

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IGL CHEM INTERNATIONAL USA LLC

### Report on the Standalone Ind As Financial Statements

1. We have audited the accompanying standalone Ind AS financial statement of **IGL CHEM INTERNATIONAL USA LLC** ("the Company"), which comprises the balance sheet as at 31<sup>st</sup> March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

#### **Management's Responsibility for the Standalone Ind AS Financial Statements**

2. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Indian Accounting Standard Rules 2015 issued there under as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act of 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 standalone Ind AS financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these standalone Ind AS 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 thereunder.

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 standalone Ind AS financial statements are free from material misstatement.



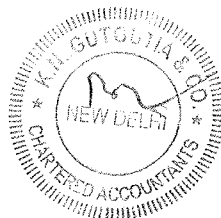
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error in making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 standalone Ind AS financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

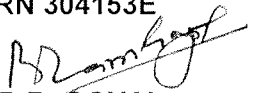
7. This report does not include a statement on the matters vide Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, in our opinion the said order is not applicable to the company as the company is not incorporated in India under the Indian Companies Act 2013.
8. 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 purpose of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) 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 no pending litigations as at 31<sup>st</sup> March, 2018 which has impact on its financial position;
  - ii) The Company did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at 31<sup>st</sup> March 2018; and
  - iii) The Company did not have any dues on account of Investor Education and Protection Fund by the company.

PLACE OF SIGNATURE: NEW DELHI  
DATE : APRIL 30, 2018

FOR K.N. GUTGUTIA & COMPANY  
CHARTERED ACCOUNTANTS  
FRN 304153E

  
(B.R. GOYAL)  
PARTNER  
M.NO. 12172



**IGL CHEM International USA LLC**  
**BALANCE SHEET AS AT March 31, 2018**

(₹ in lakhs)

	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
(a) Property, Plant and Equipment	2	1.91	2.60
(b) Other Intangible assets	3	0.03	0.08
		<b>1.94</b>	<b>2.68</b>
<b>(2) CURRENT ASSETS:</b>			
(a) Inventories	4	37.75	392.32
(b) Financial Assets			
(i) Trade receivables	5	2.65	579.88
(ii) Cash and cash equivalents	6	30.78	16.75
(c) Other current assets	7	19.65	0.72
		<b>90.83</b>	<b>989.67</b>
<b>TOTAL ASSETS</b>		<b>92.77</b>	<b>992.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
(a) Equity Share capital	8	127.00	127.00
(b) Other Equity		(328.38)	(256.80)
		<b>(201.38)</b>	<b>(129.80)</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
(a) Financial Liabilities			
(i) Trade payables	9	285.68	1,101.38
(ii) Other Financial Liabilities	10	8.47	20.77
		<b>294.15</b>	<b>1,122.15</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>92.77</b>	<b>992.35</b>

Summary of significant accounting policies 1  
The accompanying notes are an integral part of the financial statements.

IN TERMS OF OUR REPORT OF EVEN DATE.

**FOR K N GUTGUTIA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration Number: 304153E

For and on behalf of the Board

Sd/-  
**B R GOYAL**  
**PARTNER**  
M. NO.12172

Sd/-  
**U.S. Bhartia**  
**Director**

Sd/-  
**Mehta Dharmesh Yashwant**  
**Director**

Place: NOIDA  
Date: April 30, 2018

**IGL CHEM International USA LLC****Statement Of Profit & Loss For The Period Ended March 31, 2018**

₹ in lakhs unless otherwise stated

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	11	3,855.38	1,519.59
Other Income	12	-	
<b>Total Revenue</b>		<b>3,855.38</b>	<b>1,519.59</b>
<b>Expenses:</b>			
Purchase of Stock-in-Trade	13	3,380.77	1,607.89
Change in inventories of finished goods, work-in-progress and Stock-in-trade	14	355.39	(262.32)
Employee benefit expenses	15	142.65	132.82
Finance costs	16	1.01	0.47
Depreciation and amortization expenses	17	0.74	0.74
Other expenses	18	45.97	69.28
<b>Total Expenses</b>		<b>3,926.53</b>	<b>1,548.88</b>
<b>Profit/ (Loss) before exceptional items and tax</b>		<b>(71.15)</b>	<b>(29.29)</b>
<b>Profit/ (Loss) before tax</b>		<b>(71.15)</b>	<b>(29.29)</b>
Tax Expense:			
- Current Tax		-	-
- Tax for earlier years		-	
<b>Profit/ (Loss) for the period</b>		<b>(71.15)</b>	<b>(29.29)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will be reclassified to Profit or Loss			
-Exchange differences on conversion of foreign currency transactions		(0.43)	3.25
-Income tax relating to items that will be reclassified to Profit or Loss			
<b>OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR</b>		<b>(0.43)</b>	<b>3.25</b>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR</b>		<b>(71.58)</b>	<b>(26.04)</b>
<b>Earning per Equity share basic/ diluted (in Rs.)</b>	25	<b>(35.58)</b>	<b>(14.65)</b>

