Firm Registration no. 301051E

**U.S. Bhartia**  
Chairman and Managing Director

**M.K. Rao**  
Executive Director

**N.K. Lodha**  
Partner  
Membership No. 85155

**Rakesh Bhartia**  
Chief Executive Officer

**Anand Singhal**  
Chief Financial Officer

Place : Noida, UP  
Dated : 26th May, 2016



# INDIA GLYCOLS LIMITED

CIN: L24111UR1983PLC009097

Registered Office : A-1, Industrial Area, Bazpur Road, Kashipur-244 713, Distt. Udham Singh Nagar, Uttarakhand

## PROXY FORM

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

Name of the member(s):	Email Id:
Registered address:	Folio No./Client Id:
	DP Id:

I/We, being the member(s) of ..... shares of the above named Company hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having email id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having email id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having email id \_\_\_\_\_ or failing him

and whose signature (s) are appended below as my / our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on **Saturday, 24<sup>th</sup> September, 2016 at 11.00 A.M. at A-1, Industrial Area, Bazpur Road, Kashipur-244 713, District Udham Singh Nagar, Uttarakhand** and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolution No.	RESOLUTIONS	FOR	AGAINST
<b>ORDINARY BUSINESS</b>			
1.	Adoption of audited financial statements (including the consolidated financial statements) for the financial year ended 31 <sup>st</sup> March, 2016.		
2.	Re-appointment of Shri M.K. Rao, who retires by rotation.		
3.	Appointment of Statutory Auditors and to fix their remuneration.		
<b>SPECIAL BUSINESS</b>			
4.	Approval Ratification of the remuneration of the Cost Auditor.		
5.	Approval for Re-appointment of Shri U.S. Bhartia, as Chairman and Managing Director of the Company.		
6.	Approval for remuneration of Shri M.K. Rao, Executive Director of the Company.		
7.	Approval of raising of funds by way of issue of securities.		

Signed this ..... day of .....2016.

Signature of member

Signature of proxy holder(s)

Affix revenue stamp of not less than ₹1.00

### Notes:

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



# INDIA GLYCOLS LIMITED

CIN: L24111UR1983PLC009097

Registered Office : A-1, Industrial Area, Bazpur Road, Kashipur-244 713, Distt. Udham Singh Nagar, Uttarakhand

## ATTENDANCE SLIP

I/We \_\_\_\_\_ R/o. \_\_\_\_\_ hereby record my/our presence at the 32<sup>nd</sup> Annual General Meeting of the Company held on Saturday, the 24<sup>th</sup> September, 2016 at 11.00 A.M. at A-1, Industrial Area, Bazpur Road, Kashipur – 244713, Distt. Udham Singh Nagar, Uttarakhand

DPID\* \_\_\_\_\_

Folio No. \_\_\_\_\_

Client ID\* \_\_\_\_\_

No. of Shares \_\_\_\_\_

Note: Please complete this and hand it over at the entrance of the meeting venue.

Signature of shareholder/proxy

\*Applicable for investors holding shares in electronic form.

