



INDIA GLYCOLS LIMITED

BOARD OF DIRECTORS

M.L. Bhartia, *Chairman & Managing Director*

U.S. Bhartia, *Managing Director*

Jayshree Bhartia

Jagmohan N. Kejriwal

Pradip Kumar Khaitan

K.N. Memani

Autar Krishna

R.C. Misra

AUDIT COMMITTEE

R.C. Misra, *Chairman*

Jagmohan N. Kejriwal

Autar Krishna

COMPANY SECRETARY

Lalit Kumar Sharma

AUDITORS

Lodha & Co.

BANKERS

State Bank of India

Union Bank of India

UTI Bank Ltd.

Punjab National Bank

HDFC Bank Ltd.

IDBI Bank Ltd.

The Hongkong & Shanghai
Banking Corporation Ltd.

REGISTERED OFFICE

A-1, Industrial Area,
Bazpur Road, Kashipur,
Distt. Udham Singh Nagar,
Uttarakhand - 244 713.

CORPORATE OFFICE

3A, Shakespeare Sarani,
Kolkata - 700 071.

HEAD OFFICE

C-124, Okhla Industrial Area, Phase-I,
New Delhi - 110 020.

REGISTRARS & TRANSFER AGENTS

MCS Ltd.

Sri Venkatesh Bhawan

W-40 Okhla Industrial Area Phase-II

New Delhi - 110 020,

INVESTORS' GRIEVANCE COMMITTEE

R.C. Misra, *Chairman*

U.S. Bhartia

Autar Krishna

Jagmohan N. Kejriwal

TABLE OF CONTENTS

Notice	1
Directors' Report	3
Management Discussion and & Analysis	9
Corporate Governance	16
Auditors' Report	20
Balance Sheet	22
Profit & Loss Account	23
Notes to Accounts	31
Balance Sheet Abstract	38
Cash Flow Statement	39
Statement pursuant to Section 212	40
Auditors' Report on Consolidated Financial Statement	41
Consolidated Balance Sheet	42
Consolidated Profit & Loss Account	43
Notes to Consolidated Financial Statement	51
Consolidated Cash Flow Statement	54
Subsidiary Company-IGL Finance Limited	55



INDIA GLYCOLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF INDIA GLYCOLS LIMITED WILL BE HELD ON SATURDAY THE 25TH AUGUST, 2007 AT 12.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT A-1, INDUSTRIAL AREA, BAZPUR ROAD, KASHIPUR, DISTRICT UDHAM SINGH NAGAR, UTTARAKHAND TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007 and Profit and Loss Account for the year ended on that date, the Reports of Directors and Auditors thereon.
 - To consider declaration of dividend on equity shares.
 - To appoint a Director in place of Shri R.C. Misra, who retires by rotation and being eligible, offers himself for reappointment.
 - To appoint a Director in place of Shri Autar Krishna, who retires by rotation and being eligible, offers himself for reappointment.
 - To appoint a Director in place of Shri K.N. Memani, who retires by rotation and being eligible, offers himself for reappointment.
 - To appoint Statutory Auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.
- By order of the Board**
- | | |
|--|---------------------------|
| Place : New Delhi | Lalit Kumar Sharma |
| Date : 23rd June, 2007 | Company Secretary |
- NOTES:**
- A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself. The proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
 - The Register of Members and Share Transfer books of the Company will remain closed from 18th August, 2007 to 25th August, 2007 (both days inclusive). The names of the shareholders, whose share transfer request received in order, either at the Head office/Registered office of the Company or at the Registrars & Share Transfer Agents, M/s. MCS Limited, Sri Venkatesh Bhavan, W-40, Okhla Industrial Area Phase-II, New Delhi 110 020, before the book closure, shall be included in the members register as on the date of the Annual General Meeting.
- If the dividend on equity shares, as recommended by the Directors, is declared at the meeting, the payment of such dividend will be made to those members of the Company whose name appear on the Register of Members of the Company as on the date of the Annual General Meeting. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
 - In order to provide protection against fraudulent encashment of Dividend warrant(s), shareholders holding shares in physical form are requested to intimate the Company under the signature of the sole/first joint holder, the following information be printed on the dividend warrant(s)
 - Name of the sole/first joint holder and Folio Number.
 - Particulars of Bank Account viz., Name of Bank, Branch address with pin code, Bank Account Number with Account type whether saving or current account.
 - Members holding shares in Electronic form may kindly note that their bank details as furnished by the respective depositories to the Company will be printed on their dividend warrant(s), and that the Company will not entertain any direct request from such member for deletion of/change in such bank details. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank account in which they wish to receive dividend, directly to their depository participants.
 - The Company provides the facility of remittance of dividend through Electronic Clearing Services (ECS) to the Shareholders residing in the following cities:
Agra, Ahmedabad, Amritsar, Bangalore, Bhubneshwar, Bhopal, Chandigarh, Chennai, Coimbatore, Delhi, Guwahati, Hyderabad, Indore, Jaipur, Kanpur, Kochi, Kolhapur, Kolkata, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Nagpur, Patna, Panaji, Pune, Rajkot, Surat, Vadodara, Vidisha and Thiruvananthapuram.
Shareholders holding shares in physical form and wish to avail of the ECS facility may authorise the Company with their ECS mandate in the prescribed form, available at our Head Office at C-124, Okhla Industrial Area, Phase-1, New Delhi-110020 or at Registrar and share transfer agent M/s. MCS Limited, Sri Venkatesh Bhavan, W-40, Okhla Industrial Area Phase-II New Delhi 110 020.
 - MEMBERS ARE REQUESTED TO:**
 - Immediately notify any change of address to their depository participants (DPs) in respect of their holding in Electronic Form and to the Company in respect of their holding in physical form.



INDIA GLYCOLS LIMITED

- B Send their queries, if any, atleast 15 days in advance of the meeting at the Company's Head Office at C-124, Okhla Industrial Area, Phase - I, New Delhi 110020 so that the information can be made available at the meeting.
- C Fill the attendance slip for attending the meeting and those who hold the shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- D Send their shares for dematerialisation to the Company's Registrars and Share Transfer Agents, if so far, are not held in dematerialised form, as the Company comes under compulsory demat as per directive issued by the SEBI.
8. Shri R.C. Misra, Shri Autar Krishna and Shri K.N. Memani, Directors due to retire by rotation and are eligible for reappointment at this Annual General Meeting. Brief resumes of the said Directors are as under:

Name	R.C. Misra	Autar Krishna	K.N. Memani
Age	79 Years	75 Years	68 Years
Qualifications	M.A, LL.B	B.Sc. G.M.Mech. Eng.(U.K.)	Chartered Accountant
Expertise in Specific functional Area	Indirect & Direct Taxation, Former Chairman, Central Board of Excise & Customs.	Industrialist	Mr. Memani specializes in Business and Corporate Advisory, Foreign Taxation, Financial Consultancy etc. and is consulted on the corporate matters by several domestic and foreign companies. He has helped several multi-national companies in setting up businesses in India.
Date of appointment on the Board of the Company	17.06.1988	13.03.1999	22.06.2005
Name(s) of the other Companies in which Directorships held (as per Sections 275 and 278 of the of the Companies Act, 1956)		1. Sak Industries Ltd. 2. Saksoft Ltd. 3. Sak Technologies Ltd. 4. Sak Abrasives Ltd. 5. Sak Consumer Retail Services Ltd. 6. Panasonic AVC Networks India Co. Ltd. 7. Acuma Holdings Limited 8. Acuma Solutions Limited 9. Acuma Software Limited	1. HT Media Ltd 2. Yes Bank Ltd 3. Indo-Rama Synthetics (I) Ltd 4. Great Eastern Energy Corporation Ltd 5. National Engineering Industries Ltd 6. HEG Ltd 7. DLF Ltd 8. Emami Limited 9. ICICI Venture Funds Management Company Limited
Name(s) of Companies in which Committee Membership(s) / Chairmanship(s) held (as per Clause 49 of the Listing Agreement with the Stock Exchanges)	1. India Glycols Ltd Chairman, Audit Committee. 2. India Glycols Ltd. Chairman, Investors Grievance Committee 3. India Glycols Ltd. Member, Borrowing Committee	1 India Glycols Ltd Member, Audit Committee. 2 India Glycols Ltd. Member, Investors Grievance Committee 3 India Glycols Ltd. Member, Borrowing Committee	
No. of shares held in the Company	500	1000	NIL



INDIA GLYCOLS LIMITED

DIRECTORS' REPORT

TWENTY THIRD ANNUAL GENERAL MEETING TO THE MEMBERS

Your Directors are pleased to present Twenty Third Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS

	Rs. in lacs	
	Year ended 31.03.2007	Year ended 31.03.2006
SALES AND OTHER INCOME	108122.23	81950.90
PROFIT BEFORE DEPRECIATION AND TAX	10511.46	10172.60
DEPRECIATION & EXCEPTIONAL ITEM	5286.22	3949.41
PROFIT BEFORE TAX	5225.24	6223.19
PROVISION FOR TAX	1119.93	365.61
NET PROFIT	4105.31	5857.58
DEBENTURE REDEMPTION RESERVE WRITTEN BACK	125.00	1450.00
PROFIT BROUGHT FORWARD	21789.31	17435.53
PROFIT AVAILABLE FOR APPROPRIATION	26019.62	24743.11
WHICH THE DIRECTORS HAVE APPROPRIATED AS FOLLOWS:		
- TRANSFER TO GENERAL RESERVE	2000.00	2000.00
- PROPOSED DIVIDEND	836.48	836.48
- CORPORATE DIVIDEND TAX	142.16	117.32
BALANCE CARRIED FORWARD	23040.98	21789.31

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 3/- (Rupees three only) per equity share. The outgo on dividend will be Rs.978.64 lacs including tax on dividend.

PERFORMANCE

Sales and other income for the year has been Rs.108122.23 lacs compared to Rs 81950.90 lacs last year. Profit before depreciation and tax for the year has been 10511.46 as compared to Rs 10172.60 lacs last year and net profit after tax for the year has been Rs. 4105.31 lacs. Company's profitability was adversely affected due to lower realization of MEG and higher cost of molasses and ethanol, on which Company has no control, also on account of higher depreciation and interest cost on capitalization of projects commissioned during the year.

During the year, your Company produced 88350 MT of MEG compared to 89214 MT last year. Ethoxylates/formulated

surfactants production has been 54469 MT compared to 45258 MT last year.

Company has present capacity of Glycol Ethers of 19000 MT, which has been debottlenecked by 30000 MT. Besides, Glycol Ether Acetate capacity has been debottlenecked to 16800 MT for which there is significant demand and this will help the Company to further increase export turnover.

Company has changed over to use methane ballast in place of nitrogen ballast in MEG Production for operational efficiency and savings in raw material and power consumption.

A new distillery has been set up with an annual production capacity of 66000 KBL, at Gorakhpur in Eastern U.P. Company has produced 54904 KBL of Alcohol, which has supplemented ethanol required for production of MEG and has reduced the dependence on purchase of alcohol.

The Company has installed Multi Effect Evaporator at Gorakhpur and Kashipur distilleries for concentration of spent wash (effluent) from distillery, the concentrated spent wash is being utilised in boiler as fuel to produce steam and power.

MARKETING

Sale of MEG has been 96120 MT compared to 82554 MT last year. The sale of Ethoxylates/ formulated surfactants has been 54980 MT compared to 44547 MT last year.

EXPORTS

During the year under review, your Company has achieved total export turnover of Rs 12566.07 lacs as compared to Rs.12380.74 lacs last year. Your Company expects reasonable growth in the overall export sales in the current year. Company has been granted 'One Star Export House' status by Government of India, Office of the Jt. Director General of Foreign Trade. With its improved performance Company expects further improvement in this status.

GUAR GUM

During the year, your Company achieved total sales of Rs. 1291 lacs of the Guar Gum products out of which the export turnover was Rs.1288 lacs compared to total sales of Rs.1384 lacs out of which the export turnover was Rs.1340 lacs last year. Efforts are being made to further increase the export sales. Your Company has registered the export turnover of Rs.130 lacs during first two months of the current year and is having firm export orders of 230 MT in hand to be executed by the end of the second quarter.

ETHYL ALCOHOL (POTABLE) & EXTRA NATURAL ALOHOL

During the year, there has been substantial growth in the Ethyl Alcohol (Potable) segment, your Company registered total sales of Rs.15308 lacs compared to Rs 6662 lacs last



INDIA GLYCOLS LIMITED

year. Efforts are being made to further increase the sales of Ethyl Alcohol (Potable).

INDUSTRIAL GASES

Company produced 61960588 NM3 of Oxygen and 16128019 NM3 of Nitrogen during the year. Both Oxygen and Nitrogen were successfully marketed and also used for own requirement.

Industrial gases division also produced 901357 NM3 of Argon, which was also marketed at remunerative price.

RAB (CONCENTRATED SUGARCANE JUICE)

During the year under review, newly set up RAB (concentrated sugarcane juice) unit was completely operational. Entire production of RAB consumed captively to supplement ethanol requirement.

EXPANSION / MODERNISATION / DIVERSIFICATION PLANS

Your Company is diversifying into the field of Herbal Extraction through 100% Export Oriented Unit (EOU) at Dehradun, Uttarakhand to meet the requirement of growing international market for high value Nutraceutical Herbal Extracts having utility in the pharmaceuticals, food and food supplements. The State of Art Super Critical Nutraceutical Herbal Extraction Plant will be commissioned by the end of current financial year.

Company has set up a Turbo Generator of 12 MW capacity. This plant will generate power by using high pressure steam before the same is used at low pressure in the process. This would result in substantial power saving.

Company is also adding Extra Natural Alcohol (ENA) facility at Gorakhpur to meet the requirement of domestic and International market.

The Industrial Gases division is diversifying to produce Carbon Di-oxide (CO₂), both at Kashipur and Gorakhpur Plants, to meet growing domestic market. The facilities are expected to be completed by the end of the current financial year.

FINANCE

During the year under review, Company has raised foreign currency loans of US \$ 33.25 million to part finance the project cost of setting up of proposed plant for manufacturing Nutraceutical Herbal Extracts and debottlenecking of existing plants and for construction of the Corporate Office.

The borrowing cost of funds has increased to over 7.5% as compared to 6.7% last year and has adversely affected the profitability of the Company.

The Company has been regular in meeting its obligations towards payment of principal/interest to Financial Institutions/Banks/Debtentureholders/Fixed Deposit holders.

LISTING OF SECURITIES

The shares of the Company shall continue to be traded at the Bombay Stock Exchange and the National Stock Exchange.

SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act, 1956, the Audited statement of accounts, alongwith the report of the Board of Directors and the Auditors' Report thereon, of the subsidiary Company viz. IGL Finance Limited, for the year ended 31st March, 2007, is annexed.

FIXED DEPOSIT

The amount of Fixed Deposit held as on 31st March, 2007 was Rs. 1463.53 lacs. There are no overdue deposits except for unclaimed deposits amounting to Rs. 26.69 lacs.

DIRECTORS

Shri R.C Misra, Shri Autar Krishna and Shri K.N. Memani, Directors of the Company, retiring by rotation and being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- appropriate accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2007 and of the profit and loss of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate report is appended herewith.

CORPORATE GOVERNANCE

The Board of Directors supports the broad principles of Corporate Governance. The report on Corporate Governance as stipulated in clause 49, as amended, of the listing agreement with the stock exchanges for the year ended 31st March, 2007 and Auditor's Certificate on Corporate Governance are appended herewith.



INDIA GLYCOLS LIMITED

AUDITORS

The Auditors, M/s. Lodha & Co., retire at the ensuing Annual General Meeting and offer themselves for reappointment. They have confirmed that they are eligible under Section 224(1B) of the Companies Act, 1956 for reappointment.

ENVIRONMENT, ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, ETC.

Your Company has taken various measures for energy conservation at its chemical plant, such as use of regenerator vent steam for running Vapor Absorption Machine (VAM) for chilled water production resulting in steam saving and better EO reactor operation in MEG plant. Also it saves power by using chilled water in Air-Conditioning unit and replacing conventional Air-Conditioning units. Use of chilled water in vent condensers, also helps in recovery of Alcohol losses from Alcohol Storage Tanks vents. Company has also used vacuum jacketed pipes in place of normal pipes for cryogenic liquid to reduce cold insulation losses.

Energy conservation measures have also been taken at Distillery plant such as use of Analyzer Reboiler for flash steam generation, Evaporator for spent wash concentration, Installation of slop fired boiler for using concentrated slop for steam generation and use of process steam condensate as a boiler feed water. The Company has also installed new capacitor banks for UPCL supply.

Company is also implementing measures for reduction of consumption of energy such as preheating of 12 MW Turbine condensate with dehydration steam condensate. Company is implementing measures for utilization of low pressure flash steam from new Glycol Ether plant for running of Vapor Absorption Machine.

Company has also Installed slop fired boiler, which uses concentrated slop for steam generation and use of process steam condensate as a boiler feed water, is under progress.

Your Company has also taken environmental conservation measures by setting up a bio-composting facility to produce natural manure as a substitution to chemical fertilizers. Company

is also working actively for reducing effluent generation at source by achieving zero discharge by way of adopting ferti-irrigation, bio-composting, Reverse Osmosis (RO), concentration followed by incineration to conserve the fossil fuel and other effective and competitive techniques.

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 the required information relating to "Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo" is annexed hereto and forms part of this Report.

HUMAN RESOURCES

Your Directors wish to place on record their deep appreciation to employees at all levels for their all-round efforts, dedication, commitment and loyal services which helped in achieving satisfactory performance during the year.

The required information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219(1)(b) (iv) of the Companies Act, 1956, the report and accounts are being sent to all shareholders of the Company excluding the Statement of particulars of Employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at Head Office of the Company.

ACKNOWLEDGMENT

Your Directors place on record their deep appreciation of the support given by the Central Government, States of Uttarakhand and Uttar Pradesh, Financial Institutions and banks and looks forward to their continued support.

for and on behalf of the Board

Place : New Delhi

M. L. Bhartia

Dated : 23rd June, 2007 Chairman and Managing Director



INDIA GLYCOLS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Particulars as required under the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ending 31st March 2007.

A. CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken

1. Utilization of Regenerator vent Steam for Vapor Absorption machine for production of chilled water.
2. Cooling Tower Fans (two nos.) of MEG -3 cooling Tower replaced from Aluminum alloy to FRP Fan resulting in Power Saving.
3. Recovery of Alcohol vents losses from Alcohol Storage Tanks by using chilled water.
4. Vacuum jacketed pipes replaced with normal pipes for cryogenic liquid to reduce cold insulation losses.
5. Use of Analyzer Reboiler for flash steam generation in our Distillation plant. Steam consumption in this system is less as compared to the direct steam. Also spent wash generation is reduced in this system as compared to the direct steam.
6. Use of Five effect falling film type Evaporator for spent wash concentration, which minimizes the power consumption.
7. Installation of Slope fired boiler, which uses concentrated slop for steam generation resulting in rice husk saving.
8. Use of Process steam condensate as a boiler feed water, resulting in DM water and energy saving.
9. Installation of new capacitor banks for UPCL supply for improved power factor.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

Following schemes are being implemented:

1. Preheating of 12 MW Turbine condensate with dehydration steam condensate.
2. New 12 MW Steam Turbine for captive power generation, commissioning is under progress.
3. Preheating of evaporator reflux by provision of one new preheater in series to the existing one.
4. Condensate Recovery from New Ethanol Dryer in Glycol Ether Plant.
5. Utilization of flash steam in continuous Glycol Ether Acetate Plant.
6. Utilization of Low Pressure flash steam from new Glycol Ether plant for VAM operation.
7. Installation of Economizer & Air preheater for maximum utilization of energy from flue gas at Distillery.
8. Installation of condenser for exhaust steam recovery from TG exhaust line at Distillery.

c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact

ENERGY CONSERVATION MEASURES:

BENEFITS:

Saving of Coal by

Max. Biogas utilization in Boilers	Upto 122 MT/day
Preheating of Boiler Feed Water	Upto 82 MT/day
Operation of Waste Heat Recovery Boiler	Upto 20 MT/day
Operation of Evaporator reflux Evaporator	Upto 5.5 MT/day
Installation of Boiler feed water preheater in MEG Process Heaters	Upto 4.0 MT/day

Saving of Power by

Operation of TG Set at Optimum load	63000.69 MWH of Power Generated during the Year (Last year 41424.35 MWH)
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Saving of Fuel by

Utilization of waste gas/Biogas in the Process Heater	Upto 13.5 MT/Day.
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(d) Total energy consumption and energy consumption per unit of production as Prescribed in Form – A:

FORM-A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Units	Year Ending March, 2007	Year Ending March, 2006
A. POWER AND FUEL CONSUMPTION			
CHEMICAL PLANT			
i) ELECTRICITY			
a) Purchased Unit	1000 KWH	95207.20	56455.475
Total Amount	Rs. Lacs	2407.68	1467.12
Rate per unit	Rs./KWH	2.53	2.60
b) Own Generation through DG Sets	1000 KWH	76168.69	87485.96
Units per Kg/Liter of Diesel Oil/HPS	KWH/Kg	4.48	4.53
Cost/ Unit	Rs/KWH	4.21	3.60



INDIA GLYCOLS LIMITED

ii) COAL			
Quantity	MT	223465	218156
Total Cost	Rs. Lacs	5845.05	6056.38
Average Rate	Rs/MT	2615.65	2776.17
iii) FUEL OIL(LDO/RFO)			
Quantity	MT	4038.14	5787.842
Total Cost	Rs. Lacs	753.19	930.34
Average Rate	Rs/MT	18651.90	16074.04
iv) OTHERS/INTERNAL GENERATION (From Back Pressure Turbine)			
Quantity	1000 KWH	44092.06	41424.35
Total Cost	Rs. Lacs	Nil	Nil
Average Rate	Rs./KWH	Nil	Nil
DISTILLERY PLANT			
i) ELECTRICITY			
Purchased Unit	1000 KWH	2435.43	Nil
Total Amount	Rs. Lacs	172.75	Nil
Rate per unit	Rs./KWH	7.09	Nil
ii) OTHERS/INTERNAL GENERATION (From Back Pressure Turbine)			
Quantity	1000 KWH	18908.63	Nil
Total Cost	Rs. Lacs	Nil	Nil
Average Rate	Rs./KWH	Nil	Nil
B. CONSUMPTION PER UNIT OF PRODUCTION			
CHEMICAL PLANT			
Electricity	MWH/MT	1.450	1.261
Fuel Oil (LDO/RFO)	MT/MT	0.027	0.041
Coal	MT/MT	1.479	1.535
DISTILLERY PLANT			
Electricity	MWH/KBL	0.389	Nil

TECHNOLOGY ABSORPTION:

FORM - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION AND RESEARCH AND DEVELOPMENT (R & D).