Summary of significant accounting policies 1  
The accompanying notes are an integral part of the financial statements.

IN TERMS OF OUR REPORT OF EVEN DATE.

**FOR K N GUTGUTIA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration Number: 304153E

For and on behalf of the Board

*sdl/*  
**B R GOYAL**  
PARTNER  
M. NO.12172

*sdl/*  
**U.S. Bhartia**  
Director

*sdl/*  
**Mehta Dharmesh Yashwant**  
Director

Place: NOIDA

Date: April 30, 2018

**IGL CHEM International USA LLC**

**Statement of Changes in Equity as on 31st March 2018**

**A. Equity Share Capital**

Particulars	Balance as at 31st March 2016	Changes in equity share capital during the year	Balance as at 31st March 2017	Changes in equity share capital during the year	Balance as at 31st March 2018
<b>ISSUED, SUBSCRIBED AND PAID UP</b>					
200000 (Previous Year 200000) Equity Shares of USD 1 each fully paid up	127.00	-	127.00	-	127.00
	127.00	-	127.00	-	127.00

**B. Other Equity**

Particulars	Reserves and Surplus Retained Earnings	Equity Instruments through Other Comprehensive Income-foreign currency Translation Reserve	Total
Balance As at March 31, 2016	(246.44)	15.68	(230.76)
Profit / (Loss) for the year	(29.29)	-	(29.29)
Other Comprehensive Income for the year	-	3.25	3.25
Balance As at March 31, 2017	(275.73)	18.93	(256.80)
Profit / (Loss) for the year	(71.15)	-	(71.15)
Other Comprehensive Income for the year	-	(0.43)	(0.43)
Balance As at March 31, 2018	(346.88)	18.50	(328.38)

IN TERMS OF OUR REPORT OF EVEN DATE.

**FOR K N GUTGUTIA & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration Number: 304153E

*sdf/-*  
**BR GOYAL**  
**PARTNER**  
 M. NO.12172

For and on behalf of the Board

*sdf/-*  
**U.S. Bhartia**  
 Director

*sdf/-*  
**Mehta Dharmesh Yashwant**  
 Director

Place: NOIDA

Date: *April 30, 2018*

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	(₹ in lakhs)	
Particulars	2017-18	2016-17
<b>A Cash Flow From Operating Activities</b>		
Net Profit/(Loss) Before Tax	(71.15)	(29.29)
Adjustments For:		
Depreciation	0.74	0.74
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	<b>(70.41)</b>	<b>(28.55)</b>
Adjustments For:		
(Increase)/Decrease in Trade & Other Receivables	558.30	(580.60)
(Increase)/Decrease in Inventories	354.57	(250.53)
Increase / (Decrease) in Trade & Other Payables	(828.00)	867.98
<b>Cash Generated from / (Used in) Operations</b>	<b>14.46</b>	<b>8.30</b>
Income Tax Paid (Net)		
	<b>14.46</b>	<b>8.30</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets		
<b>Net Cash flow from / (Used in) Investing Activities</b>	<b>-</b>	<b>-</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issue of shares	-	-
<b>Net Cash flow from / (Used in) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>D Effect of Changes in Currency Fluctuation Reserve (D)</b>	<b>(0.43)</b>	<b>3.25</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents [A+B+C+D]</b>	<b>14.03</b>	<b>11.55</b>
Opening Cash & Cash Equivalent (refer note 6)	16.75	5.20
Closing Cash & Cash Equivalent (refer note 6)	<b>30.78</b>	<b>16.75</b>

**Note:**

1. The above Cash Flow Statement has been prepared under the "indirect method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow

IN TERMS OF OUR REPORT OF EVEN DATE.