A. RESEARCH AND DEVELOPMENT

1. SPECIFIC AREAS IN WHICH R&D IS CARRIED OUT BY THE COMPANY

- Development of auxiliary chemicals for Paper & Pulp Industries.
- Development of surfactant and specialty chemicals for Crude Oil exploration, Drilling and Refineries.
- Development of specialty surfactants for various applications in Emulsion Polymerization and Paints.
- Development soil water retention aid for agriculture.
- Development of Emulsifiers for newly introduced combo pesticides for export.
- Development of powdered wetting and dispersing agents for powder formulation of pesticides.
- Development of APEO free surfactants for textile processing industries.
- Development of durable specialty finishes for textile.
- Development of adjuvant (Import substitute) for the Eco friendly water based pesticide formulations.
- Development of cost-effective surfactants, using economical (indigenous) hydrophobes.
- Recycle of spent wash in Fermentation.
- Use of condensate from Evaporator in fermentation.
- Development of slop fired boiler.

2. BENEFITS DERIVED AS A RESULT OF ABOVE R&D

- Providing the specialty surfactants for Indian industries substituting some of the imported surfactants.
- Cost effective formulations meeting international quality standards for customer of Textile, Agro Chemicals; Personal Care products and pharmaceutical industries.
- Reduction of effluent generation per KL of alcohol production.
- Reduction of raw water consumption per KL of alcohol production.
- Reduction of rice husk consumption per MT of steam generation.



INDIA GLYCOLS LIMITED

3. FUTURE PLAN OF ACTION

- Alkoxylation of new Hydrophobes (import substitutes).
- Development of cost effective emulsifier for crop protection chemicals.
- Development of eco-friendly surfactants to replace Alkylphenol Ethoxylates.
- Anionic, Nonionic and amphoteric surfactants for Personal Care industry.
- Innovative products for metal working industries.
- Development of green demulsifier for crude oil emulsion.
- Establishing an application development laboratory equipped with all sophisticated instruments for various industries.
- Recycling of spent lees in fermentation/cooling tower

4. EXPENDITURE ON R&D

	2006 - 07	(Rs. In Lac) 2005 - 06
Capital	76.00	—
Recurring	104.76	88.43
Total	<u>180.76</u>	<u>88.43</u>
Total expenditure as a percentage of turn over	0.17%	0.11%

B. TECHNOLOGY ABSORPTION AND INNOVATION

- Developed cost effective nonionic surfactants for detergent industries.
- Developed environmental friendly process for manufacturing anionic surfactants.
- Synergetic effects of mixed surfactants.
- Innovation in non-amine, non-silicate based antifreeze for automotive industries.

INFORMATION ABOUT IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST 5 YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR)

TECHNOLOGY IMPORTED	YEAR OF IMPORT	HAS TECHNOLOGY BEEN FULLY ABSORBED	IF NOT FULLY ABSORBED, AREAS WHERE THIS HAS NOT BEEN TAKING PLACE REASONS THEREOF AND FUTURE PLAN
MEG Debottlenecking	2000	Yes	Completed in April 2002
MEG Debottlenecking	2003	Yes	Completed in February 2005

FOREIGN EXCHANGE EARNING AND OUTGO :

- (i) Activities relating to exports, initiative taken to exports, development of new export for products and services and export plans. : Total export during the year 2006-07 - Rs12566.07 lacs
- (ii) Total Foreign Exchange used : Net earning of Rs. 7519.22 lacs (Previous year net earning of Rs. 8503.65 lacs)

For on behalf of the Board

Place: New Delhi
Date : 23rd June, 2007

M.L. BHARTIA
Chairman & Managing Director



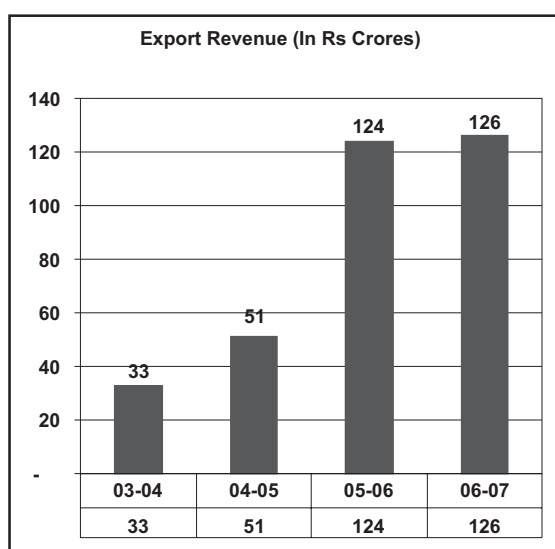
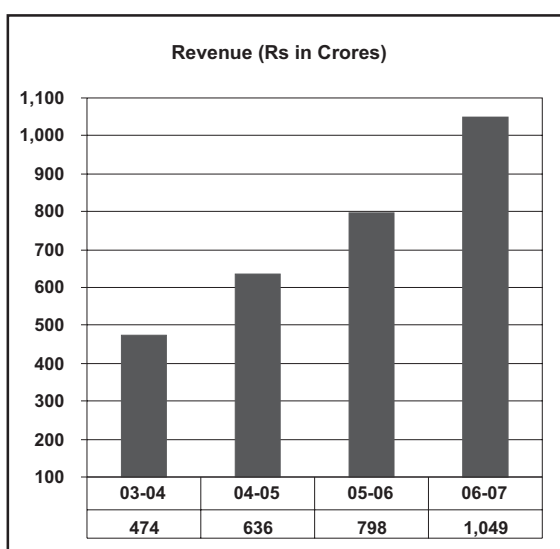
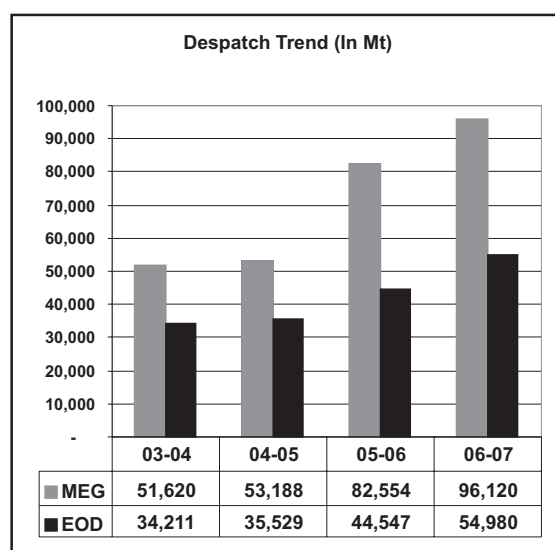
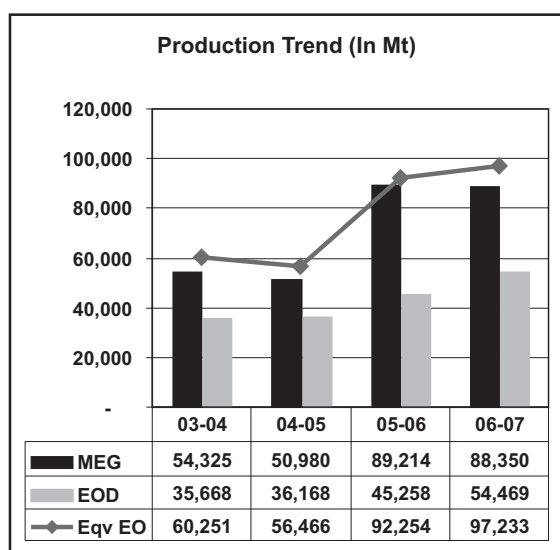
INDIA GLYCOLS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

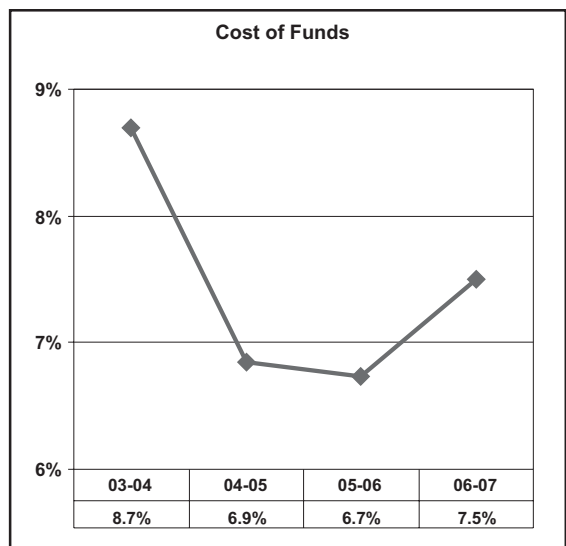
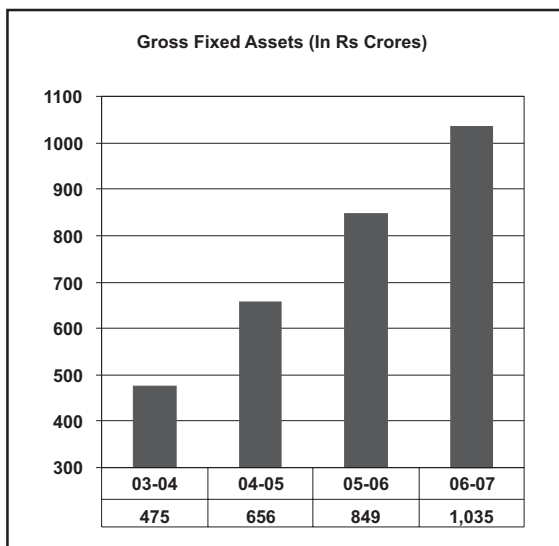
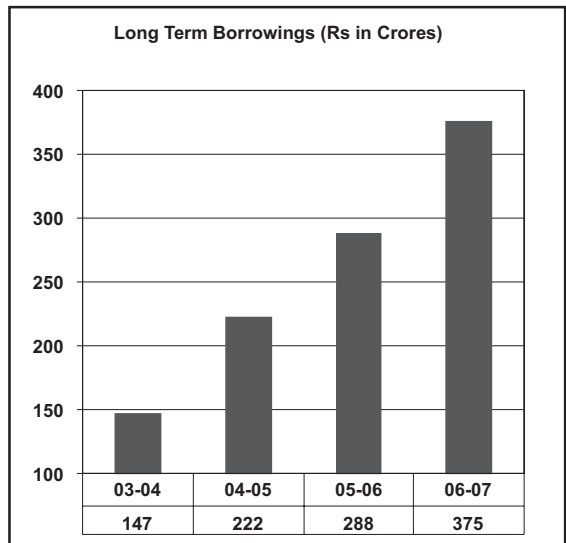
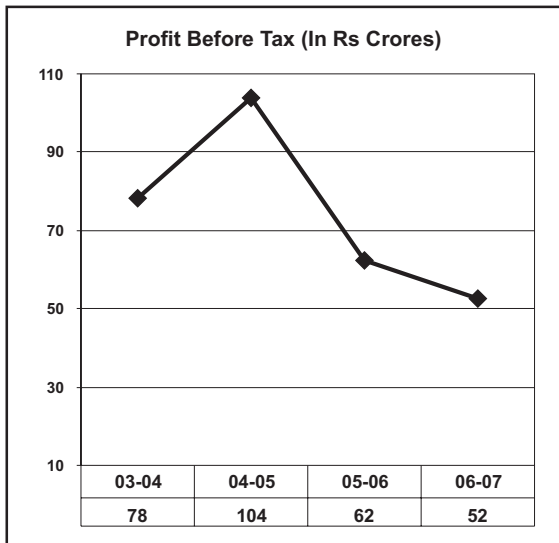
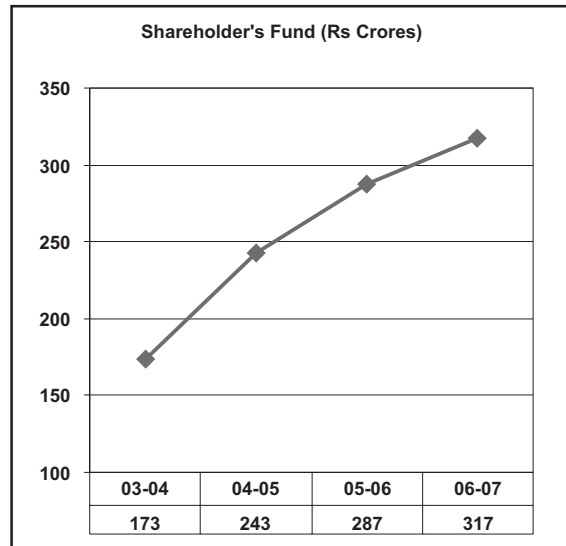
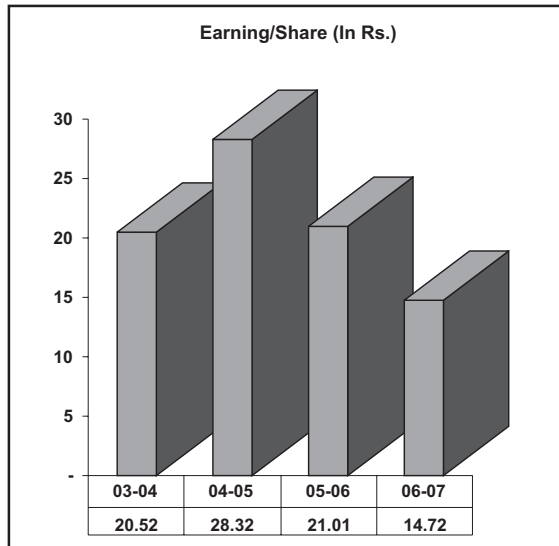
During the year under review the Company has registered sales and other income of Rs. 108122 lacs compared to Rs. 81951 lacs last year and Rs. 63912 lacs year before. The Net Profit before tax has been Rs. 5542 lacs as compared to Rs. 6223 lacs last year and Rs. 10395 lacs year before. Company's profitability was adversely affected due to lower realization of MEG and higher cost of molasses and ethanol, on which Company has no control, also on account of higher depreciation and interest cost on capitalization of projects commissioned during the year.

During the year under review, Company has raised foreign currency loans of US \$ 33.25 million to part finance the project cost of setting up of proposed plant for manufacturing Nutraceutical Herbal Extracts and expansion/debottlenecking of existing plants and for construction of the Corporate Office. The borrowing cost of funds has increased to over 7.5% as compared to 6.7% last year and has adversely affected the profitability of the Company. The gross fixed assets have been increased to Rs.103461 lacs from Rs.47509 lacs in 2003-04. Company has been regular in meeting its obligations towards payment of principal/interest to Financial Institutions/Banks/ Debentureholders/Fixed Deposit holders.



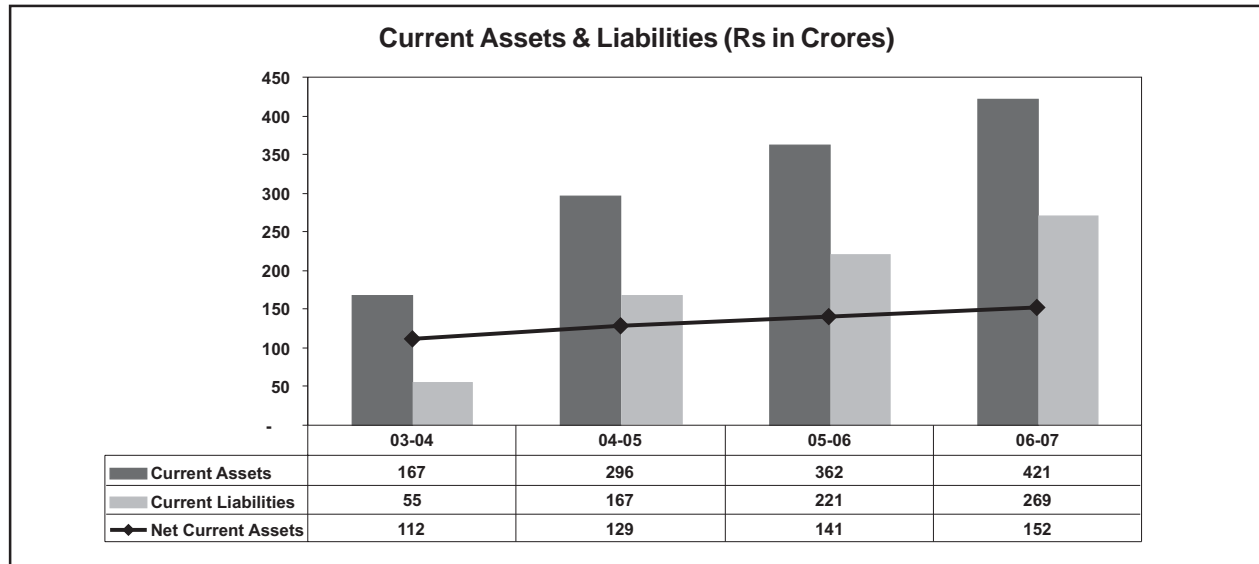


INDIA GLYCOLS LIMITED





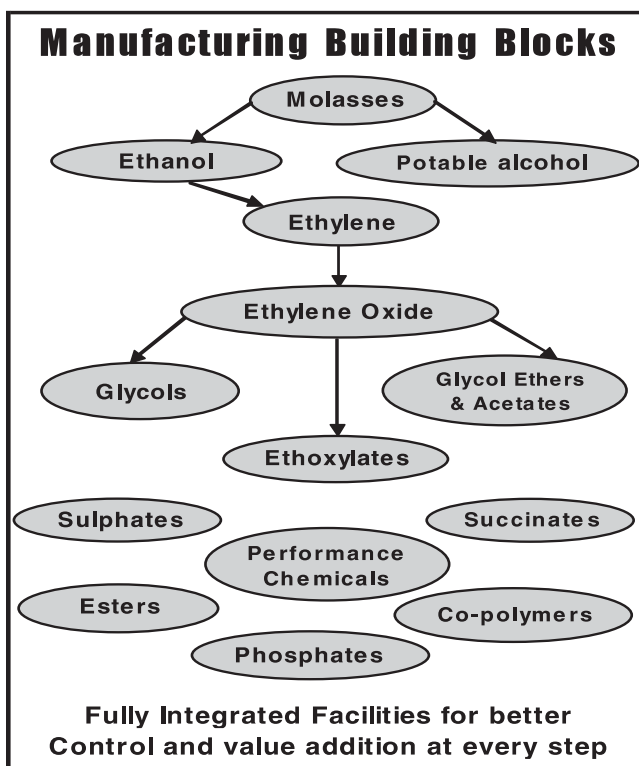
INDIA GLYCOLS LIMITED



PRODUCTS

INDIA GLYCOLS LIMITED is one of the leading manufacturer of Glycols, Ethoxylates & Performance Chemicals, Glycol Ethers & Acetates, Ethyl Alcohol (Potable), Guar Gum Powder & 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 and Heavy Glycol)
- Ethoxylates & Performance Chemicals
- Glycol Ether & Acetates

B. Ethyl Alcohol (Potable) and Extra natural Alcohol

C. Others includes High Sulphur Alcohol, Hydro Chloric Acid, Guar Gum, Industrial Gases etc.

The segmentwise business share is indicated as follows :-

Segment	Sales Value 2006-07 (Rs. In Millions) (domestic + Exports)	% Share
A. CHEMICALS		
Glycols (MEG, DEG & Heavy Glycol)	4,890	46%
Ethoxylates & Performance Chemicals	2,276	22%
Glycol Ether & Acetates	1,538	15%
B. ETHYL ALCOHOL (POTABLE)	1,531	15%
C. OTHERS	259	2%
TOTAL	10,494	

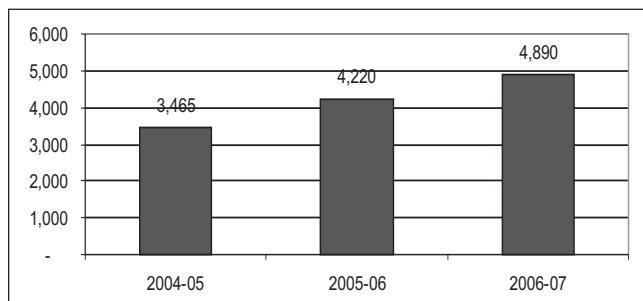
GLYCOLS

Sales of Glycols (MEG, DEG & Heavy Glycol) has increased from 87,886 MT to 101,449 MT and has witnessed a growth of 16% in Sales Value from Rs. 4220 million in FY 2005-06 to Rs. 4890 million in FY 2006-07.

	2004-05	2005-06	2006-07
Glycols Sales Value (Rs. In Million)	3,465	4,220	4,890



INDIA GLYCOLS LIMITED



OPPORTUNITIES & CHALLENGES

In order to give a thrust to polyester and to make polyester competitive against the natural fibre i.e. cotton, Government has lowered excise duty on polyester from 16% to 8% and further during the budget 2007-08, the custom duty on both the major raw materials i.e. MEG and PTA from 10% to 7.5%. There has been substantial increase in polyester manufacturing capacities in India due to major expansion undertaken at Reliance, Indo Rama, JBF and Garden Mills. Consequently, polyester industry is expected to grow at 15% during the financial year 2007-08. Overall demand of MEG in India is 1,100,000 MTPA as compared to supply of 950,000 MTPA and the balance shortfall is being met by imports.