**FOR K N GUTGUTIA & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration Number: 304153E

*sdl/-*  
**B R GOYAL**  
 PARTNER  
 M. NO.12172  
 Place: NOIDA  
 Date: April 30, 2018

For and on behalf of the Board

*sdl/-*  
**U.S. Bhartia**  
 Director

*sdl/-*  
**Mehta Dharmesh Yashwant**  
 Director

# IGL CHEM International USA LLC

## Notes to the financial statements for the year ended 31 March 2018

---

### 1.1 Corporate Information

IGL CHEM International USA LLC (the Company) is a company incorporated in United States of America (USA) in July 2014. The company is a wholly owned foreign subsidiary of India Glycols Limited (the parent company), a company incorporated in India. The Company is engaged in trading of guar gum powder and derivatives to customers based in the Americas.

### 1.2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Preparation and Presentation of Financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Financial statements have been prepared and presented under the historical cost convention, on accrual and going concern basis, except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period as required by the relevant Ind- AS. The financial statements are presented in Indian Rupees, which is the holding Company's functional and presentation currency, however, functional currency of the Company is USD and all amounts are rounded to the nearest lakhs (` 00,000) and two decimals thereof, except as stated otherwise

For the purpose of conversion of financial statement, year to date average rate of currency has been taken for revenue items and closing rate has been for balance sheet items, except for share capital and reserve and surplus, which are carried at historical exchange rate. All resulting exchange differences are recognized in other comprehensive income.

Transactions and balances with values below the rounding off norms adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

The accounting policies are applied consistently to all the periods presented in the financial statements. The Company's financial statements provide comparative information in respect to the previous year. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer **Note no. 1.3** on significant accounting estimates, assumptions and judgments).

---



**Notes to the financial statements for the year ended 31 March 2018**

---

**B. Property, Plant and Equipment**

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of Property, Plant and Equipment are carried at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including duties and other nonrefundable purchases taxes or taxes, directly attributable cost of bringing the asset to its working condition.

The Assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on Plant, Property and equipment has been provided using straight line method over the useful life of assets as specified in Schedule II of the Companies Act, 2013.

**C. Intangible Assets**

Identifiable intangible assets are recognized a) when the Company controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Company and c) the cost of the asset can be reliably measured.

Computer softwares are capitalized at the amounts paid to acquire the respective license for use and are amortized over the period of license, generally not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

**D. Inventories**

Inventories are valued at lower of cost or net realizable value. The cost is computed on the weighted average basis. Cost includes all direct costs and such other costs incurred as to bring the inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**E. Employee Benefits**

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which includes benefits like salaries, wages, short-term compensated absences, performance incentives etc. and are recognized as expenses in the period in which the employee renders the related service and measured accordingly.

**F. Financial instruments – initial recognition, subsequent measurement and impairment**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial assets or a liability is recognised when the Company becomes a party to the contractual provision of the instrument.

**a) Financial Assets**

Financial assets include cash and cash equivalent, Trade and other receivables and other current and non current financial assets.

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial

---

**Notes to the financial statements for the year ended 31 March 2018**

---

assets and the assets contractual cash-flow characteristics. Subsequent measurements of financial assets are dependent on initial categorisation.

For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The company derecognizes a financial assets when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and the transfer qualifies for the derecognition under Ind AS 109.

**b) Financial liabilities**

Financial liabilities include short term loan and other payables.

All financial liabilities recognized initially at fair value and, in the case of loans and borrowing and other payable, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

**Financial liabilities measured at amortised cost**

After initial recognition, such financial liabilities are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of financial liability. The EIR amortization is included in finance expense in the statement of profit and loss.

**De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**G. Revenue recognition and other income**

Revenue is recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue from the sale of goods is measured at fair value of consideration received or receivable, after deducting discounts.

Revenue from services is recognized when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest income is recognized using effective interest rate method.

**H. Lease Accounting**

Leases are classified as finance lease where the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of operating leases, lease rentals are recognized as expense in the Statement of Profit and Loss on a straight-line basis by over the lease term unless:

- Another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or
-

## Notes to the financial statements for the year ended 31 March 2018

- The payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **1. Taxation**

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that in future taxable profits will be available to set off such deductible temporary differences. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

### **1.3 Critical accounting estimates, assumptions and judgments**

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognised in the financial statement. Uncertainty about these assumptions and estimates could result in outcome that require a material adjustment to assets or liabilities affected in future periods.

#### **Income Taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities based on probability that taxable profit will be available against which the deductible temporary differences can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets and liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

#### **Allowance for uncollected accounts receivable and advances**

Receivables and advances are stated at their transaction value as reduced by appropriate allowances for estimated irrecoverable amounts. Receivables and advances are written off on case to case basis when management deems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

#### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured

---

# IGL CHEM International USA LLC

## Notes to the financial statements for the year ended 31 March 2018

using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## 2. Property, Plant &amp; Equipment

(₹ in lakhs)

Particulars			
	Office Equipment	Furniture & Fixtures	Total
<b>Gross block as at March 31,2016</b>	1.53	2.40	3.93
Additions	-	-	-
Adjustment/Disposal	-	-	-
<b>As at March 31,2017</b>	<b>1.53</b>	<b>2.40</b>	<b>3.93</b>
Additions	-	-	-
Disposal	-	-	-
<b>As at March 31,2018</b>	<b>1.53</b>	<b>2.40</b>	<b>3.93</b>
<b>Accumulated Depreciation As at March 31, 2016</b>	<b>0.43</b>	<b>0.22</b>	<b>0.65</b>
Charge for the period	0.45	0.23	0.68
Adjustment/Disposal	-	-	-
<b>As at March 31,2017</b>	<b>0.88</b>	<b>0.45</b>	<b>1.33</b>
Charge for the period	0.45	0.24	0.69
Adjustment/Disposal	-	-	-
<b>As at March 31,2018</b>	<b>1.33</b>	<b>0.69</b>	<b>2.02</b>
<b>Net Carrying Amount</b>			
As at March 31,2017	0.65	1.95	2.60
As at March 31,2018	0.20	1.71	1.91

(₹ in lakhs)

## 3. Other Intangibles Assets

Particulars	Total
<b>Computer Software</b>	
<b>Gross block as at March 31,2016</b>	<b>0.16</b>
Additions	-
Disposal	-
<b>As at March 31,2017</b>	<b>0.16</b>
Additions	-
Disposal	-
<b>As at March 31,2018</b>	<b>0.16</b>
<b>Accumulated Depreciation As at March 31, 2016</b>	<b>0.03</b>
Charge for the period	0.05
Disposal	-
<b>As at March 31,2017</b>	<b>0.08</b>
Charge for the period	0.05
Disposal	-
<b>As at March 31,2018</b>	<b>0.13</b>
<b>Net Carrying Amount</b>	
As at March 31,2017	0.08
As at March 31,2018	0.03

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

(As taken valued and certified by the Management)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Trading Goods-Guargum	37.75	392.32
	<b>37.75</b>	<b>392.32</b>

## 5. TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured		
- Considered good	2.65	579.88
	<b>2.65</b>	<b>579.88</b>

## 6. CASH &amp; CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Cash and Cash equivalents</b>		
(i) Balance with Banks		
- On Current Accounts	30.78	16.75
	<b>30.78</b>	<b>16.75</b>

## 7. OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advances recoverable in cash or in kind or for value to be received	19.65	0.72
	<b>19.65</b>	<b>0.72</b>

## 9. TRADE PAYABLE

Particulars	As at March 31, 2018	As at March 31, 2017
Other trade payables (for related parties, refer Note 26)	285.68	1,101.38
	<b>285.68</b>	<b>1,101.38</b>

## 10. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017
Other Payables	8.47	20.77
	<b>8.47</b>	<b>20.77</b>

## 8. EQUITY SHARE CAPITAL

₹ in lakhs unless otherwise stated

Particulars	As at March 31	As at March 31
	2018	2017
<b>Authorised :</b>		
200000 (Previous year 200000) Equity Shares of USD 1 each fully paid up	127.00	127.00
	<b>127.00</b>	<b>127.00</b>
<b>Issued, Subscribed and paid up :</b>		
200000 (Previous year 200000) Equity Shares of USD 1 each fully paid up	127.00	127.00
	<b>127.00</b>	<b>127.00</b>

## 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 USD 1/- 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 Shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding
India Glycols Limited	200000	100%	200000	100%
<b>Total</b>	<b>200000</b>	<b>100%</b>	<b>200000</b>	<b>100%</b>