In terms of challenges, there is a huge capacity creation in Saudi Arabia and Iran, which may result in short term excess availability of MEG in the world market during the year 2008-09. However, higher petroleum prices will result in curtailing production of MEG from plants in Europe/ USA which are dependent on Naptha/ Ethylene purchases. Large availability of PTA and MEG at competitive prices will result in price competitiveness of polyester with cotton resulting in its higher growth in the subsequent years.

ETHOXYLATES & PERFORMANCE CHEMICALS

The sales of the Ethoxylates and Performance Chemicals business were Rs. 2276 million during FY 2006-07, recording 20% growth over the previous year, and accounted for 22% of Company's total net revenues.

The Ethoxylate and Performance Chemicals produced by the Company are used by diverse industries like Textile, Agrochemicals, Detergents, Pharmaceuticals & Personal Care, Oil Field and Automotive industry, etc. The sale is mainly to the domestic market.

The Company aims to increase its business by developing new products and applications especially in areas of textile chemicals, oil field chemicals, paper chemicals and usage of nonionics in detergent industry.

GLYCOL ETHER & ACETATES

In the Glycol Ether & Acetates business, the domestic sales have grown by 18% to Rs. 554 million in FY 2006-07

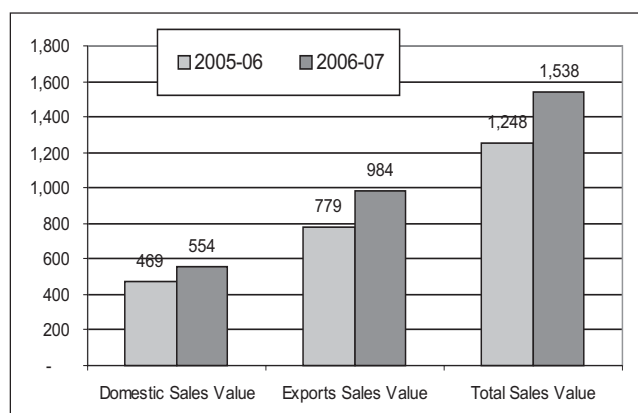
The major sales has been to the brake fluid and paint & coating industry, where our quality is ranked higher than other domestic manufacturers.

There has been a thrust in exports of glycol ethers & ac-

etates and sales have increased from Rs. 779 million to Rs.984 millions in financial year 2006-07. Company's Glycol Ethers & Acetates have been appreciated internationally and our capacity has been utilised totally. We have further debottlenecked capacities of Glycol Ethers & Acetates to 46,800 MTPA in view of good demand & response for our products mainly in international market. Thus, exports would account for major share of this business.

Our performance in Glycol Ether & Acetates segment is given in figure :-

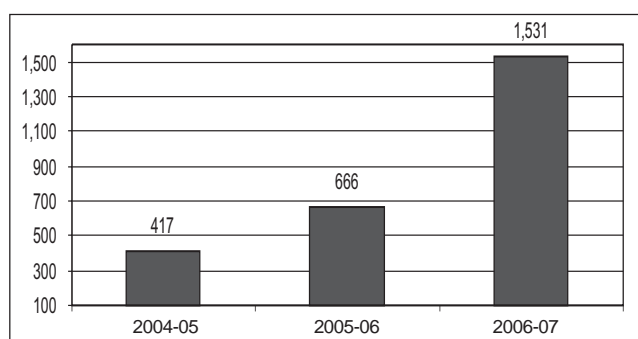
	2005-06	2006-07	% Growth
Domestic Sales Value (Rs. in Million)	469	554	18%
Exports Sales Value (Rs. in Million)	779	984	26%
Total Sales Value (Rs. in Million)	1248	1538	23%



ETHYL ALCOHOL (POTABLE) AND EXTRA NATURAL ALCOHOL

In the Ethyl Alcohol (Potable) and Extra natural Alcohol segment, Company registered total sales of Rs. 1531 million compared to Rs. 666 million last year and Rs 417 million a year before. Efforts are being made to further increase the sales in the segment.

	2004-05	2005-06	2006-07
Sales Value (Rs. In Million)	417	666	1531





INDIA GLYCOLS LIMITED

INDUSTRIAL GASES

Company produced 61960588 NM³ of Oxygen and 16128019 NM³ of Nitrogen during the year. Both Oxygen and Nitrogen successfully marketed and also used for own requirement of MEG Plant.

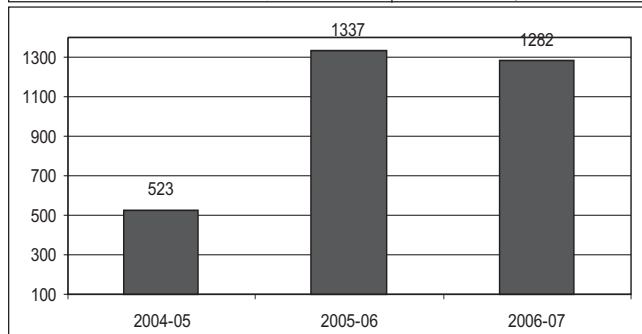
Industrial gases division also produced 902424 NM³ of Argon, which was marketed at remunerative price.

EXPORTS

IGL has identified exports as a key future growth driver. It has already established itself as a major domestic speciality ethoxylates company.

The main product for export is Glycol Ethers & Acetates, capacities of which has been debottlenecking and would result in higher export values in the coming year. Although in Glycol Ethers & Acetates export turnover has increased from Rs. 779 million to Rs.984 million, overall exports lower due to practically no export of MEG, which is marketed more remunerably in domestic market.

	2004-05	2005-06	2006-07
Exports Sales Value (Rs. In Million)	523	1337	1282



The major export markets are the South East Asia, Middle East/ Africa and China as we have logistic advantage in these regions. We export to more than 20 countries worldwide and the thrust for exports would be to other regions in Europe, USA & Latin America. The future thrust would include exports of Ethoxylates & Performance Chemicals.

HEALTH, SAFETY AND ENVIRONMENT

HEALTH

Company accords very high priority to provide healthy and safe working environment. Company has a medical center at factory site with basic amenities, a qualified and experienced doctor with trained and experienced paramedical personnel available round the clock to meet any contingency. 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. Company also arranges to organize medical

campus at nearby villages and organize regular programs for polio eradication etc. and other immunization programs in the nearby villages as part of community welfare activities.

SAFETY

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 very 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.

Various incentive schemes are in operation for motivating the employees to ensure working in the safe environment. Company has its own Fire Station fully equipped with Fire Tender, 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.

ENVIRONMENT

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 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 Eco-friendly, company has set up a ferti-irrigation project, which is giving good results. The response from farmers has been very encouraging. Company has also set up a bio-composting facility to produce natural manure with encouraging results of using this in substitution to chemical fertilizers. Towards improvement of the environment company has developed a green belt all around its factory by growing approx. 65,000 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.

Company is also working actively for reducing effluent generation at source by achieving zero discharge by way of



INDIA GLYCOLS LIMITED

adopting ferti-irrigation, bio-composting, RO, concentration followed by incineration to conserve the fossil fuel and other effective and competitive techniques. Company is also working actively on various projects efficiently, approaching and targeting towards Clean Development Mechanism (CDM).

MANAGEMENT SYSTEMS

Company is already having Quality Management System and has been accredited as an ISO 9001:2000 certified company by M/s DNV, a renowned certification agency. The Guar-Gum unit, which is a 100% EOU, is also a HACCP certified unit. In continuation of these Management System certifications, Company is in the process of installing Integrated Management System comprising of Environmental Management System (ISO 14001:2004), Occupational Health & Safety Management System (OHSAS 18001:1999) and Food Safety Management System (ISO 22000:2005) in addition to the existing ISO 9001:2000 system.

RESEARCH & DEVELOPMENT CENTRE (R&D)

Company aims for excellence, setting standards in surfactants, speciality chemicals and customer service in ever changing and increasingly complex global environment. Our goal is to reduce cost of production, accelerate introduction of new products, reduce lead-times, time to market for new products & technologies.

Company has its state-of-the-art Research and Development Center. The Research and Development Center is fully equipped with sophisticated instruments and highly experienced/qualified and dedicated scientists.

Apart from new product and application development, R&D center is also working on continuous improvement / modification of existing products and process technologies and on the import substitution as well, in order to transfer the maximum benefits to the customers so that the solution truly meets the market need.

At present, R&D center is working in following areas:

1. Textile chemicals

Development of Import substitute of amino silicone emulsifier, low foam scouring/ wetting agent for cotton hosiery, hydrophilic cationic & nonionic softener for Terry Towel, new generation emulsifier for Jute batching oil and Specialty products for polyester processing.

2. Agri Business

Development of Emulsifier for microemulsion of pesticide, Emulsifier for suspension concentrate, Emulsifier for "Emulsion in Water (EW)" formulation, Emulsifier for "Water Dispersible Granules" and Import substitute of Adjuvants

3. Oil Field & Mining Industry

Development of drilling fluid additive, ore floatation chemicals, water soluble & oil soluble demulsifiers for Crude oil, non-emulsifier and corrosion inhibitors for refinery

4. Fertilizer & Cement industry

Development of anticaking agent for DAP fertilizer, Import substitute of ceramic tile printing and nonionic oil soluble defoamer.

5. Emulsion Polymerization & Paint Industry

Development of Import substitute polymeric dispersant in paints, Import substitute emulsifier for emulsion polymerization, Import substitute of organic pigment dispersant in paints.

6. Paper Industry

Thrust on developing Import substitute-deinking chemicals for waste paper, Import substitute defoamer, cooking aid and refining aid.

7. Automobile industry

Expanding range in Lubricant additives, Bio Diesel and Engine Coolant with Hybrid Technology

8. Detergent Industry

Efforts are on to develop cost effective nonionic surfactant in detergent powder and cake formulation, anionic surfactant in liquid detergent for household and industrial application.

R&D center is working mainly on ; Economic and Environment friendly products. It not only develops the products as per the need of the customers, but also ensure the smooth operation of the products at customers' operating facility.

RISK AND CONCERNS

Risk Factors & Minimisation procedure

1. Risk against fire, flood and accidents including accident due to human failure.

Risk against fire, flood and accidents are common risks attached to the working of any plant. Management has taken reasonable steps to counter the risk. Company has taken insurance policy which covers company's assets against all these risks. The policy also covers repair/replacement in case of any major breakdown. In addition the policy also covers loss of profit due to interruption on account of any of these causes.

As a preventive measure, company has installed elaborate fire hydrant system to take care of any possible fire accident. Company also has its own fire tender located at Kashipur factory site. Company has also created teams of employees to co-ordinate fire fighting activities who have been duly trained for the purpose. Periodic drills are carried out to see that all systems functions adequately. Company also carries out periodical special audits to review the adequacy of fire protection measures to avoid any such accidents. As a result of these preventive measures company has never had any serious fire accident.

Accidents due to human failure are being tackled through the continuous training to our technical and other staff and through regular monitoring and supervision.



INDIA GLYCOLS LIMITED

2. Availability of raw material at competitive prices

Company manufactures various products using molasses as basic raw material. Molasses is the waste product of sugar mills. Sugar cane production is dependent on adequacy of rains. Thus availability of feed stock is affected by climatic conditions. To protect against this risk company has created large storage for the feed stock so that adequate quantities can be procured during the season and also the inventories can be built up during the period of good monsoon.

Company has also set up additional distillery at Gorakhpur in Eastern U.P. so that company can procure molasses available in that area to improve availability of feed stock by expanding its procurement over larger area.

3. Competition Risk and fluctuation in market price of finished product.

To meet competition in MEG, company follows an aggressive pricing policy and follows practice of giving special discounts to customers who purchases large volumes and have long term contracts. This is to reward customers who procure their requirements from the company consistently over long term.

Company has broadened its product and customer base by diversifying into Ethylene Oxide based derivatives product. Company has also set up its own R & D and Application Development Centre where products to provide economic and cost effective solutions are developed to meet specific requirement of the customers and these products are provided to them at competitive prices.

The Company has also diversified into other areas of business like Potable Alcohol, Guar gum, Nutraceutical Herbal Extraction and Industrial gases to minimise risk from single business. Company is in the process of further diversifying in the field of manufacturing and marketing of Carbon Di-oxide (CO₂).

4. Environment Risk

Company operations are governed by very strict effluent disposal requirement. Company has taken adequate steps to meet the statutory requirements and it is constantly improving upon the same. Company has installed effluent treatment systems whereby effluent is converted into fuel and is used in substitution of coal thus while meeting the environment requirements company also achieves saving in cost.

5. Foreign currency fluctuations.

In the normal course of business operations company is having various foreign currency transactions for

- import of capital goods and raw materials
- export of finished products
- repayment of foreign currency loans and interest thereon.

All above transactions are exposed to the risk of exchange rate fluctuations. In addition the payment of interest on term loans is also exposed to fluctuations in interest rate due to change in LIBOR.

Most of these transactions are in US Dollars and inward and outward flows serve to counter-balance the impact of fluctuations. To further protect the company from the risk, with advise from various currency experts from Banks, preventive actions are taken to hedge the foreign currency loan transactions which are of long term nature.

6. Compliance of various statutory and legal requirements

The Company is subject to compliance of various statutory and legal requirements under different laws in force. The Company adheres to the statutory requirements and regularly reviews the compliance to overcome such risk. The Company has also appointed Internal Auditors for their continuous review of the compliance and advice on better compliance reporting.

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 numbers of employees on Company's role have been around 1170.

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.



INDIA GLYCOLS LIMITED

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

Good corporate practices ensure that a Company meets its obligations to optimise shareholders value. Corporate governance has assumed great significance in India in the recent past in the form of amendment in the Companies Act, 1956 and Listing Agreement with Stock Exchanges. Most of the provisions of the Corporate Governance code prescribed by the Companies Act and the Listing Agreement have been complied with and balance will be complied within the prescribed period.

BOARD OF DIRECTORS

a) Composition of the Board

The Board presently comprises of eight Directors out of which six are Non-Executive Directors and two Managing Directors. Out of the Eight Directors Company has four Independent Directors.

b) Number of Board Meetings

During the year ended 31.3.2007, four Board Meetings were held. These were held on 27th May, 30th July, 28th October, 2006 and 27th January, 2007.

c) Directors' attendance record and Directorship in other public Limited Companies:

Name of the Director	Position	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Directorships in other public limited companies*
Sh. M.L. Bhartia	CMD	4	3	No	2
Sh. U.S. Bhartia	MD	4	4	Yes	6
Smt. Jayshree Bhartia	Promoter Director	4	4	No	1
Sh. Pradip Kumar Khaitan	Non-Independent Director	4	3	No	13
Sh. Autar Krishna	Independent Director	4	3	No	9
Sh. K.N. Memani	Independent Director	4	4	No	9
Sh. Jagmohan N. Kejriwal	Independent Director	4	3	No	0
Sh. R.C. Misra	Independent Director	4	4	Yes	0

Note : None of the Directors is a member of more than 10 Board Level Committees, or a Chairman of more than five such committees as required under Clause 49 of the listing Agreement.

* Excludes Directorship in Private Limited Companies.

d) Disclosures

- The details of related party transaction with the Company as required by Accounting Standard (AS-18) on Related Party Transactions have been given in note no. 13 of the Notes to Accounts. Besides this, Company has no material significant transaction with the related parties viz. Promoters, Directors or the management, their subsidiaries or relatives, etc. that may have a potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed 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.
- Following Non-executive directors are holding equity shares of the company as per following details.

Name of Director	No of Shares
Smt. Jayshree Bhartia	371885
Shri Jagmohan N. Kejriwal	1500
Shri R.C.Misra	500
Shri Autar Krishna	1000

e) Remuneration of Directors, sitting fees etc. for the year 2005-06

- Mr. M.L. Bhartia, Chairman and Managing Director and Mr. U.S. Bhartia, Managing Director were paid salary, perquisites and commission of Rs.279.53 lacs and Rs.267.03 lacs respectively. Besides this, the Managing Directors were entitled to Company's contribution to provident fund and gratuity fund. Mr. U.S. Bhartia, Managing Director is also entitled to Company's contribution to superannuation fund.

- Commission and Sitting fees paid to non-executive directors for the year ended 31st March, 2007

Name of directors	Commission (Rs.)	Sitting Fee (Rs.)
Smt. Jayshree Bhartia	1,50,000	65,000
Shri Autar Krishna	1,50,000	1,35,000
Shri Pradip Kumar Khaitan	1,50,000	45,000
Shri Jagmohan N Kejriwal	1,50,000	1,30,000
Shri R.C. Misra	1,50,000	1,55,000
Shri K.N.Memani	1,50,000	65,000

- Payments during the year made to Khaitan & Co. in which Shri Pradip Kumar Khaitan, Director of the Company is a partner - Rs. 1,66,500/-.

f) Code of Conduct for Board of Directors and Senior officials of the Company

The Code of Conduct duly approved by the Board has been posted on Company's web-site. All Board members and senior management personnel have affirmed compliance with the code for the year 2006-07, declaration by MD/CEO to this effect is enclosed with this report.

COMMITTEES OF THE BOARD

a) Audit Committee

(i) Terms of Reference

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Audit Committee reviews report of the internal audit department, meets statutory auditors as and when required and discusses their findings, suggestions, internal control system, scope of audit, observations of auditors and other related matters. It also reviews major accounting policies followed by the Company.



INDIA GLYCOLS LIMITED

(ii) **Composition**

Presently, the Committee consists of three non-executive and independent Directors, namely, Shri R.C.Misra, Shri Autar Krishna and Shri. Jagmohan N Kejriwal.

(iii) **Attendance record of the Audit Committee**

The Committee met four times during the year. The attendance record of the members at the meetings is as follows:

Name of the Director	Status	No. of Meetings Attended
Shri R.C. Misra	Chairman	4
Shri Jagmohan N Kejriwal	Member	3
Shri Autar Krishna	Member	4

b) Shareholders/Investors Grievance Committee

i) **Terms of Reference**

The Committee has been constituted to look into the redressal of shareholders and investor complaints, non-receipt of Balance Sheet and Non-receipt of declared dividends, any other matter relating to shareholders/investors grievance.

ii) **Composition**

The committee comprises of three non-executive Directors, namely, Shri R.C. Misra, Chairman of the committee, Shri Autar Krishna, Shri Jagmohan N Kejriwal and Managing Director Shri U.S. Bhartia.

iii) **Attendance record of the Investors Grievance Committee**

The Committee met two times during the year. The attendance record of the members at the meetings is as follows:

Name of the Director	Status	No. of Meetings Attended
Shri U.S.Bhartia	Member	2
Shri R.C. Misra	Chairman	2
Shri Jagmohan N Kejriwal	Member	1
Shri Autar Krishna	Member	2

iv) **Investors complaints received and resolved during the year**

During the year under review, Company had received 253 Investors' Complaints upto 31st March, 2007, Company had redressed 254 Complaints including one complaint carried forward from last year.

(c) Share Transfer Committee

i) **Terms of Reference**

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

ii) **Composition**

The Committee comprises of four Directors, namely, Shri M.L. Bhartia, Chairman of the Committee, Shri U.S. Bhartia, Smt. Jayshree Bhartia and Shri Jagmohan N Kejriwal.

iii) **Attendance record of the Share Transfer Committee**

The Committee met 17 times during the year. The attendance record of the members at the meetings is as follows:

Name of the Director	Status	No. of Meetings Attended
Shri M.L. Bhartia	Chairman	11
Shri U.S. Bhartia	Member	17
Smt Jayshree Bhartia	Member	17
Shri Jagmohan N Kejriwal	Member	Nil

(d) Committee for Borrowing

(i) **Term of Reference**

The Committee has been constituted to consider and approve various projects and their financing and borrowing for the same from financial institutions/banks.

(ii) **Composition**

The Committee comprises Two non-executive Independent Directors namely Shri R.C.Misra and Shri Autar Krishna and two Managing Directors namely Shri M.L.Bhartia and Shri U.S.Bhartia.

(iii) **Attendance record of the Borrowing Committee**

The Committee met once during the year. The attendance record of the members at the meetings is as follows:

Name of the Directors	Status	No. of Meetings Attended
Shri M.L. Bhartia	Chairman	Nil
Shri U.S. Bhartia	Member	1
Shri R.C. Mishra	Member	1
Shri Autar Krishna	Member	1

(d) Remuneration Committee

The non-mandatory requirement of setting up of a remuneration committee for remuneration of executive directors have not been adopted considering the nature and size of the Company.

MANAGEMENT

Management discussion and analysis

Management discussion and analysis report forms part of this Annual Report.

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.

SHAREHOLDERS

a) **Means of Communication**

The quarterly, half-yearly and annual Audited Financial Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are published in accordance with the guidelines of Stock Exchanges and are posted on the Web-site of the Company. The Audited Financial Results are also sent to all the Shareholders along with the Annual Report of the Company.

b) **Investor Grievances**

As mentioned earlier, the Company has Constituted a Shareholders/Investors Grievance Committee for redressing Shareholders' and Investors' Complaints. Shri Lalit Kumar Sharma, Company Secretary is the Secretary to the Committee as well as Compliance Officer.

c) **Share Transfers**

All share transfers are handled by Company's Registrar and Share Transfer Agent M/s. MCS Limited, Sri Venkatesh Bhawan, W-40 Okhla Industrial Area Phase-II New Delhi 110 020 a Category – I Registrar registered with SEBI.



INDIA GLYCOLS LIMITED

d) General Body Meetings

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

Financial Year	Date	Time	Venue
2005-06	12.08.06	12.30 P.M	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S.Nagar, Uttaranchal
2004-05	10.09.05	12.30 P.M	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S.Nagar, Uttaranchal
2003-04	25.09.04	12.30 P.M	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S.Nagar, Uttaranchal

Special Resolution regarding alteration of Articles of Association of the Company was passed at AGM held on 10.9.2005. No special Resolution was passed at the AGM held on 12.9.2004 and 12.8.2006.

e) Postal Ballot

For the year ended 31st March, 2007, there has been no ordinary or special resolution passed by the Company's Shareholders through postal ballot.