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

Particulars	As at March 31, 2018	As at March 31, 2017
	No's	No's
Shares outstanding at the beginning of the year	2,00,000	2,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding as at the end of the year	<b>2,00,000</b>	<b>2,00,000</b>

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

## B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus- Retained Earnings	Equity Instruments through Other Comprehensive Income-Foreign currency Translation Reserve	Total
<b>Balance As at March 31, 2016</b>	(246.44)	15.67	(230.77)
Profit / (Loss) for the year	(29.29)	-	(29.29)
Other Comprehensive Income for the year	-	3.25	3.25
<b>Balance As at March 31, 2017</b>	<b>(275.73)</b>	<b>18.92</b>	<b>(256.81)</b>
Profit / (Loss) for the year	(71.15)	-	(71.15)
Other Comprehensive Income for the year	-	(0.43)	(0.43)
<b>Balance As at March 31, 2018</b>	<b>(346.88)</b>	<b>18.49</b>	<b>(328.39)</b>

## Nature &amp; purpose of reserves

**Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders. The Company has accumulated losses.

**Foreign currency translation reserve:** Exchange differences relating to the conversion of the revenue items and balance sheet items of the Company from their functional currency (\$) to the holding company's presentation currency (Indian Rupees) are recognised in 'Other Comprehensive Income' and accumulated in 'Foreign currency translation reserve'.

## 11. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Sales of Products</b>		
Guar Gum Powder and derivatives	3,855.38	1,390.67
Sale of Services-Comission received	-	128.92
<b>Total Revenue from operations</b>	<b>3,855.38</b>	<b>1,519.59</b>

## 12. OTHER INCOME

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income	0	0
	-	-

## 13. PURCHASE OF STOCK-IN-TRADE

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchases of traded Goods-Guargum	3,380.77	1,607.89
	<b>3,380.77</b>	<b>1,607.89</b>

## 14. CHANGES IN INVENTORIES OF STOCK-IN-TRADE

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>CLOSING STOCK</b>		
<b>Finished Goods</b>		
- Guar Gum Powder and derivatives	37.7500	392.32
<b>Total Finished Goods</b>	<b>37.75</b>	<b>392.32</b>
<b>OPENING STOCK</b>		
<b>Finished Goods</b>		
- Guar Gum Powder and derivatives	404.01000	141.69
<b>Total Finished Goods</b>	<b>404.01</b>	<b>141.69</b>
Foreign Currency Transaction Impact	(10.87000)	(11.69)
<b>Change in inventories of Stock-in-trade</b>	<b>355.39</b>	<b>(262.32)</b>



## 15. EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages, Allowances, etc.	142.65	132.82
	142.65	132.82

## 16. FINANCE COSTS

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Other Borrowing Cost - Financial Charges	1.01	0.47
	1.01	0.47

## 17. DEPRECIATION AND AMMORTISATION EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation and ammortisation expense	0.74	0.74
	0.74	0.74

## 18. OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	13.3000	13.72
Rates and Taxes	8.7000	9.15
Travelling and Conveyance	4.1300	6.16
Insurance	0.8500	11.48
Legal & Professional	10.1100	10.57
Printing & Stationery, Postage, Telephone, security and other Miscellaneous Expenses	8.8800	18.20
	45.97	69.28

# IGL CHEM International USA LLC

## Notes to the financial statements for the year ended 31 March 2018

---

19. Accounts of the Company (a wholly owned subsidiary of India Glycols Limited, India, a company incorporated in India), incorporated in USA, have been made out as per the requirements of Companies Act, 2013 of India (“the Act”), in due adherence of provisions of the Act. This entailed drawing up the Balance Sheet, Statement of Profit and Loss, Statement of changes in equity and Cash Flow Statement (including Auditor’s Report thereon) of the subsidiary in a manner so as to make it appear conforming to the requirements of the Act for the purpose of annexing the particulars of the Company with its holding Company and for the preparation of the consolidated accounts of the group pursuant to the provisions of the Act and consolidating the financial statements of this Company with the parent holding Company in terms of Ind AS – 110 in respect of consolidation of accounts as required under Ind AS-110 notified by the Ministry of Corporate Affairs and in pursuance of the provisions of the Act and this exercise also related to translation of treatment of various heads of accounts in terms of accounting standard referred to in the Act, read with the accounting policy of parent company and presentation of accounts in terms of Schedule III of the Act, including disclosures of necessary information as laid down under the said Act.
20. Contingent Liabilities not Provided For (As Certified by the Management) : NIL.
21. Capital Commitment: Nil.

### **22. Financial risk management objectives and Policies**

The Company’s activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk, credit risk and liquidity risk. The Company’s overall risk management policy seeks to minimize potential adverse effects on company’s financial performance.

- **Market Risk:**

Market risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of change in market prices. The Company has all transactions in foreign currency and is therefore, not exposed to foreign exchange risk.

The Company is affected by the price volatility of commodities. Its operating activities require the purchase of material therefore, requires a continuous supply of certain materials. To mitigate the commodity price risk, the Company has majorly purchased materials from its holding Company at competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

- **Credit Risk:**

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as advance and other receivables. The Company’s exposure to credit risk is disclosed in Note 5 & 7. The company closely monitors trade receivables and if necessary will make allowance and provisions.

- **Liquidity Risk:**

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

---

# IGL CHEM International USA LLC

## **Notes to the financial statements for the year ended 31 March 2018**

The Company's approach is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due.

23. Company has one operating lease for the office premises for the period of 1 year which is cancellable and usually renewable on mutual agreeable terms. During the year, Company has paid lease rent of ₹ 13.30 lakh (Previous Year Rs. 13.72 lakh) in respect of the said premises.

### **24. Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(₹ in Lakhs)

Particular	As at 31.03.2018		As at 31.03.2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>(A) Financial Assets</b>				
<b>1. At fair value through profit &amp; Loss</b>	-	-	-	-
<b>2. At Amortized Cost</b>				
-Trade Receivables	2.65	2.65	579.88	579.88
-Cash and cash equivalents	30.78	30.78	16.75	16.75
<b>Total Financial Assets</b>	<b>33.43</b>	<b>33.43</b>	<b>596.63</b>	<b>596.63</b>
<b>(B) Financial Liabilities</b>				
<b>1. At fair value through profit &amp; Loss</b>				
<b>2. At Amortized Cost</b>				
-Trade payables & Other financial liabilities	294.15	294.15	1122.15	1122.15
<b>Total Financial Liabilities</b>	<b>294.15</b>	<b>294.15</b>	<b>1122.15</b>	<b>1122.15</b>

**The methods and assumptions were used to estimate the fair values:** The Company has disclosed financial instruments such as cash and cash equivalents, trade receivables, trade payables, and other financial assets and liabilities at their carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

### **25. Earnings per share (EPS)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net loss for the year attributable to equity shareholders (₹ in lakhs)	(71.15)	(29.29)
Weighted average number of equity shares outstanding	200000	200000
Basic and diluted earnings per share (face value of USD 1 each)*	(35.58)	(14.64)

\*Earning per share is calculated by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

# IGL CHEM International USA LLC

## Notes to the financial statements for the year ended 31 March 2018

### 26. Information on Related Party transactions as required by Ind AS-24-'Related Party Disclosures'

#### Relationship

- India Glycols Limited (100% holding company)
- IGL CHEM International Pte Ltd (Fellow Subsidiary)
- Uma Shankar Bhartia (Key managerial personnel)
- Mehta Dharmesh Yashwant (Key managerial personnel)

#### Related party transaction

(₹ in lakhs)

Nature of transactions	Relationship	For the year Ended 31st March, 2018	For the year Ended 31st March, 2017
Purchase of goods	India Glycols Limited	2,895.75	1542.18
Total outstanding payable	India Glycols Limited	282.14	1124.93
Remuneration	Mehta Dharmesh Yashwant	128.64	132.82
Remuneration payable	Mehta Dharmesh Yashwant	7.20	12.70

27. For the purpose of translation of account balances of the Company in Indian currency (₹), following rates are applied:

Particulars	2017-18	2016-17
Average rate	1 USD = 64.97	1 USD = 67.08
Closing rate	1 USD = 65.02	1USD = 64.84

In terms of our report of even date attached

For and on behalf of the Board

For K N GUTGUTIA & CO.  
Chartered Accountants  
ICAI'S FRN 304153E

*sdl*  
B.R. Goyal  
Partner  
M.No: 12172

*sdl*  
U. S. Bhartia  
(Director)

*sdl*  
Mehta Dharmesh Yashwant  
(Director)

Place: NOIDA

Date: April 30, 2018