Additional shareholders information

a) Annual General Meeting

Date : 25th August, 2007

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

Time : 12.30 P.M.

b) Financial Calendar

Financial year: 1st April to 31st March

For the financial year 2007-08, the tentative dates for approval of unaudited financial results will be by July 31, 2007 for the first quarter, by 31st October, 2007 for half-yearly, by January 31, 2008 for third quarter for Unaudited Results and by April/June 30, 2008 for approval of Unaudited 4th Quarter/Audited Results (2007-08).

c) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 18.08.2007 to 25.08.2007 (Both days inclusive)

d) Dividend Payment Date : 30th August, 2007

e) Listing in stock exchanges and stock codes

The name of the Stock Exchanges at which the equity shares are listed as on 31.03.2007 and the respective stock codes are as under:

Name of the Stock Exchanges	Stock Code No.
The Stock Exchange, Mumbai	500201
National Stock Exchange Ltd.	Indiaglyco

Listing fee to the Stock Exchange, Mumbai and National Stock Exchange Limited for the financial year ended 31.03.2007 has been paid.

The ISIN numbers allotted to the Company for demat of Shares are as under:

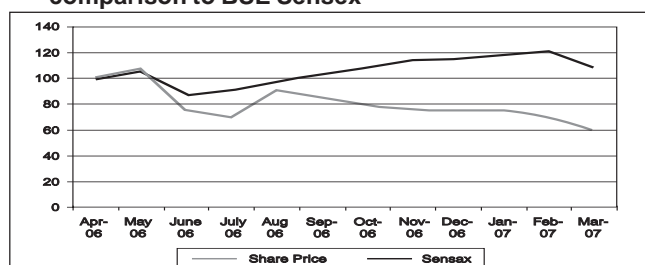
NSDL - INE 560A01015 CDSL - INE 560A01015

f) Stock Data

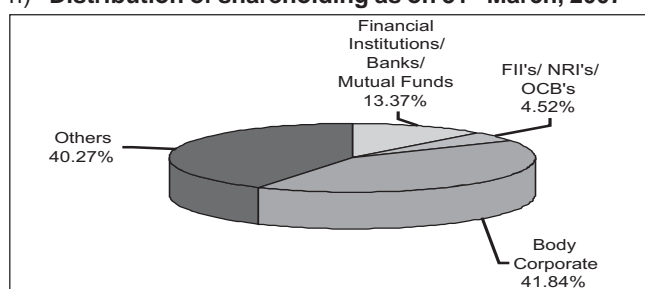
High/Low of market price of the Company's equity shares traded on the Stock Exchange Mumbai during the financial year ended 31st March, 2007 was as follows:

Month	High	Low	Month	High	Low
April, 2006	189.00	153.50	October, 2006	149.00	133.15
May, 2006	202.80	128.00	November, 2006	142.00	125.25
June, 2006	143.60	100.05	December, 2006	143.50	121.00
July, 2006	131.85	118.00	January, 2007	142.50	122.10
August, 2006	170.80	120.15	February, 2007	131.75	105.00
Sept., 2006	161.00	137.00	March, 2007	113.00	97.25

g) Performance of Company's equity shares in comparison to BSE Sensex



h) Distribution of shareholding as on 31st March, 2007



i) Shares held in physical and dematerialised form

As on 31st March, 2007, 49.04% of shares were held in dematerialised form and the rest in physical form.

j) Outstanding GDR's/ADR's/Warrants/convertible instruments and their impact on equity

Nil

k) Plant Locations

- 1) A-1, Industrial Area, Bazpur Road, Kashipur, Distt. Udham Singh Nagar, Uttarakhand State.
- 2) E-1, Sector-15, Gorakhpur Industrial Development Area, Gorakhpur, Uttar Pradesh.

l) Address for correspondence

India Glycols Limited, C-124, Okhla Industrial Area, Phase – I, New Delhi – 110020, Telephone: 011-26815772, Fax: 011-26810390, 26819410
Website: www.indiaglycols.com
E-Mail – complianceofficer@indiaglycols.net

m) Electronic Clearing Services (ECS) for payment of dividend

ECS facility for payment of dividend is presently available at Agra, Ahmedabad, Amritsar, Bangalore, Bhubneshwar, Bhopal, Chandigarh, Chennai, Coimbatore, Delhi, Guwahati, Hyderabad, Indore, Jaipur, Kanpur, Kochi, Kolhapur, Kolkata, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Nagpur, Patna, Panaji, Pune, Rajkot, Surat, Vadodara, Vidisha and Thiruvananthapuram. Shareholders can obtain ECS application form from Head Office at C-124, Okhla Industrial Area, Phase-1, New Delhi-110020 or from Registrar and share transfer agent at W-40, Okhla Industrial Area Phase-II New Delhi 110 020.

n) Shares held in electronic form

Shareholders holding shares in electronic form may give instruction regarding bank details which they wish to incorporate on their dividend to their depository participants. As per the regulations of NSDL and CDSL the Company is obliged to print the bank details on the dividend warrants, as furnished by these depositories to the Company.



INDIA GLYCOLS LIMITED

AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF INDIA GLYCOLS LIMITED

We have examined the compliance of conditions of Corporate Governance by INDIA GLYCOLS LIMITED for the financial year ended 31st March 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the 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, in all material respect with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that, in respect of investor grievances received during the year ended 31st March 2007, no investor grievance is unattended/pending for a period exceeding one month against the Company as certified by the Registrar and Transfer Agent of the Company and details presented to the Shareholders / Investors Grievance Committee of the Company.

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

for LODHA & CO.,
Chartered Accountants

Place: New Delhi
Dated: 23.06.2007

(N. K. LODHA)
Partner
Membership No.: 85155

DECLARATION

TO THE MEMBERS OF INDIA GLYCOLS LIMITED

I, U.S. Bhartia, Managing Director and Chief Executive Officer 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 2006-07 pursuant to the requirement of the Clause 49 of the Listing Agreement as amended.

for India Glycols Limited

Place : New Delhi
Date : 23.06.2007

U.S. Bhartia
Managing Director &
Chief Executive Officer



INDIA GLYCOLS LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF INDIA GLYCOLS LIMITED

We have audited the attached Balance Sheet of INDIA GLYCOLS LIMITED, as at 31st March 2007, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 (as amended) (The Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (The Act), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (e) As per the information and explanations given to us, none of the directors of the Company is disqualified from being appointed as a director under Clause (g) of sub section (1) of section 274 of the companies act, 1956;

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, 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:

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2007;
- ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
- iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For LODHA & CO.
Chartered Accountants

N. K. LODHA
Partner

New Delhi
Date : 23rd June, 2007

Membership No.: - 85155

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our Report of even date of INDIA GLYCOLS LIMITED for the year ended 31st March 2007.)

1. (a) The Company has maintained proper records in respect of fixed assets showing full particulars including quantitative details and situation of fixed assets except in respect of certain fixed assets which are in process of updation.
(b) As per information & explanation given to us, certain fixed assets have been physically verified by the Management according to the 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, fixed assets disposed off during the year were not substantial.
2. (a) The inventory of the company (except stock lying with the third parties and in transit) has been physically verified by the management at reasonable intervals.
(b) In our opinion and according to information & explanation given to us, 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.
(c) In our opinion and according to information & explanations given to us, the Company has 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 neither granted nor taken during the year any loans, secured or unsecured to and from companies, firms or other parties as covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (b) to (d), (f) & (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations or where user department has shown specific preference, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services (read with note no. 17 & 21(H) of Schedule L). Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to the information and explanations provided by the management and based upon audit procedures performed, we are of the opinion that the particular of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section; and, having regard to



INDIA GLYCOLS LIMITED

our comments in para 4 above, the transactions made in pursuance of such contracts or arrangements (exceeding the value of Rs. 5/- lacs in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to prevailing market prices at the relevant time.

6. 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 58A and 58AA of the Act or any other provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. We have been informed that 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.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) 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.
9. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with 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 31st March 2007.
- (b) According to the records and information & explanations given to us, there are no dues in respect of income tax, service tax, custom duty and wealth tax that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of sales tax, excise duty and cess that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below: -

Nature of statute	Nature of dues	Amount (Rs. in lacs)	Period	Forum where dispute is pending
Customs Act	Custom duty	11.42	1992-93	High Court – Uttaranchal
Income Tax Act.	Income Tax	38.57	2004-05	CIT (A)
Central Excise Act	Excise duty	0.64 0.94	1994-95 1996-97	CESTAT High Court

This is to be read with note no. 2 of Schedule L

10. The company does not have accumulated losses at the end of financial year and has not incurred cash losses during the current financial year and in the immediately preceding financial year.
11. 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 dues to financial institutions and banks and debenture holders.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund /society, therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the company.
14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has given corporate guarantee to banks for agricultural loan given to certain sugarcane suppliers amounting to Rs.3000.00 lacs as stated in note no.2 (IV) of schedule 'L'. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from bank are not prima facie prejudicial to the interest of the Company. As explained to us, the company has not given any guarantee for loans taken by others from financial institutions
16. On the basis of information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of information and explanations given to us and on an overall examination of the financial statements of the company, funds raised on short-term basis have, prima- facie, not been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to any parties or companies covered in the register maintained under section 301 of the Act.
19. On the basis of records made available to us and according to information and explanations given to us, the company has created security or charge in respect of debentures issued/ outstanding during the year
20. The company has not raised any money through a public issue during the year.
21. To the best of our knowledge and belief, based on the audit procedure performed and on the basis of information and explanations provided by the management, no material fraud on or by the company has been noticed or reported during the course of the audit.

For LODHA & CO.
Chartered Accountants

N. K. LODHA
Partner

New Delhi
Date : 23rd June, 2007

Membership No.: - 85155



INDIA GLYCOLS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

(Rs. in lacs)

	Schedule		As at 31.03.2007	As at 31.03.2006
SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Share Capital	A	2788.21	2788.21	
b) Reserves and Surplus	B	<u>28912.38</u>	<u>31700.59</u>	<u>25939.12</u>
				28727.33
2. Loan Funds				
Secured Loans	C	<u>51927.23</u>	40486.86	
Unsecured Loans		<u>3164.15</u>	<u>9438.84</u>	<u>49925.70</u>
3. Deferred tax liability (net)				
			<u>6189.25</u>	<u>5175.45</u>
TOTAL			<u>92981.22</u>	<u>83828.48</u>
APPLICATIONS OF FUNDS				
1. Fixed Assets				
Gross Block	D	<u>90679.68</u>	77891.19	
Less: Depreciation		<u>25965.24</u>	<u>22964.85</u>	
Net Block			<u>64714.44</u>	<u>54926.34</u>
Capital work-in-progress (Including pre-operative expenses)			<u>12781.14</u>	<u>6971.43</u>
2. Investments				
	E		<u>263.66</u>	<u>241.29</u>
3. Current Assets, Loans and Advances				
Inventories	F	<u>22402.33</u>	21612.04	
Sundry Debtors		<u>7723.47</u>	7692.37	
Cash and Bank Balances		<u>1335.59</u>	184.99	
Loans & Advances		<u>10668.17</u>	<u>6666.14</u>	
		<u>42129.56</u>	<u>36155.54</u>	
Less: Current Liabilities and Provisions	G			
Current liabilities		<u>24511.28</u>	12766.72	
Provisions		<u>2396.30</u>	<u>1699.40</u>	
		<u>26907.58</u>	<u>14466.12</u>	
Net Current Assets			<u>15221.98</u>	<u>21689.42</u>
TOTAL			<u>92981.22</u>	<u>83828.48</u>
Notes to the Accounts	L			

As per our report of even date.

For LODHA & Co.

Chartered Accountants

N.K. Lodha
Partner

M.L. Bhartia
Chairman & Managing Director

U.S. Bhartia
Managing Director

Jagmohan N. Kejriwal
Pradip Kumar Khaitan
Autar Krishna

Place : New Delhi
Dated : 23rd June, 2007

S.K. Sood
President (Finance)

Lalit Kumar Sharma
Company Secretary

R.C. Misra
Director

**INDIA GLYCOLS LIMITED****PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2007**

	Schedule	Current Year	Previous Year
(Rs. in lacs)			
INCOME			
Sales	H	104937.17	79767.35
Less: Excise Duty Recovered on Sales		16623.89	8639.67
Net Sales		88313.28	71127.68
Other Income	H	3185.06	2183.55
Increase/ (Decrease) in Stocks	I	(1480.69)	2518.45
		90017.65	75829.68
EXPENDITURE			
Manufacturing & Other Expenses	J	75777.35	63542.28
Finance Charges (net)	K	3728.84	2114.80
		79506.19	65657.08
Profit before Depreciation and Tax		10511.46	10172.60
Depreciation		4827.11	3671.71
Profit Before Tax & Exceptional item		5684.35	6500.89
Less: Exceptional item (refer note no. 8 of Sch-L)		459.11	277.70
Profit Before Tax		5225.24	6223.19
Provision for taxation			
- Current tax		574.36	545.18
- Deferred tax Charged / (Credit)		1013.80	828.29
- Taxation for earlier years written back		0.00	(540.90)
- Fringe Benefit Tax		106.13	78.22
- Minimum Alternate Tax Credit entitlement		(574.36)	(545.18)
Net profit for the year		4105.31	5857.58
Debenture redemption reserve written back		125.00	1450.00
		4230.31	7307.58
Balance brought forward		21789.31	17435.53
Balance available for Appropriation		26019.62	24743.11
Transfer to General Reserve		2000.00	2000.00
Proposed Dividend		836.48	836.48
Corporate Dividend Tax		142.16	117.32
Balance carried forward		23040.98	21789.31
Earning per share basic/ diluted		14.72	21.01
Notes to the Accounts	L		

As per our report of even date.

For LODHA & Co.

Chartered Accountants

N.K. Lodha
PartnerM.L. Bhartia
Chairman & Managing DirectorU.S. Bhartia
Managing DirectorJagmohan N. Kejriwal
Pradip Kumar Khaitan
Autar KrishnaPlace : New Delhi
Dated : 23rd June, 2007S.K. Sood
President (Finance)Lalit Kumar Sharma
Company SecretaryR.C. Misra
Director



INDIA GLYCOLS LIMITED

**SCHEDULE 'A'
SHARE CAPITAL**

	(Rs. in lacs)	
	As at 31.03.2007	As at 31.03.2006
A. Authorised		
3,00,00,000 Equity Shares of Rs. 10 each	<u>3000.00</u>	<u>3000.00</u>
B. Issued, Subscribed and Paid up		
2,78,82,500 Equity Shares of Rs.10 each fully paid up	<u>2788.25</u>	<u>2788.25</u>
Less: Allotment Money in arrears	<u>0.04</u>	<u>0.04</u>
	<u>2788.21</u>	<u>2788.21</u>

**SCHEDULE 'B'
RESERVES AND SURPLUS**

	(Rs. in lacs)			
	As at 31.03.2006	Additions	Deductions	As at 31.03.2007
Capital Reserve (*)	43.25	0.00	0.00	43.25
Debenture redemption reserve	250.00	0.00	125.00	125.00
General Reserve	3656.56	2000.00	153.41 @	5503.15
Reserve for Contingencies	200.00	0.00	0.00	200.00
Surplus in Profit & Loss Account	<u>21789.31</u>	<u>4230.31</u>	<u>2978.64</u>	23040.98
	<u>25939.12</u>	<u>6230.31</u>	<u>3257.05</u>	28912.38
	(21493.72)	(9329.58)	(4884.18)	(25939.12)

(*) Represents project capital subsidy.

(@) Refer Note no. 6 of Schedule L



INDIA GLYCOLS LIMITED

SCHEDULE 'C' LOANS

	(Rs. in lacs)	
	As at 31.03.2007	As at 31.03.2006
SECURED LOANS		
DEBENTURES		
Non Convertible Redeemable Secured Debentures of Rs. 100 each fully paid		
10,00,000 12% Debentures (Note 3a)	334.00	667.00
5,00,000 9% Debentures (Note 3b)	166.00	333.00
	<u>500.00</u>	<u>1000.00</u>
RUPEETERM LOANS		
Banks	10750.00	15750.00
Others	2437.50	4062.50
FOREIGN CURRENCYTERM LOANS		
Banks	22679.14	9448.64
WORKING CAPITAL LOANS FROM BANKS	15476.53	10171.52
(Including working capital demand loan Rs.4801.39 lacs previous year Rs.3431.45 lacs)		
OTHER LOANS		
Banks	59.44	54.20
Others	24.62	0.00
	<u>51927.23</u>	<u>40486.86</u>
UNSECURED LOANS		
Fixed Deposits	1463.53	1509.73
Commercial papers	0.00	500.00
Packing Credit from Banks	542.91	1345.80
Buyer's Import Credit - Bank	0.00	86.85
Short Term Rupee Loan - Bank	0.00	4500.00
Foreign Currency Term Loan - Bank	1157.71	1496.46
	<u>3164.15</u>	<u>9438.84</u>

Notes:

1. The Term Loans/ Debentures ranking pari passu, 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.
2. Working Capital Loans from Banks are secured / to be secured by way of hypothecation of book debts and stocks including in-transit and second charge on all immovable properties of the company.
- 3a. 12% Debentures are redeemable in three equal annual instalment of Rs. 333.33 Lacs each commencing from 27.07.2005 (w.e.f. 25th June'2004 interest was reset to 5.50%. First & Second instalment redeemed).
- 3b. 9% Debentures are redeemable in three equal annual instalments of Rs.166.67 Lacs each commencing from 27.07.2005 (First & Second instalment redeemed).
4. Maximum balance of Commercial papers outstanding during the year Rs. 1500 lacs. (Previous year Rs. 3500 lacs)
5. Other loans from Banks and others are secured by hypothecation of Motor Vehicles purchased there under.



INDIA GLYCOLS LIMITED

SCHEDULE 'D' FIXED ASSETS

Description	GROSS BLOCK				D E P R E C I A T I O N				NET BLOCK		
	As at 31.03.06	Acquired under Scheme of Amalgama- tion	Addition Adjust- ment	Deduction/ Adjust- ment	As at 31.03.07	Upto 31.03.06	For the year	Deduction/ Adjust- ment	Upto 31.03.07	As at 31.03.07	As at 31.03.06
Land	658.35	0.00	0.33	0.00	658.68	0.00	0.00	0.00	0.00	658.68	658.35
Leasehold Land	1087.75	0.00	37.51	0.00	1125.26	44.86	13.48	0.00	58.34	1066.92	1042.89
Buildings	3017.20	0.00	245.73	0.00	3262.93	520.22	80.09	0.00	600.31	2662.62	2496.98
Plant & Machinery	71402.78	0.00	14605.40	2417.93	83590.25	21596.74	4531.99	1807.56	24321.17	59269.08	49806.04
Furniture & Fixtures	986.66	0.00	180.19	1.70	1165.15	511.46	109.93	0.75	620.64	544.51	475.20
Vehicles (*)	488.85	0.00	167.58	28.62	627.81	166.82	51.16	18.41	199.57	428.24	322.03
Intangible Assets											
-Specialised Computer software	249.60	0.00	0.00	0.00	249.60	124.75	40.46	0.00	165.21	84.39	124.85
Total	77891.19	0.00	15236.74	2448.25	90679.68	22964.85	4827.11	1826.72	25965.24	64714.44	54926.34
Previous Year	58386.62	161.87	19685.22	342.52	77891.19	19484.09	3717.01	236.25	22964.85		
Capital-Work-in-progress {including advances and preoperative expenses (refer note no. 12 of Sch-L)}										12781.14	6971.43
										77495.58	61897.77

(*) Gross block includes Rs. 307.44 lacs (Previous year Rs. 237.83 lacs) secured by hypothecation against loan.

SCHEDULE 'E' INVESTMENTS

	Nominal Value (Rs.)	As at 31.03.2007	As at 31.03.2006
LONG TERM INVESTMENTS (Non-trade) (at cost net of provision for diminution)			
Unquoted, fully paid up (Subsidiary Company)			
5000000 Equity shares of IGL Finance Ltd.	10.00	75.00	50.00
		75.00	50.00
Quoted, fully paid up (others)			
211360 Equity Shares of IDBI Bank Ltd.	10.00	105.00	105.00
34000 Equity Shares of UTI Bank Ltd.	10.00	7.14	7.14
2500 Equity Shares of ICICI Bank Ltd.	10.00	1.97	1.97
		114.11	114.11
		189.11	164.11
CURRENT INVESTMENT (at lower of cost or market value)			
Quoted, fully paid up			
75900 UTI US64 Bonds	100.00	74.55	77.18
		263.66	241.29
Agregated value of quoted investment		188.66	191.29
Market value of quoted investments		514.91	378.46

Notes: The company has earmarked 75900 UTI US 64 bonds (face value) of Rs. 100/- each amounting to Rs. 75.90 Lacs in compliance with the provisions of Rule 3A of the companies (Acceptance of Deposits) Rules,1975}



INDIA GLYCOLS LIMITED

SCHEDULE 'F' CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2007	As at 31.03.2006
(Rs. in lacs)		
A. CURRENT ASSETS		
Inventories		
(As taken, valued and certified by the management)		
Stores, and spares parts	5723.45	5256.43
(Including in transit Rs. 352.81 lacs, previous year Rs. 621.03 lacs)		
Raw Materials	10811.86	8578.20
(Including in transit Rs. 715.17 lacs, previous year Rs. 1432.77 lacs)		
Finished Goods	3028.36	6091.53
(Including in transit Rs. 649.58 lacs, previous year 656.82 lacs)		
Stock-in-process	2671.43	1602.65
Residue Product	148.25	59.61
Scrap	10.60	11.40
Loose Tools	8.38	12.22
	22402.33	21612.04
Sundry Debtors		
(Unsecured, Considered Good unless otherwise stated)		
Over six months	230.91	205.81
Others	7492.56	7486.56
	7723.47	7692.37
Over six months doubtful	77.68	97.00
Less: Provision	77.68	97.00
	7723.47	7692.37
Cash and Bank Balances		
Cash-on-hand	53.54	29.42
Cheques on hand	0.00	10.00
Balance with Scheduled Banks		
- On Current Accounts	1180.98	52.96
- On Dividend Accounts	101.07	92.61
	1335.59	184.99
B. LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Inter Corporate Deposit	75.00	75.00
Advances recoverable in cash or in kind or for value to be received	3468.45	2352.38
Doubtful advances / loans	12.23	12.23
	3480.68	2364.61
Less : Provision for doubtful advances / loans	12.23	12.23
Export Incentive receivable	396.70	972.72
Balance with Excise authorities	3651.00	1471.41
Deposits with Government Departments & Others	442.44	348.60
MAT credit receivable	1119.54	545.18
Advance Income Tax/ Tax deducted at source	1515.04	900.85
	10668.17	6666.14



INDIA GLYCOLS LIMITED

SCHEDULE 'G'

CURRENT LIABILITIES & PROVISIONS

(Rs. in lacs)

	As at 31.03.2007	As at 31.03.2006
A. CURRENT LIABILITIES		
Acceptances	660.82	2227.46
Sundry Creditors (*)	20559.64	7526.37
Other Liabilities	2026.53	2153.39
Advance from customer's	665.59	464.67
Interest accrued but not due on loans	463.22	261.60
Investor education & protection fund shall be credited by the following accounts when due:		
(i) Unpaid Dividends	101.07	92.61
(ii) Unpaid matured deposits	26.69	31.61
(iii) Unpaid interest on above (ii)	7.72	9.01
	24511.28	12766.72
B. PROVISIONS		
Income Tax	1119.54	545.18
Fringe Benefit Tax (Net)	13.14	29.71
Wealth Tax	1.64	1.32
Proposed Dividend	836.48	836.48
Corporate Dividend Tax	142.16	117.32
Retirement benefits	283.34	169.39
	2396.30	1699.40
	26907.58	14466.12

(*) Include due to Small Scale Industrial undertaking (SSI) Rs. 9.14 Lacs (previous year Rs. 1.35 Lacs), and others Rs. 20202.24 lacs (previous year Rs.7525.02 lacs) to the extent such parties have been identified from available information. Name of the SSI where outstanding more than 30 days are - Nil (Pr. Yr. M/s ESS Industries and M/s Enopack Seals (India)).

SCHEDULE 'H'

SALES AND OTHER INCOME

(Rs. in lacs)

	Current Year	Previous Year
SALES (Including Excise Duty)		
Ethylene Glycol	45674.01	37366.15
Di-ethylene Glycol	2937.93	2442.29
Heavy Glycol	283.63	142.41
E.O. Derivatives	38143.08	31523.57
Guar Gum Powder and derivatives	1291.48	1383.92
Ethyl Alcohol (Potable)	15307.81	6661.90
Industrial Gases	1233.59	147.47
Others	65.64	99.64
	104937.17	79767.35
OTHER INCOME		
Dividend on long term investment	4.58	2.75
Interest on current investment (TDS Rs. Nil, Prevoius. Year Rs. Nil)	5.12	5.12
Rent (Tax Deducted at source Rs 5.03 Lacs ; Prevoius. year Rs 6.40 Lacs)	26.44	31.54
Miscellaneous Income	699.90	438.55
Provision no longer required written back	16.62	221.72
Reversal of Diminution in value of Long term Investments	25.00	0.00
Exchange fluctuation gain (net of Loss Rs. 578.65 lacs, Prevoius. year Rs. Nil)	1733.61	0.00
Commodity Derivative Income	26.35	0.00
Liability no longer required written back	0.00	392.81
Profit on sale of Raw material	0.00	118.34
Export Incentive receivable	64.92	972.72
Profit on sale of Fixed Assets (Net)	582.52	0.00
(Current year Net of Loss Rs. 4.61 lacs , Prevoius. year Rs. Nil)		
	3185.06	2183.55
	108122.23	81950.90



INDIA GLYCOLS LIMITED

SCHEDULE 'I' INCREASE/(DECREASE) IN STOCKS

	(Rs. in lacs)	
	Current Year	Previous Year
CLOSING STOCK		
Finished Goods		
- Ethylene Glycol	106.49	3266.14
- Di-ethylene Glycol	180.86	110.19
- Heavy Glycol	21.17	56.38
- E.O. Derivatives	2201.09	2414.49
- Ethyl Alcohol (Potable)	373.89	77.58
- Guar Gum Powder and derivatives	124.95	148.00
- Guar Churi	0.09	1.88
- Industrial Gases	19.82	16.87
Total Finished Goods	<u>3028.36</u>	<u>6091.53</u>
Stock-in-Process	2671.43	1602.65
Residue Product	148.25	59.61
	<u>5848.04</u>	<u>7753.79</u>
LESS : OPENING STOCK		
Finished Goods		
- Ethylene Glycol	3266.14	575.13
- Di-ethylene Glycol	110.19	109.35
- Heavy Glycol	56.38	39.89
- E.O. Derivatives	2414.49	2083.59
- Ethyl Alcohol (Potable)	77.58	68.30
- Guar Gum Powder and derivatives	148.00	109.46
- Guar Churi	1.88	19.41
- Industrial Gases	16.87	0.00
Total Finished Goods	<u>6091.53</u>	<u>3005.13</u>
Stock-in-Process	1602.65	1333.75
Residue Product	59.61	5.99
	<u>7753.79</u>	<u>4344.87</u>
Less: Stocks at the commencement of commercial production		
- Residue Product	0.00	50.40
- Stock-in-Process - Ethyl Alcohol	0.00	3.02
- Finished Goods - Ethyl Alcohol (Potable)	0.00	4.05
- Stock-in-Process - RAB	0.00	392.90
	<u>0.00</u>	<u>450.37</u>
Less: Differential Excise duty provided on Stocks	(425.06)	440.10
INCREASE/ (DECREASE)	<u>(1480.69)</u>	<u>2518.45</u>



INDIA GLYCOLS LIMITED

SCHEDULE 'J' MANUFACTURING AND OTHER EXPENSES

	(Rs. in lacs)	
	Current Year	Previous Year
Raw Materials consumed	45268.05	38290.24
Stock in Process transfer from trial run	0.00	231.19
Stores and spare parts consumed	5720.72	4898.67
Power and Fuel	13659.61	12209.31
Salaries, Wages, Allowances, etc.	2863.97	2345.41
Contribution to Provident and other funds	342.52	236.13
Staff Welfare Expenses	189.55	157.30
Repairs and Maintenance		
- Buildings	124.68	57.06
- Plant & Machinery	620.81	409.24
- Others	226.05	128.02
Rent	56.06	56.15
Rates and Taxes	1164.00	212.40
Traveling and Conveyance	875.90	543.53
Insurance (Net of recovery from customer Rs.72.25 Lacs, Previous year Rs. 53.58 Lacs)	373.54	339.93
Directors' Fee	5.95	1.95
Exchange Fluctuation loss (net of gain Rs. Nil, Previous year Rs. 358.86 lacs)	0.00	105.45
Miscellaneous Expenses	788.73	585.37
Donation	171.67	148.13
Commission to Selling agents	88.11	75.71
Freight forwarding and others (Net of recovered from customer Rs.1095.91 lacs, Previous year Rs.611.48 lacs)	2989.44	2364.60
Bad debts written off	20.58	8.24
Less : Provision for doubtful debts written back	20.09	0.00
Provision for doubtful debts and advances	0.76	36.43
Loss on Sale / Discard of Fixed Assets (Net of profit Rs. Nil, previous year Rs.1.21 lacs)	0.00	94.76
Provision for diminution in value of Current Investments	2.63	2.26
Prior period expenses (Net) (Net of income Rs. 110.38 lacs Previous year Rs. 2.82 lacs)	242.47	3.48
Wealth Tax	1.64	1.32
Sub total	75777.35	63542.28

SCHEDULE 'K' FINANCE CHARGES

	(Rs. in lacs)	
	Current Year	Previous Year
Interest on Fixed Loans/ Debentures	2327.57	1645.19
Other Interest (Include Rs. Nil (previous year Rs. 253.97, charge in Income Tax Assessment Orders)	1210.17	798.65
Financial Charges	337.41	161.72
	3875.15	2605.56
Less: Interest Received (*) (Tax Deducted at source Rs. 8.25 Lacs, Previous year Rs. 4.87 Lacs)	146.31	490.76
	3728.84	2114.80

[(*) Include on deposit Rs. 22.89 lacs, Previous year Rs. 19.27 Lacs and Interest on Income Tax refund Nil previous year Rs.433.22 lacs. and other Rs. 123.42 lacs, Previous year Rs. 38.27 lacs]



INDIA GLYCOLS LIMITED

SCHEDULE 'L'

NOTES TO THE ACCOUNTS:

1. ACCOUNTING POLICIES

A. FIXED ASSETS AND DEPRECIATION

- (a) (i) All tangible fixed assets are stated at their historical cost less accumulated depreciation. Depreciation on fixed assets, except on leasehold land, EO Derivative unit and Catalysts, is provided on straight line method at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956. Depreciation on fixed assets of EO Derivative unit is provided on written down value method (WDV) at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956. Depreciation on catalyst is provided on straight line method (SLM) over the technically assessed useful life. Depreciation on additions/disposals is provided with reference to the month of addition/disposal.
- (ii) Certain Plant and Machinery considered as continuous process plant based on technical evaluation.
- (iii) Leasehold land is amortised over the period of lease.
- (iv) Depreciation on increase/decrease in value due to foreign exchange fluctuation is provided on straight line method over the residual life of the assets.
- (b) Intangible assets: Computer software are accounted for at their cost of acquisition and amortised over the estimated useful life not exceeding six years.

B. 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.

C. 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 Profit & Loss Account. Current Investments are valued at lower of cost or fair value.

D. VALUATION OF INVENTORIES

Inventories are valued 'at lower of cost and 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.

E. FOREIGN EXCHANGE TRANSACTIONS

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. The increase/decrease in liability arising in respect of fixed assets acquired from country outside India is adjusted to the cost of fixed asset and in respect of others is charged to the revenue account.

F. MANAGEMENT OF RAW MATERIAL (GUAR GUM) PRICES

Risk associated with fluctuation in the prices of Guar Gum (Raw Material) are mitigated by hedging on futures/options market. The result of this hedging contract/transactions are recorded upon their settlement as part of Raw Material cost. Portion of Cash flow to the extent of underlying transactions having not been completed is carried forward as receivable/payable.

G. RETIREMENT BENEFITS

The Superannuation Scheme is a defined benefit plan, which has been funded and the annual contribution to the fund is expensed. The Gratuity Scheme is a defined benefit plan, which is funded and the liability of accrued gratuity based on actuarial valuation as confirmed is expensed. The liability of leave encashment benefit is accounted for on actuarial basis as at the year end.

H. GOVERNMENT GRANTS

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

I. BORROWING COST

Interest and other costs in connection with the borrowing of funds are capitalised up to the date when such qualifying assets are ready for its intended use and other borrowing costs are charged to profit and loss account.

J. 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 crystallise. Deferred tax assets are recognised only to the extent that there is



INDIA GLYCOLS LIMITED

a reasonable / virtual certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realised.

K. 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.

L. 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 recognised in the period in which the results are known / materialised.

M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised nor disclosed in the financial statements.

NOTES

2. Contingent Liabilities not provided for :

i) Claims against the company under appeal

Particulars	As on 31.03.07 (Rs. In Lacs)	As on 31.03.06 (Rs. In Lacs)
Income Tax Matter	138.57	119.35
Central Excise	9.60	3.51
Customs	53.02	11.42
Service Tax & Others	229.61	105.68

(ii) Bills discounted with Banks Rs. 1196.42 Lacs (Previous Year: Rs. 351.35 Lacs).

(iii) Customs duty saved of Rs. 1351.69 Lacs (Previous Year Rs. 682.48 Lacs) for import of capital good made against EPCG licence against which export obligations are pending.

(iv) Corporate Guarantee to banks against for agriculture loan given to certain sugarcane suppliers amounting to Rs. 3000.00 Lacs. (Previous Year NIL)

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 2588.49 Lacs Previous Year Rs. 3619.04 Lacs) are Rs. 7708.69 Lacs (Previous Year : Rs. 9682.70 Lacs).

4. Since it is not possible to determine with reasonable certainty/accuracy insurance claims and interest from customers, the same are continued to be accounted on settlement basis.

5. Advances recoverable in cash or kind include loans and advances in the nature of Loan recoverable from the employees where there is:

- No interest or interest is below Section 372A of the Companies Act Rs. 121.10 Lacs. (Previous Year Rs. 61.76 Lacs) Maximum Balance outstanding during the year Rs. 228.70 Lacs (Previous Year Rs. 147.25 Lacs).
- Repayment schedule is beyond seven years or no repayment schedule Rs. 81.06 Lacs (Previous Year Rs. 25.93 Lacs). Maximum Balance outstanding during the year Rs. 129.32 Lacs (Previous Year Rs. 35.11 Lacs).

6. As per AS-15 (Revised) "Employee Benefits", issued by The Institute of Chartered Accountants of India, an additional liability of Rs. 50.48 lacs on account of Gratuity and Rs. 102.93 lacs on account of LTA pertaining to earlier years is adjusted against opening balance of General Reserve. Had the old practice been continued, the charge to the Profit & Loss Account on account of LTA would have been lower by Rs.17.08 Lacs and there is no material impact in respect of gratuity.

7. 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. On 18-10-2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, company has filed an application for refund of amount paid of Rs. 507.05 lacs (shown as recoverable under the head Loans & Advances) with State Government of Uttarakhand.

8. DGFT vide its notification dated 12th June 2006 has reduced the rate of duty credit entitlement to 5% on incremental exports made in the year 2005-06. During the year various chambers of commerce and industries have made representations before the Govt. of India to restore the above benefit. Considering present status, provision for differential duty amounting to Rs. 459.11 Lacs has been made and shown as "exceptional item". (Previous Year Net results(loss) of erstwhile CDS amounting to Rs.277.70 Lacs).

9. Prior period expenses (Net) include Rs. 348.25 lacs on account of utilization of Advance Licence and profit of Rs. 77 Lacs being claims recoverable from Government.

10. The Company is in the process of identifying the micro,



INDIA GLYCOLS LIMITED

small and medium enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006". However, based on the information so far available with the Company i.e. upto May 31, 2007, in respect of enterprises so identified, there are no delays in the payment of dues to such enterprises.

11. (i) Depreciation on catalyst is provided based on technically assessed useful life of 1 to 3 years on straight line method (SLM).
(ii) Specialised Computer software is amortised over its useful life of 6 years on SLM basis.
12. Capital work-in-progress includes machinery under installation, buildings under construction, construction/erection material in hand, technical know-how fees, advances paid for plant & machinery and other assets and also includes the following pre-operative expenses:

	Rs. in Lac	
	2006-07	2005-06
Amount brought forward from previous year	178.46	163.85
Raw Material Consumed	-	749.45
Stores Spares & Chemical consumed	-	5.40
Repair & Maintenance	-	30.52
Salary, wages & allowances	187.02	249.50
Contribution to Provident fund & other funds	18.38	12.43
Staff welfare expenses	15.88	19.44
Legal & Professional charges	4.65	10.10
Rent	1.88	5.07
Depreciation	-	2.08
Equipments hiring charges	4.80	-
Traveling and Conveyance	111.50	108.41
Interest on Fixed Loans	535.75	528.56
Other financial charges	182.57	90.79
Insurance premium	8.63	15.75
Engineering & Supervision	230.51	72.87
Process Engineering & Technical assistance	11.02	32.69
Power & Fuel	70.97	207.01
Rates & Taxes	4.03	34.69
Foreign Exchange Fluctuation	-	43.51
Miscellaneous Expenses	51.20	62.51
	1617.25	2444.63
Less:		
Miscellaneous Income	76.83	30.77
Exchange fluctuation	19.53	-
Sales*	-	35.86
Stock-in-process transfer to distillery	-	231.19
Stock at commencement of commercial production/		

Rs. in Lac
2006-07 2005-06

Closing Stock		
- Finished goods **	-	4.05
- Stock in process ***	-	395.92
- Residue product @	-	50.40
	1520.89	1696.44
Less : Capitalised during the year	911.48	1517.98
Balance carried forward	609.41	178.46

- * Sale of Bagasse Rs. Nil (Previous year Rs. 35.86 lacs)
** Finished goods of Ethyl Alcohol (Potable) Rs. Nil (Previous year Rs. 4.05 Lacs)
*** includes stock-in-process of RAB Rs. Nil (Previous year Rs. 392.90 lacs) and Alcohol Rs. Nil (Previous year Rs. 3.02 Lacs)
@ Stock of Bagasse Rs. Nil (Previous year Rs. 50.40 Lacs)

13. Related Parties Disclosure:

(As identified by the management)

(i) Relationships:

- A. Subsidiary Companies
- IGL Finance Limited
- B. Key Management Personnel
- M. L. Bhartia
- U. S. Bhartia
- C. Enterprises over which Key Management Personnel have significant influences:
- Ajay Commercial Co. (P) Ltd.
- J. B. Commercial Co. (P) Ltd.

(ii) Detail of Transactions with related parties: (*)

	Rs. in Lacs		
	Subsidiary Companies	Key management Personnel	Enterprises referred in (i) C above
Purchase of Assets	-	-	-
Rent Paid	-	-	3.12 (3.12)
Deposits repaid	-	-	-
Deposits Accepted	-	(28.62)	-
Interest Expense	-	(417.65) 39.25 (32.85)	-
Remuneration	-	546.56 (638.68)	-
Outstanding Balances as at year end			
Loans & Advance	-	-	180.00 (180.00)
Deposits payable	-	487.45 (448.20)	-

Figures in Bracket represent previous year figures.

(*) Excluding Commission to Non Executive Director's.



INDIA GLYCOLS LIMITED

	2006-07	2005-06
14. Earnings per share (EPS)		
Net profit for the year attributable to equity shareholders (Rs. in Lac)	4105.31	5857.58
Weighted average number of equity shares outstanding	2,78,82,500	2,78,82,500
Basic and diluted earnings per share (face value of Rs. 10 each) (Rs.)	14.72	21.01

15. Deferred liabilities & assets are attributable to the following items -

	Rs./Lac	
	As at 31.03.2007	As at 31.03.2006
Deferred Tax Liabilities		
Accelerated depreciation	6278.66	5262.11
Reversal in diminution in value of Long Term Investments	8.50	—
Deferred Tax Assets		
Amount covered U/S 43 (B)	50.84	32.12
Provision for doubtful debts	26.40	36.77
Others	20.67	17.77
	97.91	86.66
Deferred Tax Liabilities (Net)	6189.25	5175.45

16. Revenue expenditure on Research & Development of Rs. 104.76 Lacs (Previous year: Rs. 88.43 Lacs) incurred during the year has been charged to profit and loss account.

17. Balances of certain Debtors, creditors, other liabilities and loans and advances are in process of confirmation and / or reconciliation.

18. (a) Addition / (adjustment) to fixed assets / capital work in progress includes Rs. 51.90 Lacs adjustment (net of Rs. 15.95 Lacs(Loss))(Previous Year: Rs. 15.76 Lacs , net of Rs. 27.75 Lacs (gain)), on account of foreign exchange fluctuation.

(b) Foreign Exchange Fluctuation amounting to Rs. 15.91 Lacs (gain) (net of loss Rs. 0.85 Lacs) [Previous Year Rs. 18.98 Lacs (gain), (net of loss Rs. 10.56 Lacs] has been included in Stores & Spares and Raw Material Consumption in profit & loss account.

16. Segment Information:

A. Information about Business Segments (Primary Segments):

	Business Chemicals	Liquor	Segments Others	Unallo-cable	Total
A REVENUE					
1 Gross Sales (External)	88336.97	15307.82	1292.38	-	104937.17
	(71690.35)	(6661.90)	(1415.10)	-	(79767.35)
2 Other Income	1229.03	63.09	98.20	1794.74	3185.06
	(1961.36)	(3.28)	(181.76)	(37.15)	(2183.55)
3 Total Revenue	89566.00	15370.91	1390.58	1794.74	108122.23
	(73651.71)	(6665.18)	(1596.86)	(37.15)	(81950.90)

B RESULTS					
1 Segment Result (PBIT)	8249.24	1404.35	-96.07	-603.44	8954.08
	(9239.68)	(933.53)	(-479.71)*	(-1355.51)	(8337.99)
2 Interest Expense (Net)					3728.84
3 Profit Before Tax					(2114.80)
4a Provision for Current Tax					5225.24
4b Deferred Tax					(6223.19)
					574.36
					(545.18)
					1013.80
					(828.29)
4c Taxation provision of earlier year written back					0.00
4d Fringe Benefit Tax					(540.90)
					106.13
					(78.22)
4e Minimum Alternate Tax Credit entitlement					-574.36
5 Profit after Tax					(545.18)
					4105.31
					(5857.58)

C Other Information:

1 Segment Assets	109745.71	4507.88	1910.80	3724.41	119888.80
	(90247.83)	(3706.62)	(1943.90)	(1851.07)	(97749.42)
2 Segment Liabilities	22656.62	940.85	184.91	64405.83	88188.21
	(11778.72)	(175.93)	(113.17)	(56954.27)	(69022.09)
3 Capital Expenditure	20677.83	198.81	0.70	169.11	21046.45
	(19102.59)	(286.59)	(161.88)	(54.76)	(19605.82)
4 Depreciation and Amortisation expenses	4598.73	43.81	75.63	108.94	4827.11
	(3463.22)	(28.95)	(76.59)	(102.95)	(3671.71)

(*) Include exceptional item.

Information about Geographical Segments (Secondary Segments):

	Domestic	Overseas	Total
1 Gross Sales (External)	92121.56	12815.61	104937.17
	(66398.91)	(13368.44)	(79767.35)
2 Segment Assets	115132.55	1031.84	116164.39
	(94999.11)	(899.24)	(95898.35)

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 chemical, liquor and others which includes guar gum & software development 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

Chemicals Segment comprises manufacture and sale of Ethylene Glycol, Di-ethylene Glycol, Heavy Glycol and EO Derivatives

Liquor Segment comprises manufacture and sale of Ethyl Alcohol (Potable).



INDIA GLYCOLS LIMITED

'Others' primarily include Guar Gum, Software development.

20. Previous year's figures have been regrouped / rearranged / recast wherever considered necessary.

21. Additional Information:

A. a) Payment to Auditors **Rs. in lacs**
2006-07 **2005-06**
 {(*) Exclusive of applicable service tax)}

i) As Auditors (*)	5.00	5.00
ii) In other capacity in respect of		
a) For Tax Audit	0.75	0.75
b) Out of Pocket Expenses	0.59	—
c) Certification	0.11	0.29
	6.45	6.04

b) Cost Auditors (*)	2006-07	2005-06
i) Audit Fees	0.30	0.30
ii) Out of Pocket Expenses	0.11	0.06
	0.41	0.39

B. a) Managerial Remuneration to Chairman and Managing Director and Managing Director:

	Rs. in Lac	
	2006-07	2005-06
i) Salaries	60.00	60.00
ii) Contribution to Provident Fund & Superannuation Fund	8.20	7.20
iii) Perquisite value of other benefits	128.23	18.10
Sub total	196.43	85.30

i) Commission to CMD & MD	350.13	553.38
ii) Commission to Non executive Directors	9.00	13.53
Total	555.56	652.21

Note : Liability of gratuity has not been ascertained separately, since funded through group policy. Leave encashment liability can not be ascertained separately, hence not included in above.

b) Computation of Net Profits in accordance with Section 198 of the Companies Act, 1956. **Rs. in Lac**

	2006-07
Profit before tax as per Profit & Loss Account	5225.24
Add : Managerial Remuneration as above	555.56
Directors' Fees	5.95
Provision for doubtful debts & advances	0.76
Wealth Tax	1.64
Less: Reversal of Diminution in value of Long Term Investments	25.00
Bad Debts written off	20.09
Additional Liability as epr AS-15 (Revised)	153.41
Net Profit for calculation of Commission to Directors	5590.65
Commission to Chairman and Managing Director and Managing Director restricted to-	350.13
- Chairman and Managing Director	126.50
- Managing Director	223.63
Commission to Non Executive Directors	9.00

C. Capacities and Production (Qty.in MT)

Products	Licenced Capacity	Installed Capacity*		Production #	
		2006-07	2005-06	2006-07	2005-06
Ethylene Glycol	N.A. @	86,500	86,500	88,350	89,214
Ethylene Oxide	N.A. @	24,000	24,000	-	-
Di-ethylene Glycol	N.A. @	6,100	6,100	7,942	7,321
Heavy Glycol	N.A. @	400	400	343	332
E.O. Derivatives	N.A. @ @@	26,000	26,000	54,469**	45,258**
Guar Gum Powder & Derivatives	N.A. @	12,000	12,000	2,148**	2,626
Ethyl Alcohol (Potable) Qty. in (KBL)	N.A. @	18,000	18,000	3,382	2,502
Industrial Gases Division Qty in NM ³	N.A. @	NM ³ /Hr	NM ³ /Hr	NM ³	NM ³
Oxygen		10400	10400	61960588	33340934
Nitrogen		2828	2828	16128019	15420747
Argon		232	232	901357	206454
<u>Gorakhpur</u>					
Ethyl Alcohol Qty. in (KBL)	N.A. @	66000	66000	54580	18

Capital expenditures incurred for De-bottlenecking/balancing equipments at various plants.

@@ Standard Capacity

** Net of captive consumption.

* As certified by the Management and relied upon by the auditors, being a technical matter.

Production as received in bonded tank farm.

@ Under the Industrial Policy Statement dated 24th July, 1991 and the notifications issued thereunder, no licencing is required for these products



INDIA GLYCOLS LIMITED

D. Stocks and Sales (Qty. in MT)

Products	Stocks			Sales	
	As at 31.3.07	As at 31.3.06	As at 31.3.05	2006-07	2005-06
Ethylene Glycol	260 [^]	8030 [^]	1370	96120 ^{##}	82554 ^{##}
Di-ethylene Glycol	399	273	266	7816 ^{@ @}	7314 ^{@ @}
Heavy Glycol	46 ^{^^}	141 ^{^^}	92	438 ^{**}	283 ^{**}
EO Derivatives	3873 ^{&}	4384 ^{&}	3673 ^{&}	54980	44547
Guar Gum Powder & Derivatives	219 ^{\$}	305 ^{\$}	270 ^{\$}	2234	2591
Ethyl Alcohol (Potable) Qty. in (KBL)	132	104	116	3354	2514
Industrial Gases Division Qty in NM ³					
Oxygen	251000	291421	-	62001009 ⁺	39049513 ⁺
Nitrogen	9373	28872	-	16147518 ⁺⁺	15391875 ⁺⁺
Argon	63396	11590	-	849551	194864
Gorakhpur					
Ethyl Alcohol Qty. in (KBL)	1294	18	-	53304 ^{\$\$}	-

^{##} Includes 638 MT capitivity consumed in Ethylene Oxide derivatives (Previous year: 518 MT)

^{@ @} Includes 2287 MT capitivity consumed in Ethylene Oxide derivatives (Previous year 1680 MT)

^{**} Includes NIL capitivity consumed in Ethylene Oxide derivatives (Previous year 67 MT)

^{\$} Includes 74 MT Stock in Transit/Port (Previous year 213 MT)

[&] Includes 1236 MT Stock in Transit/Port (Previous year 640 MT)

[^] Includes 47 MT Stock in Transit/Port (Previous year 714 MT)

^{^^} Includes NIL Stock in Transit/Port (Previous year 74MT)

⁺ Include 54039005 NM3 capitivity consumed. (Previous year 38386763 NM3)

⁺⁺ Include 15182998 NM3 capitivity consumed. (Previous year 15384819 NM3)

^{\$\$} Include 51851 KBL transferred to Kashipur Plant for captive consumption(Previous year Nil) and 1453 KBL capitivity consumed (Previous year Nil).

E. Consumption of Raw Materials

	2006-2007		2005-2006	
	Qty. (MT)	Value (Rs in Lac)	Qty. (MT)	Value (Rs in Lac)
Molasses	658342	22730.96	419397	14775.82
Chain Starters	7699	4184.99	6842	3605.66
Denatured Spirit	102255*	11424.75	89999*	15989.03
Production Chemicals & Others	—	6927.35	—	4669.18
		<u>45268.05</u>		<u>39039.69</u>

* Qty in KBL

- Production Chemicals & Others include Cane consumption Trial Run Qty Nil (Previous year 59998 Mt amounting to Rs. 744.49 Lacs)

- Consumption of Molasses include Trial Run Qty Nil (Previous year 87 Mt amounting to Rs 2.03 Lacs)

- Production Chemicals & Others include Ethyl Alcohol (Potable) Consumed trial Run Qty Nil (Previous year 14 KBL amounting to Rs. 2.93 Lacs)

F. C.I.F. Value of Imports

	2006-07 (Rs.in Lac)	2005-06 (Rs.in Lac)
1. Capital Goods	3208.28	1328.39
2. Stores & Spares	228.62	210.47
3. Raw Materials	570.03	14722.38

G. Earning in Foreign currency

	2006-07 (Rs.in Lac)	2005-06 (Rs.in Lac)
1. FOB Value of Exports – Goods	12566.07	12380.74
– Services	0.90	31.22
2. Exclusive Right Fees	70.23	58.09
3. Others	19.68	0.00



INDIA GLYCOLS LIMITED

H. a) Foreign Exchange Derivatives and exposures outstanding at the year end. (As certified by the Management)

Nature of Instruments	2007 Amount (Equivalent US\$ MLN)	2007 Amount (Equivalent Rs. in Cr.)	2006 Amount (Equivalent US\$ MLN)	2006 Amount (Equivalent Rs. in Cr.)
Forward Contracts	6.18	27.17	-	-
Foreign currency options	60.99	264.57	-	-
Swaps	35.96	156.01	2.56	111.01
Packing Credit Net of Export debtors	8.06	35.07	7.82	35.17
Open foreign exchange exposures				
Loans	43.20	187.40	27.59	123.77

The Company uses derivative instruments for hedging and/or reducing interest costs.

b) Commodity transactions outstanding as at year end are as below:

(As certified by the Management)

Commodity	Exchange	Nature of Transaction	Quantity (MT)
GARGUMJDR	NCDEX	Sell	50
GARGUMJDR	NCDEX	Buy	80
GARGUMJDR	NCDEX	Sell	25

I. Value of Imported and Indigenous Raw Materials, Stores, Spares and chemicals:

a) Consumption of Stores	2006-07		2005-06	
	(Rs.in Lac)	%age	(Rs.in Lac)	%age
Spares Parts				
Imported	53.67	0.94	70.25	1.45
Indigenous	5667.05	99.06	4833.82	98.55
	<u>5720.72</u>	<u>100.00</u>	<u>4904.07</u>	<u>100.00</u>

(Stores spares consumed include consumed in trial run consumption of Rs. NIL (previous year 5.40 Lacs))

b) Raw Materials Consumed				
Imported	4040.48	8.93	16024.07	41.05
Indigenous	41227.57	91.07	23015.62	58.95
	<u>45268.05</u>	<u>100.00</u>	<u>39039.69</u>	<u>100.00</u>

J. Expenditure in Foreign Currency (as remitted)

	2006-07 (Rs.in Lac)	2005-06 (Rs.in Lac)
a) Travelling and other matters	483.55	96.38
b) Interest	630.20	472.59
c) Process Engineering & Technical assistance	9.07	42.20
d) Commission	5.99	4.18

J. Remittance in Foreign Currency on Dividend Account

	2006-07	2005-06
- Amount of Dividend Remitted*	Rs. 1.92 Lac	Rs. 16.19 Lac
- Year to which the Dividend relates	Year ended 31st March 2006	Year ended 31st March 2005
- No. of Non-Resident Shareholders	78	78
- No. of Equity Shares held by non-resident shareholders	64,100	5,39,700

* Excluding for those shareholders for whom dividend has been credited to their NRE Accounts in India.

L. Balance Sheet abstract and company's general business profile (As per ANNEXURE-I)

Signatures to Schedules A to L

As per our report of even date.

For LODHA & Co.

Chartered Accountants

N.K. Lodha <i>Partner</i>	M.L. Bhartia <i>Chairman & Managing Director</i>	U.S. Bhartia <i>Managing Director</i>	Jagmohan N. Kejriwal Pradip Kumar Khaitan Autar Krishna
Place : New Delhi	S.K. Sood <i>President (Finance)</i>	Lalit Kumar Sharma <i>Company Secretary</i>	R.C. Misra <i>Director</i>
Dated : 23rd June, 2007			



INDIA GLYCOLS LIMITED

I. Registration Details

ANNEXURE - I

Registration No. 0 0 9 0 9 7

State Code 2 0

Balance Sheet Date 3 1 0 3 2 0 0 7

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

1 1 9 8 8 8 8 0

Total Assets

1 1 9 8 8 8 8 0

Sources of Funds

Paid-up Capital

2 7 8 8 2 1

Reserves & Surplus

(Including Deferred Tax)

3 5 1 0 1 6 3

Secured Loans

5 1 9 2 7 2 3

Unsecured Loans

3 1 6 4 1 5

Application of Funds

Net Fixed Assets

7 7 4 9 5 5 8

Investments

2 6 3 6 6

Net Current Assets

1 5 2 2 1 9 8

Misc. Expenditure

N I L

Accumulated Losses

N I L

IV. Performance of company (Amount in Rs. Thousands)

Turnover & Other Incomes

1 0 8 1 2 2 2 3

Total Expenditure

7 5 7 2 7 7 1

Profit/Loss Before Tax

+ 5 2 2 5 2 4

Profit/Loss After Tax

+ 4 1 0 5 3 1

(Please tick Appropriate box + for Profit - for Loss)

Earning Per Share in Rs.

1 4 . 7 2

Dividend rate %

3 0

V. Generic Names of Two Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code) 2 9 . 0 5

Product Description M O N O - E T H Y L E N E G L Y C O L

Item Code No. (ITC Code) 3 4 . 0 2

Product Description E T H Y L E N E O X I D E C O N D E -

N S A T E S / D E R I V A T I V E S



INDIA GLYCOLS LIMITED

CASH FLOW STATEMENT

	For the Year 2006-2007 Rs. in Lac	For the Year 2005-2006 Rs. in Lac
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	5225.24	6223.19
ADJUSTMENTS FOR:		
DEPRECIATION	4,827.11	3671.71
(PROFIT)/LOSS ON SALE OF ASSETS	(582.52)	94.76
FOREIGN EXCHANGE FLUCTUATION	(1,218.60)	0.00
PROVISION/(RECOVERY) IN DIMINUTION IN THE VALUE OF INVESTMENTS (Net)	(22.37)	2.26
BAD DEBTS & PROVISION FOR DOUBTFUL DEBTS AND ADVANCES	1.25	36.43
PROVISION NO LONGER REQUIRED WRITTEN BACK	(16.62)	0.00
EXCEPTIONAL ITEM (REFER NOTE 8 SCHEDULE L)	459.11	277.70
INTEREST EXPENSE	3,537.74	2443.84
INTEREST/DIVIDEND INCOME	(156.01)	(498.63)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	12054.33	12251.26
ADJUSTMENTS FOR:		
(INCREASE) IN TRADE AND OTHER RECEIVABLES	(3,299.95)	(4123.89)
(INCREASE)/DECREASE IN INVENTORIES	(790.29)	(1849.95)
INCREASE/(DECREASE) IN TRADE PAYABLES	11,514.87	3107.52
CASH GENERATED FROM OPERATIONS	19478.96	9384.94
DIRECT TAXES PAID (NET)	(736.89)	(333.65)
NET CASH FROM OPERATING ACTIVITIES:	18742.07	9051.29
B. CASH FLOW FROM INVESTING ACTIVITIES:		
PURCHASE OF FIXED ASSETS	(20,753.24)	(18868.94)
SALE OF FIXED ASSETS	1,204.05	76.67
INTEREST/DIVIDEND RECEIVED	147.05	506.50
NET CASH USED IN INVESTING ACTIVITIES:	(19402.14)	(18285.77)
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM BORROWINGS	19,631.53	32966.03
REPAYMENT OF BORROWINGS	(13,190.97)	(20033.45)
INTEREST/ OTHER BORROWING COST	(3,684.55)	(3285.60)
DIVIDENDS PAID (INCLUDING CORPORATE DIVIDEND TAX)	(945.34)	(947.95)
NET CASH FROM FINANCING ACTIVITIES	1810.67	8699.03
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS {(A)+(B)+(C)}	1150.60	(535.45)
CASH AND CASH EQUIVALENT BEING CASH AND BANK BALANCES (OPENING BALANCE)	184.99	720.44
CASH AND CASH EQUIVALENT BEING CASH AND BANK BALANCES (CLOSING BALANCE)	1335.59	184.99

NOTE:

(1) PREVIOUS YEAR'S FIGURES HAVE BEEN REGROUPED WHEREVER CONSIDERED NECESSARY.

(2) CASH AND CASH EQUIVALENT BEING CASH AND BANK BALANCE AS PER SCHEDULE F.

As per our report of even date.

For LODHA & Co.

Chartered Accountants

N.K. Lodha
Partner

M.L. Bhartia
Chairman & Managing Director

U.S. Bhartia
Managing Director

Jagmohan N. Kejriwal
Pradip Kumar Khaitan
Autar Krishna

Place : New Delhi
Dated : 23rd June, 2007

S.K. Sood
President (Finance)

Lalit Kumar Sharma
Company Secretary

R.C. Misra
Director



INDIA GLYCOLS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary Company	IGL Finance Limited
1. Financial Year of the Company ended on	31.3.2007
2. Holding Company's Interest :	
(i) Equity Shares of Rs.10 each	
(a) Number of Shares Fully Paid	5000000
(b) Extent of holding	100%
3. Net aggregate amount of profit/(loss) of the Subsidiary, so far as they concern members of India Glycols Limite	
(i) For the said financial year of the Subsidiary:	
(a) Dealt with in the accounts of Holding Company	Nil
(b) Not dealt with in the accounts of Holding Company (Rs. in Lacs)	0.45
(ii) For the previous financial years of the Subsidiary since It became the Holding Company's Subsidiary (Rs. in Lacs)	(415.25)
4. As the financial year of the Subsidiary Company coincide with the financial year of the Holding Company , Section 212(5) of the Companies Act, 1956 is not applicable.	

Place : New Delhi	M.L. Bhartia <i>Chairman & Managing Director</i>	U.S. Bhartia <i>Managing Director</i>	Jagmohan N. Kejriwal Pradip Kumar Khaitan Autar Krishna
Dated : 23rd June, 2007	S.K. Sood <i>President (Finance)</i>	Lalit Kumar Sharma <i>Company Secretary</i>	R.C. Misra <i>Director</i>



INDIA GLYCOLS LIMITED

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of India Glycols Limited on the Consolidated Financial Statements of India Glycols Limited and its Subsidiary

We have examined the attached consolidated Balance Sheet of India Glycols Limited (the company) and its subsidiary (M/s IGL Finance Limited) as at 31st March 2007, and the consolidated Profit and Loss Account and also the consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of India Glycols Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary, whose financial statements reflect total assets of Rs. 85.15 lacs as at 31st March 2007 and total revenues of Rs. 0.78 lacs for the year then ended. The financial statements of subsidiary has been audited by other auditors, whose report has been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the said subsidiary, is based solely on the report of the other auditor.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of India Glycols Limited and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its Subsidiary included in the Consolidated Financial Statements, we are of the opinion that the said consolidated financial statements read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Consolidated Balance Sheet, of the Consolidated state of affairs of the Company and its Subsidiary as at 31st March 2007;
- b) In the case of the Consolidated Profit & Loss Account, of the consolidated results of operations of the Company and its Subsidiary for the year then ended; and
- c) In the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its Subsidiary for the year then ended.

**For Lodha & Co.
Chartered Accountants**

**Place : Delhi
Date : 23rd June, 2007**

**N. K. LODHA
Partner
Membership No.: 85155**



INDIA GLYCOLS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

(Rs. in lacs)

	Schedule	As at 31.03.2007	As at 31.03.2006
SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	A	2788.21	2788.21
b) Reserves and Surplus	B	<u>28922.54</u>	<u>25948.98</u>
		31710.75	28737.19
2. Loan Funds			
Secured Loans	C	51927.23	40486.86
Unsecured Loans		<u>3164.15</u>	<u>9438.84</u>
		55091.38	49925.70
3. Deferred tax liability (net)			
		<u>6189.25</u>	5175.45
TOTAL		<u>92991.38</u>	<u>83838.34</u>
APPLICATIONS OF FUNDS			
1. Fixed Assets			
Gross Block	D	90679.68	77891.19
Less: Depreciation		<u>25965.24</u>	<u>22964.85</u>
Net Block		64714.44	54926.34
Capital work-in-progress (Including pre-operative expenses)		<u>12781.14</u>	6971.43
2. Investments			
	E	262.66	240.29
3. Current Assets, Loans and Advances			
Inventories	F	22402.33	21612.04
Sundry Debtors		7723.47	7692.37
Cash and Bank Balances		1346.58	195.64
Loans & Advances		<u>10668.73</u>	<u>6666.58</u>
		<u>42141.11</u>	<u>36166.63</u>
Less: Current Liabilities and Provisions	G		
Current liabilities		24511.46	12767.05
Provisions		<u>2396.51</u>	<u>1699.46</u>
		<u>26907.97</u>	<u>14466.51</u>
Net Current Assets		15233.14	21700.12
4. Miscellaneous Expenditure			
(To the extent not written off or adjusted)	L	0.00	0.16
TOTAL		<u>92991.38</u>	<u>83838.34</u>
Notes to the Accounts	M		

As per our report of even date.

For LODHA & Co.

Chartered Accountants

N.K. Lodha
Partner

M.L. Bhartia
Chairman & Managing Director

U.S. Bhartia
Managing Director

Jagmohan N. Kejriwal
Pradip Kumar Khaitan
Autar Krishna

Place : New Delhi
Dated : 23rd June, 2007

S.K. Sood
President (Finance)

Lalit Kumar Sharma
Company Secretary

R.C. Misra
Director

**INDIA GLYCOLS LIMITED****CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007****(Rs. in lacs)**

	Schedule	Current Year	Previous Year
INCOME			
Sales	H	104937.17	79767.35
Less: Excise Duty		16623.89	8639.67
Net Sales		88313.28	71127.68
Other Income	H	3185.84	2184.09
Increase/ (Decrease) in Stocks	I	(1480.69)	2518.45
		90018.43	75830.22
EXPENDITURE			
Manufacturing & Other Expenses	J	75777.68	63542.63
Finance Charges (Net)	K	3728.84	2114.80
		79506.52	65657.43
Profit before Depreciation and Tax		10511.91	10172.79
Depreciation		4827.11	3671.71
Profit before Tax and Exceptional item		5684.8	6501.08
Less: Exceptional item [refer note no. 7 of sch-M]		459.11	277.70
Profit Before Tax		5225.69	6223.38
Provision for taxation			
- Current tax		574.51	545.24
- Deferred tax		1,013.80	828.29
- Taxation for earlier years		0.00	(540.90)
- Fringe Benefit Tax		106.13	78.22
- Minimum Alternate Tax Credit entitlement		(574.36)	(545.18)
Net profit for the year		4105.61	5857.71
Debenture redemption reserve written back		125.00	1450.00
		4230.61	7307.71
Balance brought forward		21798.85	17444.94
Balance available for Appropriation		26029.46	24752.65
Transfer to General Reserve		2000	2000
Transfer to Statutory Reserve (pursuant to RBI Regulation)		0.08	0.00
Proposed Dividend		836.48	836.48
Corporate Dividend Tax		142.16	117.32
Balance carried forward		23050.74	21798.85
Earning per share basic/ diluted		14.72	21.01
Notes to the Accounts	M		

As per our report of even date.

For LODHA & Co.

Chartered Accountants

N.K. Lodha
*Partner*M.L. Bhartia
*Chairman & Managing Director*U.S. Bhartia
*Managing Director*Jagmohan N. Kejriwal
Pradip Kumar Khaitan
Autar KrishnaPlace : New Delhi
Dated : 23rd June, 2007S.K. Sood
*President (Finance)*Lalit Kumar Sharma
*Company Secretary*R.C. Misra
Director



INDIA GLYCOLS LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE 'A' SHARE CAPITAL

	(Rs. in lacs)	
	As at 31.03.2007	As at 31.03.2006
A. Authorised		
3,00,00,000 Equity Shares of Rs. 10 each	<u>3000.00</u>	<u>3000.00</u>
B. Issued, Subscribed and Paid up		
2,78,82,500 Equity Shares of Rs.10 each fully paid up	2788.25	2788.25
Less: Allotment Money in arrears	<u>0.04</u>	<u>0.04</u>
	<u>2788.21</u>	<u>2788.21</u>

SCHEDULE 'B' RESERVES AND SURPLUS

	(Rs. in lacs)			
	As at 31.03.2006	Additions	Deductions	As at 31.03.2007
Capital Reserve (*)	43.44	0.00	0.00	43.44
Statutory Reserve	0.13	0.08	0.00	0.21
Debenture redemption reserve	250.00	0.00	125.00	125.00
General Reserve	3656.56	2000.00	153.41 @	5503.15
Reserve for Contingencies	200.00	0.00	0.00	200.00
Surplus in Profit & Loss Account	21798.85	4230.61	2978.72	23050.74
	<u>25948.98</u>	<u>6230.69</u>	<u>3257.13</u>	<u>28922.54</u>
	<u>(21503.45)</u>	<u>(9329.71)</u>	<u>(4884.18)</u>	<u>(25948.98)</u>

(*) Represents project capital subsidy.

(@) Refer Note no. 5 of Schedule M



INDIA GLYCOLS LIMITED

SCHEDULE 'C' LOANS

	(Rs. in lacs)	
	As at 31.03.2007	As at 31.03.2006
SECURED LOANS		
DEBENTURES		
Non Convertible Redeemable Secured Debentures of Rs. 100 each fully paid		
10,00,000 12.00% Debentures	334.00	667.00
5,00,000 9% Debentures	166.00	333.00
	500.00	1000.00
RUPEE TERM LOANS		
Financial Institutions		
Banks	10750.00	15750.00
Others	2437.50	4062.50
	13187.50	19812.50
FOREIGN CURRENCY TERM LOANS		
Banks	22679.14	9448.64
WORKING CAPITAL LOANS FROM BANKS	15476.53	10171.52
(Including working capital demand loan Rs.4801.39 lacs previous year Rs.3431.45 lacs)		
OTHER LOANS		
Banks	59.44	54.20
Others	24.62	0.00
	51927.23	40486.86
UNSECURED LOANS		
Fixed Deposits	1463.53	1509.73
Commercial papers	0.00	500.00
Packing Credit from Bank	542.91	1345.80
Buyer's Import Credit - Bank	0.00	86.85
Short Term Rupee Loan - Bank	0.00	4500.00
Foreign Currency Term Loan - Bank	1157.71	1496.46
	3164.15	9438.84

Notes:

1. The Term Loans/ Debentures ranking pari passu, 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 requirement.
2. Working Capital Loans from Banks are secured / to be secured by way of hypothecation of book debts and stocks including in-transit and second charge on all immovable properties of the company.
- 3a. 12% Debentures are redeemable in three equal annual instalment of Rs. 333.33 Lacs each commencing from 27.07.05 (w.e.f. 25th June, 2004 interest was reset to 5.50% first & second instalment redeemed).
- 3b. 9% Debentures are redeemable in three equal annual instalments of Rs.166.67 Lacs each commencing from 27.07.2005 First & Second instalment redeemed).
4. Maximum balance of Commercial papers outstanding during the year Rs. 1500 lacs. (Previous year Rs. 3500 lacs)
5. Other loans from Banks and others are secured by hypothecation of Motor Vehicles purchased there under.



INDIA GLYCOLS LIMITED

SCHEDULE 'D' FIXED ASSETS (CONSOLIDATED)

(Rs. in lacs)											
Description	GROSS BLOCK				As at 31.03.07	D E P R E C I A T I O N				NET BLOCK	
	As at 31.03.06	Acquired under Scheme of Amalgama- tion (@)	Addition Adjust- ment	Deduction/ Adjust- ment		Upto 31.03.06	For the year	Deduction/ Adjust- ment	Upto 31.03.07	As at 31.03.07	As at 31.03.06
Land	658.35	0	0.33	0	658.68	0	0	0	0	658.68	658.35
Leasehold Land	1087.75	0	37.51	0	1125.26	44.86	13.48	0	58.34	1066.92	1042.89
Buildings	3017.20	0	245.73	0	3262.93	520.22	80.09	0	600.31	2662.62	2496.98
Plant & Machinery	71402.78	0	14605.40	2417.93	83590.25	21596.74	4531.99	1807.56	24321.17	59269.08	49806.04
Furniture & Fixtures	986.66	0	180.19	1.70	1165.15	511.46	109.93	0.75	620.64	544.51	475.20
Vehicles (*)	488.85	0	167.58	28.62	627.81	166.82	51.16	18.41	199.57	428.24	322.03
Intangible Assets											
-Specialised computer Software	249.60	0	0	0	249.60	124.75	40.46	0	165.21	84.39	124.85
Total	77891.19	0	15236.74	2448.25	90679.68	22964.85	4827.11	1826.72	25965.24	64714.44	54926.34
Previous Year	58386.62	161.87	19685.22	342.52	77891.19	19484.09	3717.01	236.25	22964.85		
Capital-Work-in-progress including advances										12781.14	6971.43
										77495.58	61897.77

(*) Gross block includes Rs. 307.44 lacs (Previous year Rs. 237.83 lacs) secured by hypothecation against loan.

SCHEDULE 'E' INVESTMENTS

(Rs. in lacs)			
	Nominal Value (Rs.)	As at 31.03.2007	As at 31.03.2006
LONG TERM INVESTMENTS (Non-trade) (at cost net of provision for diminution)			
Unquoted			
468000 15% redeemable Non-cumulative preference shares of Hindustan wires Ltd.	100	70.68	46.80
22000 15% redeemable cumulative preference shares of Hindustan wires Ltd.	100	3.32	2.20
		74.00	49.00
Quoted, fully paid up			
211360 Equity Shares of IDBI Bank Ltd	10	105.00	105.00
34000 Equity Shares of UTI Bank Ltd.	10	7.14	7.14
2500 Equity Shares of ICICI Ltd.	10	1.97	1.97
		114.11	114.11
		188.11	163.11
CURRENT INVESTMENT (at lower of cost or market value)			
Quoted, fully paid up			
75900 UTI US64 Bonds (*)	100	74.55	77.18
		262.66	240.29
Agregated value of quoted investment		188.66	191.29
Market value of quoted investments		514.91	378.46

(*) Notes: The company has earmarked 75900 UTI US 64 bonds (face value) of Rs. 100/- each amounting to Rs. 75.90 Lacs in compliance with the provisions of Rule 3A of the companies (Acceptance of Deposits) Rules, 1975



INDIA GLYCOLS LIMITED

SCHEDULE 'F' CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2007	As at 31.03.2006
(Rs. in lacs)		
A. CURRENT ASSETS:		
Inventories		
(As taken, valued and certified by the management)		
Stores, and spares parts	5723.45	5256.43
Raw Materials	10811.86	8578.20
Finished Goods	3028.36	6091.53
Stock-in-process	2671.43	1602.65
Residue Product	148.25	59.61
Scrap	10.60	11.40
Loose Tools	8.38	12.22
	22402.33	21612.04
Sundry Debtors		
(Unsecured, Considered Good unless otherwise stated)		
Debts outstanding for more than six months	230.91	205.81
Others	7492.56	7486.56
	7723.47	7692.37
Over six months doubtful	77.68	97.00
Less: Provision for doubtful debts	77.68	97.00
	7723.47	7692.37
Cash and Bank Balances		
Cash on hand	53.55	29.43
Cheques on hand	0.00	10.00
Balance with Scheduled Banks		
- On Current Accounts	1181.01	53.15
- In Fixed Deposit Accounts	10.95	10.45
- On Dividend Accounts	101.07	92.61
	1346.58	195.64
B. LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Inter Corporate Deposit	75.00	75.00
Advances recoverable in cash or in kind or for value to be received	3468.51	2352.44
Doubtful advances/ loans	12.23	12.23
	3480.74	2364.67
Less Provision for doubtful advances/ loans	12.23	12.23
Export Incentive receivable	396.70	972.72
Balance with Excise authorities	3651.00	1471.41
Deposits with Government Departments & Others	442.44	348.60
MAT credit receivable	1119.54	545.18
Advance Income Tax/ Tax deducted at source	1515.54	901.23
	10668.73	6666.58



INDIA GLYCOLS LIMITED

SCHEDULE 'G' CURRENT LIABILITIES & PROVISIONS

	(Rs. in lacs)	
	As at 31.03.2007	As at 31.03.2006
A. CURRENT LIABILITIES		
Acceptances	660.82	2227.46
Sundry Creditors	20559.64	7526.37
Other Liabilities	2026.71	2153.72
Advance from customer's	665.59	464.67
Interest accrued but not due on loans	463.22	261.60
Investor education & protection fund shall be credited by the following accounts when due:		
(i) Unpaid Dividends	101.07	92.61
(ii) Unpaid matured deposits	26.69	31.61
(iii) Unpaid interest on above (i) & (ii)	7.72	9.01
	24511.46	12767.05
B. PROVISIONS		
Income Tax	1119.75	545.24
Fringe Benefit Tax (Net)	13.14	29.71
Wealth Tax	1.64	1.32
Proposed Dividend	836.48	836.48
Corporate Dividend Tax	142.16	117.32
Retirement benefits	283.34	169.39
	2396.51	1699.46
	26907.97	14466.51

SCHEDULE 'H' SALES AND OTHER INCOME

	(Rs. in lacs)	
	Current Year	Previous Year
SALES (Including Excise Duty)		
Ethylene Glycol	45674.01	37366.15
Di-ethylene Glycol	2937.93	2442.29
Heavy Glycol	283.63	142.41
E.O. Derivatives	38143.08	31523.57
Guar Gum Powder and derivatives	1291.48	1383.92
Ethyl Alcohol (Potable)	15307.81	6661.90
Industrial Gases	1233.59	147.47
Others	65.64	99.64
	104937.17	9767.35
OTHER INCOME		
Dividend on long term investment	4.58	2.75
Interest on current investment (TDS Rs. Nil, Previous year Rs. Nil)	5.12	5.12
Interest on FD (TDS Rs.0.13 lacs, previous year Rs. 0.12 lacs)	0.62	0.54
Rent (Tax Deducted at source Rs 5.03 Lacs ; Previous year Rs 6.40 Lacs)	26.44	31.54
Miscellaneous Income	699.90	438.55
Provision no longer required written back	16.62	221.72
Liability no longer required written back	0.16	392.81
Reversal of Diminution in value of Long term Investments	25.00	0.00
Exchange fluctuation gain (net of Loss Rs. 578.65 lacs, Prevoius year Rs. Nil)	1733.61	0.00
Commodity Derivative Income	26.35	0.00
Profit on sale of Raw material	0.00	118.34
Export Incentive receivable	64.92	972.72
Profit on sale of Fixed Assets (Net)	582.52	0.00
(Current year Net of Loss Rs. 4.61 lacs , Prevoius. year Rs. Nil)	3185.84	2184.09
	108123.01	81951.44



INDIA GLYCOLS LIMITED

SCHEDULE 'I' INCREASE/ (DECREASE) IN STOCKS

	(Rs. in lacs)	
	Current Year	Previous Year
CLOSING STOCK		
Finished Goods		
- Ethylene Glycol	106.49	3266.14
- Di-ethylene Glycol	180.86	110.19
- Heavy Glycol	21.17	56.38
- E.O. Derivatives	2201.09	2414.49
- Ethyl Alcohol (Potable)	373.89	77.58
- Guar Gum Powder and derivatives	124.95	148.00
- Guar Churi	0.09	1.88
- Industrial Gases	19.82	16.87
Total Finished Goods	3028.36	6091.53
Stock-in-Process	2671.43	1602.65
Residue Product	148.25	59.61
	5848.04	7753.79
LESS : OPENING STOCK		
Finished Goods		
- Ethylene Glycol	3266.14	575.13
- Di-ethylene Glycol	110.19	109.35
- Heavy Glycol	56.38	39.89
- E.O. Derivatives	2414.49	2083.59
- Ethyl Alcohol (Potable)	77.58	68.30
- Guar Gum Powder and derivatives	148.00	109.46
- Guar Churi	1.88	19.41
- Industrial Gases	16.87	0.00
Total Finished Goods	6091.53	3005.13
Stock-in-Process	1602.65	1333.75
Residue Product	59.61	5.99
	7753.79	4344.87
Less: Stocks at the commencement of commercial production		
- Residue Product	0.00	50.40
- Stock-in-Process - Ethyl Alcohol	0.00	3.02
- Finished Goods - Ethyl Alcohol (Potable)	0.00	4.05
- Stock-in-Process - RAB	0.00	392.90
	0.00	450.37
Less: Excise duty provided on Stocks	(425.06)	440.10
INCREASE/ (DECREASE)	(1480.69)	2518.45



INDIA GLYCOLS LIMITED

SCHEDULE 'J'

MANUFACTURING AND OTHER EXPENSES

(Rs. in lacs)

	Current Year	Previous Year
Raw Materials consumed	45268.05	38290.24
Stock in Process transfer from trial run	0.00	231.19
Stores and spare parts consumed	5720.72	4898.67
Power and Fuel	13659.61	12209.31
Salaries, Wages, Allowances, etc.	2863.97	2345.41
Contribution to Provident and other funds	342.52	236.13
Staff Welfare Expenses	189.55	157.30
Repairs and Maintenance		
- Buildings	124.68	57.06
- Plant & Machinery	620.81	409.24
- Others	226.05	128.02
Rent	56.06	56.15
Rates and Taxes	1164.01	212.41
Traveling and Conveyance	875.92	543.55
Insurance (Net of recovery from customer Rs.72.25 Lacs, Previous year Rs. 53.58 Lacs)	373.54	339.93
Directors' Fee	5.95	1.95
Exchange Fluctuation loss (net of gain Rs. Nil, Previous year Rs. 358.86 lacs)	0.00	105.45
Miscellaneous Expenses	788.87	585.53
Donation	171.67	148.13
Commission to Selling agents	88.11	75.71
Freight forwarding and others (Net of recovered from customer Rs.1095.91 lacs, Previous year Rs.611.48 lacs)	2989.44	2364.60
Bad debts written off	20.58	8.24
Less : Provision for doubtful debts written back	20.09	0.00
Provision for Doubtful debts and advances	0.76	36.43
Loss on Sale / Discard of Fixed Assets (Net of profit Rs. Nil, previous year Rs.1.21 lacs)	0.00	94.760
Provision for Diminution in value of Investment	2.63	2.26
Prior period expenses (Net)	242.47	3.48
(Net of income Rs. 110.38 lacs Previous year Rs. 2.82 lacs)		
Miscellaneous expenditure written off	0.16	0.16
Wealth Tax	1.64	1.32
	75777.68	63542.63

SCHEDULE 'K'

FINANCE CHARGES

(Rs. in lacs)

	Current Year	Previous Year
Interest on Fixed Loans/ Debentures	2327.57	1645.19
Other Interest	1210.17	798.65
(Include Rs. Nil (previous year Rs. 253.97, charge in Income Tax Assessment Orders)		
Financial Charges	337.41	161.72
	3875.15	2605.56
Less: Interest Received (*)	146.31	490.76
Tax Deducted at source Rs. 8.25 Lacs, Previous year Rs. 4.87 Lacs)		
[(*) Include on deposit Rs. 22.89 lacs, Previous year Rs. 19.27 Lacs and Interest on Income Tax refund Nil previous year Rs.433.22 lacs. and other Rs. 123.42 lacs, Previous year Rs. 38.27 lacs]		
	3728.84	2114.80

SCHEDULE 'L'

MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

(Rs. in lacs)

	As at 31.03.2007	As at 31.03.2006
Preliminary and preoperative expenditure		
Balance at the begning of the year	0.16	0.32
Less: Written off during the year	0.16	0.16
	0.00	0.16



INDIA GLYCOLS LIMITED

SCHEDULE 'M' NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPLES OF CONSOLIDATION

- (i) The consolidated financial statements (CFS) comprise the financial statements of India Glycols Limited (IGL) (the Company) and its Indian 100% subsidiary IGL Finance Ltd. (IGLF) as at 31st March 2007.
- (ii) The consolidated financial statements have been prepared using uniform accounting policies, in accordance with the generally accepted accounting policies..
- (iii) The effects of intragroup balances and transactions are eliminated in consolidation.
- (iv) The difference between the costs to the holding company of its investment in the subsidiary company over the holding company's portion of equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

2. Contingent Liabilities not provided for:

- (i) Claims against the company under appeal

Particulars	As on 31.03.2007 (Rs. In Lacs)	As on 31.03.2006 (Rs. In Lacs)
Income Tax Matter	138.57	119.35
Central Excise	9.60	3.51
Customs	53.02	11.42
Service Tax & Others	229.61	105.68
 - (ii) Bills discounted with Banks Rs. 1196.42 Lacs (Previous Year: Rs. 351.35 Lacs).
 - (iii) Customs duty saved of Rs. 1351.69 Lacs (Previous Year Rs. 682.48 Lacs) for import of capital good made against EPCG licence against which export obligations are pending.
 - (iv) Corporate Guarantee to banks against for agriculture loan given to certain sugarcane suppliers amounting to Rs. 3000.00 Lacs. (Previous Year NIL)
3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 2588.49 Lacs Previous Year Rs. 3619.04 Lacs) are Rs. 7708.69 Lacs (Previous Year : Rs. 9682.70 Lacs).
 4. Since it is not possible to determine with reasonable certainty/accuracy insurance claims and interest from customers, the same are continued to be accounted on settlement basis.
 5. As per AS-15 (Revised) "Employee Benefits", issued by The Institute of Chartered Accountants of India, an additional liability of Rs. 50.48 lacs on account of Gratuity and Rs. 102.93 lacs on account of LTA pertaining to earlier years is adjusted against opening balance of General Reserve. Had the old practice been continued, the charge to the Profit & Loss Account on account of LTA would have been lower by Rs.17.08 Lacs and there is no material impact in respect of gratuity.
 6. 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. On 18-10-2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, company has filed an application for refund of amount paid of Rs. 507.05 lacs (shown as recoverable

under the head Loans & Advances) with State Government of Uttrakhand.

7. DGFT vide its notification dated 12th June 2006 has reduced the rate of duty credit entitlement to 5% on incremental exports made in the year 2005-06. During the year various chambers of commerce and industries have made representations before the Govt. of India to restore the above benefit. Considering present status, provision for differential duty amounting to Rs. 459.11 Lacs has been made and shown as "exceptional item". (Previous Year Net results(loss) of erstwhile CDS amounting to Rs.277.70 Lacs).
8. Prior period expenses (Net) include Rs. 348.25 lacs on account of utilization of Advance Licence and profit of Rs. 77 Lacs being claims recoverable from Government.
9. The Company is in the process of identifying the micro, small and medium enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006". However, based on the information so far available with the Company i.e. upto May 31, 2007, in respect of enterprises so identified, there are no delays in the payment of dues to such enterprises.
10. (i) Depreciation on catalyst is provided based on technically assessed useful life of 1 to 3 years on straight line method (SLM).
(ii) Specialised Computer software is amortised over its useful life of 6 years on SLM basis.

11. Related Parties Disclosure:

(As identified by the management)

(i) Relationships:

- A. Key Management Personnel
 - M. L. Bhartia
 - U. S. Bhartia

- B. Enterprises over which Key Management Personnel have significant influences:
 - Ajay Commercial Co. (P) Ltd.
 - J. B. Commercial Co. (P) Ltd.

(ii) Detail of Transactions with related parties: (*)

	Rs. in Lacs	
	Key management Personnel	Enterprises referred in (i) C above
Purchase of Assets	-	-
Rent Paid	-	3.12 (3.12)
Deposits repaid	-	-
Deposits Accepted	(28.62)	-
Interest Expense	(417.65)	-
Remuneration	39.25 (32.85)	-
Outstanding Balances as at year end	546.56 (638.68)	-
Loans & Advance	-	180.00 (180.00)
Deposits payable	487.45 (448.20)	-

Figures in Bracket represent previous year figures.

*Exclude Commission to Non-Executive Director



INDIA GLYCOLS LIMITED

12. Earnings per share (EPS):

	2006-07	2005-06
Net profit for the year attributable to equity shareholders (Rs. in Lac)	4105.61	5857.71
Weighted average number of equity shares outstanding	2,78,82,500	2,78,82,500
Basic and diluted earnings per share (face value of Rs.10 each) (Rs.)	14.72	21.01

13. Deferred liabilities & assets are attributable to the following items-

	Rs. in Lacs	
	As at	As at
	31.03.2007	31.03.2006
Deferred Tax Liabilities		
Accelerated depreciation	6278.66	5262.11
Reversal in diminution in value of Long Term Investments	8.50	—
Deferred Tax Assets		
Amount covered U/S 43 (B)	50.84	32.12
Provision for doubtful debts	26.40	36.77
Others	20.67	17.77
	97.91	86.66
Deferred Tax Liabilities (Net)	6189.25	5175.45

14. Balances of certain Debtors, creditors, other liabilities and loans and advances are in process of confirmation and / or reconciliation.

15. Segment Information:

A. Information about Business Segments (Primary Segments):

	Business Segments				Total
	Chemicals	Liquor	Others	Unallocable	
A REVENUE					
1 Gross Sales (External)	88336.97	15307.82	1292.38	-	104937.17
	(71690.35)	(6661.90)	(1415.10)	-	(79767.35)
2 Other Income	1229.03	63.09	98.98	1794.74	3185.84
	(1961.36)	(3.28)	(182.30)	(37.15)	(2184.09)
3 Total Revenue	89566.00	15370.91	1391.36	1794.74	108123.01
	(73651.71)	(6665.18)	(1597.40)	(37.15)	(81951.44)
B RESULTS					
1 Segment Result (PBIT)	8249.24	1404.35	-95.62	-603.44	8954.53
	(9239.68)	(933.53)	(-479.52)	(-1355.51)	(8338.18)
2 Interest Expense (Net)					3728.84
					(2114.80)
3 Profit Before Tax					5225.69
					(6223.38)
4a Provision for Current Tax					574.51
					(545.24)
4b Deferred Tax					1013.80
					(828.29)
4c Taxation provision of earlier year written back					0.00
					(-540.90)
4d Fringe Benefit Tax					106.13
					(78.22)
4e Minimum Alternate Tax Credit entitlement					-574.36
					(-545.18)
5 Profit after Tax					4105.61
					(5857.71)

C Other Information:

1 Segment Assets	109745.71	4507.88	1921.85	3723.91	119899.35
	(90247.83)	(3706.62)	(1954.93)	(1850.23)	(97759.61)
2 Segment Liabilities	22656.62	940.85	185.09	64406.04	88188.60
	(11778.72)	(175.93)	(113.50)	(56954.27)	(69022.42)
3 Capital Expenditure	20677.83	198.81	0.70	169.11	21046.45
	(19102.59)	(286.59)	(161.88)	(54.76)	(19605.82)
4 Depreciation and Amortisation expenses	4598.73	43.81	75.63	108.94	4827.11
	(3463.22)	(28.95)	(76.59)	(102.95)	(3671.71)

(*) Include exceptional item.

Information about Geographical Segments (Secondary Segments):

	Domestic	Overseas	Total
1 Gross Sales (External)	92121.56	12815.61	104937.17
	(66398.91)	(13368.44)	(79767.35)
2 Segment Assets	115143.60	1031.84	116175.44
	(95010.14)	(899.24)	(95909.38)

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 chemical, liquor and others which includes guar gum, software development & financial services, 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

Chemicals Segment comprises manufacture and sale of Ethylene Glycol, Di-ethylene Glycol, Heavy Glycol and EO Derivatives

Liquor Segment comprises manufacture and sale of Ethyl Alcohol (Potable).

'Others' primarily include Guar Gum, Software development & financial services.

16. Previous year's figures have been regrouped / rearranged/ recast wherever considered necessary.

17. a) Foreign Exchange Derivatives and exposures outstanding at the year end. (As certified by the Management)



INDIA GLYCOLS LIMITED

Nature of Instruments	2007 Amount (Equivalent US\$ MLN)	2007 Amount (Equivalent Rs. in Cr.)	2006 Amount (Equivalent US\$ MLN)	2006 Amount (Equivalent Rs. in Cr.)
Forward Contracts	6.18	27.17	-	-
Foreign currency options	60.99	264.57	-	-
Swaps	35.96	156.01	2.56	111.01
Packing Credit Net of Export debtors	8.06	35.07	7.82	35.17
Open foreign exchange exposures				
Loans	43.20	187.40	27.59	123.77

The Company uses derivative instruments for hedging and/or reducing interest costs.

b) Commodity transactions outstanding as at year end are as below:
(As certified by the Management)

Comodity	Exchange	Nature of Transaction	Quantity (MT)
GARGUMJDR	NCDEX	Sell	50
GARGUMJDR	NCDEX	Buy	80
GARGUMJDR	NCDEX	Sell	25

18. Hindustan Wires Ltd. in which the subsidiary company holds shares as Investments has informed to the Company that its Net Worth has become positive and it has come out of BIFR purview and also that it is setting up a gas refilling plant. In view of it, the provision for diminution in the value has been reviewed and based upon the review the provision amounting to Rs. 25 lacs has been written back. The realisation is estimated to be at 15% of the investment which come to Rs. 73.50 lacs (Rounded off to Rs. 74 lacs).
19. Accounting Policies and other notes on accounts of the financial statements of the company and its subsidiary are set out in their respective financial statement.

Signatures to Schedules A to M

As per our report of even date.

For LODHA & Co.

Chartered Accountants

N.K. Lodha
Partner

M.L. Bhartia
Chairman & Managing Director

U.S. Bhartia
Managing Director

Jagmohan N. Kejriwal
Pradip Kumar Khaitan
Autar Krishna

Place : New Delhi
Dated : 23rd June, 2007

S.K. Sood
President (Finance)

Lalit Kumar Sharma
Company Secretary

R.C. Misra
Director



INDIA GLYCOLS LIMITED
CONSOLIDATED CASH FLOW STATEMENT

	For the Year 2006-2007	For the Year 2005-2006	
	Rs. in Lac	Rs. in Lac	
A. CASH FLOW FROM OPERATING ACTIVITIES:			
NET PROFIT BEFORE TAX	5225.69	6223.38	
ADJUSTMENTS FOR:			
DEPRECIATION	4827.11	3,671.71	
(PROFIT) / LOSS ON SALE OF ASSETS	(582.52)	94.76	
PROVISION/(RECOVERY) IN DIMINUTION IN THE VALUE OF INVESTMENTS (Net)	(22.37)	2.26	
FOREIGN EXCHANGE FLUCTUATION	(1218.60)	0.00	
MISCLEANEOUS EXPENSES WRITTEN OFF	0.16	0.16	
BAD & PROVISION FOR DOUBTFUL DEBTS AND ADVANCES	1.25	36.43	
PROVISION NO LONGER REQUIRED WRITTEN BACK	(16.62)	0.00	
EXCEPTIONAL ITEM (REFER NOTE 7 SCHEDULE M)	459.11	277.70	
INTEREST EXPENSE	3,537.74	2443.84	
INTEREST/DIVIDEND INCOME	(156.01)	(498.63)	6028.23
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	12054.94	12251.61	
ADJUSTMENTS FOR:			
(INCREASE) IN TRADE AND OTHER RECEIVABLES	(3299.95)	(4123.94)	
(INCREASE)/DECREASE IN INVENTORIES	(790.29)	(1849.95)	
INCREASE/(DECREASE) IN TRADE PAYABLES	11514.73	3107.64	(2866.25)
CASH GENERATED FROM OPERATIONS	19479.43	9385.36	
DIRECT TAXES PAID (NET)	(737.02)	(333.72)	
CASH FLOW BEFORE EXTRAORDINARY ITEMS:	18,742.41	9051.64	
NET CASH FROM OPERATING ACTIVITIES:	18742.41	9,051.64	
B. CASH FLOW FROM INVESTING ACTIVITIES:			
PURCHASE OF FIXED ASSETS	(20753.24)	(18868.94)	
SALE OF FIXED ASSETS	1204.05	76.67	
INTEREST/DIVIDEND RECEIVED	147.05	506.50	
NET CASH USED IN INVESTING ACTIVITIES:	(19402.14)	(18,285.77)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
PROCEEDS FROM BORROWINGS	19631.53	32966.03	
REPAYMENT OF BORROWINGS	(13,190.97)	(20033.45)	
INTEREST/OTHER BORROWING COST	(3,684.55)	(3,285.60)	
DIVIDENDS PAID (INCLUDING CORPORATE DIVIDEND TAX)	(945.34)	(947.95)	
NET CASH FROM FINANCING ACTIVITIES	1810.67	8699.03	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS {(A)+(B)+(C)}	1,150.94	(535.10)	
CASH AND CASH EQUIVALENT BEING CASH AND BANK BALANCES (OPENING BALANCE)	195.64	730.74	
CASH AND CASH EQUIVALENT BEING CASH AND BANK BALANCES (CLOSING BALANCE)	1,346.58	195.64	

NOTE:

(1) PREVIOUS YEAR'S FIGURES HAVE BEEN REGROUPED WHEREVER CONSIDERED NECESSARY.

(2) CASH AND CASH EQUIVALENT BEING CASH AND BANK BALANCE AS PER SCHEDULE F.

As per our report of even date.

For LODHA & Co.

Chartered Accountants

N.K. Lodha
Partner

M.L. Bhartia
Chairman & Managing Director

U.S. Bhartia
Managing Director

Jagmohan N. Kejriwal
Pradip Kumar Khaitan
Autar Krishna

Place : New Delhi
Dated : 23rd June, 2007

S.K. Sood
President (Finance)

Lalit Kumar Sharma
Company Secretary

R.C. Misra
Director

IGL FINANCE LIMITED

DIRECTORS' REPORT

To the Members,
Your Directors are pleased to present the Tenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2007.

OPERATIONS

During the year, Company was not engaged in any financing activity, except for investment of surplus funds of the Company in fixed Deposit with Banks. Total income of Rs. 78187/- earned during the year represents interest on fixed deposit with banks. Net Profit, during the year under review is Rs.30000 /-.

FIXED DEPOSIT

During the year, your Company had neither invited nor accepted any fixed deposits from the public or otherwise.

DIRECTORS

Shri Shishir Goyal and Shri U.S.Bhartia, Directors of the Company retire, by rotation and being eligible, offer themselves for reappointment.

Pursuant to Section 217(2AA) of the Companies Act, your Directors' confirm that :

- in the preparation of the annual accounts, the applicable accounting standards have been followed, alongwith proper explanation relating to material departures;
- appropriate accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2006 and the profit and loss of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

AUDITORS

The Auditors, M/s. K.N. Gutgutia & Co., retire at the ensuing Annual General Meeting and offer themselves for reappointment. They have confirmed that, if re-appointed, it will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956.

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

Being an Investment Company, there are no particulars furnished in this report as required under Section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy and technology absorption. There was no foreign exchange earnings or outgo during the year.

PARTICULARS OF EMPLOYEES

The Company had no employee during the year so as to report under Section 217 (2A) of the Companies Act, 1956 read with Particulars of Employees Rules, 1975 (as amended).

For and on behalf of the Board

Place : New Delhi
Date : 7th June, 2007

U.S. Bhartia
Director

M.L. Bhartia
Director

AUDITORS' REPORT

TO THE MEMBERS OF IGL FINANCE LIMITED

1. We have audited the attached Balance Sheet of IGL FINANCE LIMITED as at 31st March, 2007 and the related Profit and Loss Account for the year ended on that date annexed thereto, and the cash flow statement of the company for the period ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of our audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments mentioned in the Annexure referred to in above paragraph, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
 - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company;
 - d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with the mandatory Accounting Standards referred to in Sub-Section 3 (c) of Section 211 of the Companies Act, 1956;
 - e) According to the information and explanation given to us and on the basis of written representations received from the Directors as on 31st March 2006 of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2006, from being appointed as a Director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the notes and Significant Accounting Policies, thereon, give the information required by the Companies Act, 1956 in the manner so required and

IGL FINANCE LIMITED

give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2006;
 - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date;
- And
- (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For K.N. Gutgutia & Company

B.R. GOYAL
Partner

Chartered Accountants
Membership No. 12172

Place : New Delhi

Dated : 7th June, 2007

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date.

- i) The Company does not have Fixed Assets.
- ii) The Company does not have any inventory.
- iii) The Company had not taken/given any loan from/to any Company covered in the register maintained under section 301 of the Companies Act 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any major weakness in internal controls.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there was no transaction that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.
(b) In our opinion and according to the information and explanations given to us, there was no transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
- vi) The Company has not accepted any public deposits.
- vii) In our opinion, the Company has no internal audit system.
- viii) The Central Government has not prescribed maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the informations and explanations given to us and records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including

income tax, wealth tax and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2006 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there were no dues of income-tax, wealth-tax, etc., which have not been deposited on account of disputes.

- x) There are accumulated losses of the Company as on 31st March, 2006 which are more than 50% of its net worth. The Company has not incurred cash loss during the financial year covered by our audit, and in the immediately preceding financial year.
- xi) Based on our audit procedures and the information given by the management, we are of the opinion that the Company has not taken any loan from financial institutions or banks.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit fund Company or nidhi /mutual benefit fund/ society.
- xiv) In our opinion, the Company has no dealing in and/or trading in shares and securities. All the investments were held by the Company in its own name or its nominees.
- xv) According to the information and explanations given to us, Company has not given any guarantees for loans taken by others from Bank or Financial Institutions.
- xvi) According to the information and explanations given to us, no term loans has been raised during the year.
- xvii) According to the information & explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments. No long-term funds have been used to finance short-term assets except permanent / core working capital.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) During the year covered by our audit report, the Company has not issued secured debentures.
- xx) The Company has not raised any money by public issues during the year covered by our report.
- xxi) Based upon the audit procedures performed and as per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For K.N. Gutgutia & Company

B.R. GOYAL
Partner

Place : New Delhi
Dated : 7th June, 2007

Chartered Accountants
Membership No. 12172

IGL FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

		Amt in Rs.		Amt in Rs.
	Schedule	As at 31.3.2007		As at 31.3.2006
SOURCES OF FUNDS				
Shareholders' Fund				
Share Capital	A	50000000		50000000
Reserve and Surplus				
- Capital Reserve (on forfeiture of shares)		18750		18750
- Surplus as per Profit and Loss Account				
- Statutory Reserve		21000		12500
(Pursuant to section 45(1)(c) of the Reserve Bank of India Act)				
		<u>50039750</u>		<u>50031250</u>
APPLICATION OF FUNDS				
Investments	B	7400000		4900000
Current Assets, Loans & Advances				
Balance with Scheduled Banks				
- on Current Accounts		3391	18995	
- in Fixed Deposit Accounts		1094507	1044814	
Cash in Hand		991	1336	
Loans & Advances	C	34952	37269	
		<u>1133841</u>	<u>1102414</u>	
Less: Current Liabilities & Provisions				
Audit Fee Payable		11224	11020	
Expenses Payable		7658	22347	
		<u>18882</u>	<u>33367</u>	
Net Current Assets		1114959		1069047
Miscellaneous Expenditure				
(To the extent not written off)				
Preliminary Expenses		15912	31828	
Less: Amortised during the year		15912	15916	15912
Profit & Loss Account (Dr. Balance)		<u>41524791</u>		<u>44046290</u>
		<u>50039750</u>		<u>50031250</u>
Significant Accounting Policies & Notes on Accounts	D			

As per our report of even date

For K.N.Gutgutia & Co.

B.R. Goyal
Partner
Chartered Accountants

Place: New Delhi
Date : 07th June, 2007

For and on behalf of the Board

U.S.Bhartia
Director

M.L. Bhartia
Director

IGL FINANCE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

		Amt in Rs.
	Schedule	
	Current Year	Previous Year
INCOME		
Interest on Fixed Deposits with Banks (Tax deducted at source Rs.13425/-; Previous Year:Rs.11592/-)	62598	53659
Other Income (Liability no longer required Written Back)	15589	0
	<u>78187</u>	<u>53659</u>
EXPENDITURE		
Bank Charges & Others	482	102
Audit Fees	11326	5510
Legal & Professional charges	2400	10000
Travelling & Conveyance Expenses	1845	2358
Rates & Taxes	1000	1000
Miscellaneous Expenditure written off	15912	15916
Provision for diminution in value of Investments	0	0
	<u>32965</u>	<u>34886</u>
Profit/(Loss) for the year before tax	45222	18773
Provision for tax	15222	6319
Provision for tax for earlier years written back	0	0
Profit/(Loss) for the year after tax	30000	12454
Balance brought forward	(44046290)	(44058744)
Transfer to Statutory Reserve (pursuant to RBI regulations)	8500	0
Provision for diminution in value of Investments written back	2500000	0
Profit/(Loss) carried to the Balance Sheet	<u>(41524791)</u>	<u>(44046290)</u>
Significant Accounting Policies & Notes on Accounts	D	

As per our report of even date

For K.N.Gutgutia & Co.

B.R. Goyal
Partner
Chartered Accountants

Place: New Delhi
Date : 07th June, 2007

For and on behalf of the Board

U.S.Bhartia
Director
M.L. Bhartia
Director

IGL FINANCE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - A SHARE CAPITAL

	Amt in Rs.	
	As at 31.3.2007	As at 31.3.2006
AUTHORISED CAPITAL		
50,00,000 Equity shares of Rs.10/- each	<u>50000000</u>	50000000
	<u>50000000</u>	<u>50000000</u>
ISSUED SUBSCRIBED AND PAID UP CAPITAL		
50,00,000 Equity shares of Rs.10/- each fully paid up (50,00,000 shares held by the holding company INDIA GLYCOLS LIMITED)	<u>50000000</u>	50000000
	<u>50000000</u>	<u>50000000</u>

SCHEDULE - B INVESTMENTS

	As at 31.3.2007	As at 31.3.2006
LONG TERM INVESTMENTS		
Unquoted		
468000 15% Redemable Non-cumulative Preference Shares of Hindustan Wires Ltd. of Rs.100/- each	46800000	46800000
22000 15% Redemable Cumulative Preference Shares of Hindustan Wires Ltd. of Rs. 100/- each	<u>2200000</u>	<u>2200000</u>
	<u>49000000</u>	49000000
Less : Provision for Diminution in value of Investment	<u>(41600000)</u>	<u>(44100000)</u>
	<u>7400000</u>	<u>4900000</u>

SCHEDULE - C LOANS AND ADVANCES

	As at 31.3.2007	As at 31.3.2006
LOANS AND ADVANCES		
(Unsecured, considered good)		
Interest Accrued on Fixed Deposits	5655	6175
Tax deducted at source (Net of Provisions)	<u>29297</u>	<u>31094</u>
	<u>34952</u>	<u>37269</u>

SCHEDULE - D SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS AS AT 31ST MARCH, 2007.

A. Significant Accounting Policies

1. Basis of Accounting

The Accounts of the company are prepared under the historical cost convention and in accordance with applicable accounting standards except where otherwise stated. For recognition of income and expenses, mercantile system of accounting is followed.

2. Amortisation of Preliminary Expenditure.

Preliminary expenses are being amortised in equal instalments over a period of ten financial years.

3. Investments

Long term investments are stated at cost after providing for diminution in its value, if the diminution is of the permanent nature and such provision is reviewed at each of the Balance Sheet date.

4. Dividend Income

Dividend income, if any is accounted for as and when declared by the investee company.

5. Interest Income

Interest income is accounted for on time proportion basis.

B. Notes to Accounts

1. Claims against the company not acknowledged as Debts – Nil.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for – NIL.
3. Hindustan Wires Ltd. In which the Company holds shares as Investments has informed to the Company that its net Worth has become positive and it has come out of BIFR purview and also that it is setting up a gas refilling plant. In view of it, the provision for diminution in value has been reviewed and based upon the review the provision amounting to Rs.25 Lacs has been written back. The realization is estimated to be at 15% of the Investment which come to Rs.73.50 Lacs(Rounded off to Rs.74 Lacs).

C. Balance Sheet abstract and Company's general business profile as per Annexure-I.

As per our report of even date.

For K.N.Gutgutia & Co.

B.R.Goyal
Partner
Chartered Accountants

Place: New Delhi
Date : 07th June, 2007

For and on behalf of the Board

U.S.Bhartia M.L.Bhartia
Director Director

IGL FINANCE LIMITED

ANNEXURE-I

I. Registration Details

Registration No.

0	2	2	9	9	2
---	---	---	---	---	---

State Code

2	0
---	---

Balance Sheet Date

3	1	0	3	2	0	0	7
---	---	---	---	---	---	---	---

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

			N	I	L
--	--	--	---	---	---

Rights Issue

			N	I	L
--	--	--	---	---	---

Bonus Issue

			N	I	L
--	--	--	---	---	---

Private Placement

			N	I	L
--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

		8	5	3	4
--	--	---	---	---	---

Total Assets

		8	5	3	4
--	--	---	---	---	---

Sources of Funds

Paid-up Capital

	5	0	0	0	0
--	---	---	---	---	---

Reserves & Surplus

				3	1
--	--	--	--	---	---

Secured Loans

			N	I	L
--	--	--	---	---	---

Unsecured Loans

			N	I	L
--	--	--	---	---	---

Application of Funds

Net Fixed Assets

			N	I	L
--	--	--	---	---	---

Investments

		7	4	0	0
--	--	---	---	---	---

Net Current Assets

		1	1	1	5
--	--	---	---	---	---

Misc. Expenditure

			N	I	L
--	--	--	---	---	---

Accumulated Losses

	4	1	5	2	5
--	---	---	---	---	---

IV. Performance of company (Amount in Rs. Thousands)

Turnover & Other Incomes

				7	8
--	--	--	--	---	---

Total Expenditure

				3	3
--	--	--	--	---	---

Profit/Loss Before Tax

+			4	5
---	--	--	---	---

Profit/Loss After Tax

+			3	0
---	--	--	---	---

(Please tick Appropriate box + for Profit - for Loss)

Earning Per Share in Rs.

	.	0	0	6	0
--	---	---	---	---	---

Dividend Rate %

-	-
---	---

V. Generic Names of Two Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

N	A
---	---

Product Description

I	N	V	E	S	T	M	E	N	T	C	O	M	P	A	N	Y		
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	--	--



INDIA GLYCOLS LIMITED

Registered Office : A-1, Industrial Area, Bazpur Road, Kashipur, Distt. Udham Singh Nagar, Uttarakhand-244 713

TWENTY THIRD ANNUAL GENERAL MEETING

ADMISSION SLIP

FOLIO NO. / DP ID & CLIENT ID NO.....
(to be filled in by the shareholders)

I declare that I am a Registered Shareholder of the Company and hold _____ Shares.

Member's Signature

NOTE :

- 1. A member intending to appoint a proxy should complete the Proxy Form below and deposit it at the Company's Registered Office, not later than 48 hours before the commencement of the meeting.
2. A member proxy attending the meeting must complete this Admission Slip and hand it over at the entrance.

Name of the Proxy in BLOCK LETTERS

Proxy's Signature

Kindly bring your copy of the Annual Report at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting



INDIA GLYCOLS LIMITED

Registered Office : A-1, Industrial Area, Bazpur Road, Kashipur, Distt. Udham Singh Nagar, Uttarakhand-244 713

PROXY FORM

FOLIO NO. / DP ID & CLIENT ID NO.....
(to be filled in by the shareholders)

I / We _____ being a Member/Members of INDIA GLYCOLS LIMITED hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in district of _____

as my / our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on the 25th day of August, 2007 and at any adjournment thereof.

Signed this _____ day of _____ 2007

Name _____
Address _____

Affix Revenue Stamp

The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting