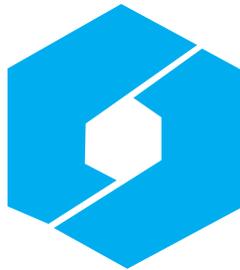


Thirtieth
Annual Report
2013-14



India Glycols Limited

Forward-looking statement

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

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

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

Across the pages

• Corporate information	1
• Notice	2
• Directors' report	16
• Management Discussion & Analysis	24
• Report on Corporate Governance	30
• Independent Auditor's report	37
• Balance Sheet	40
• Statement of Profit & Loss	41
• Cash Flow Statement	42
• Notes to the Accounts	43
• Statement pursuant of Section 212	68
• Independent Consolidated Auditor's report	69
• Consolidated Balance Sheet	70
• Consolidated Statement of Profit & Loss	71
• Consolidated Cash Flow Statement	72
• Notes to Consolidated Financial Statements	74

Corporate Information

Board of Directors

U.S. Bhartia	Chairman & Managing Director
Jayshree Bhartia	Director
Pradip Kumar Khaitan	Director
Jitender Balakrishnan	Director
Ravi Jhunjhunwala	Director
Jagmohan N. Kejriwal	Director
R.C. Misra	Director
M.K. Rao	Executive Director

Audit Committee

R.C. Misra	Chairman
Jagmohan N. Kejriwal	
Pradip Kumar Khaitan	
M.K. Rao	

Stakeholders Relationship Committee

R.C. Misra	Chairman
U.S. Bhartia	
Jagmohan N. Kejriwal	

Chief Executive Officer

Rakesh Bhartia

Chief Financial Officer

Anand Singhal

Company Secretary

Lalit Kumar Sharma

Statutory Auditors

Lodha & Co., Chartered Accountants

Cost Auditors

R.J. Goel & Co., Cost Accountants

Bankers

State Bank of India
 State Bank of Patiala
 Axis Bank Limited
 Punjab National Bank
 Union Bank of India
 IDBI Bank Ltd.
 State Bank of Hyderabad
 State Bank of Travancore
 State Bank of Bikaner and Jaipur

Registered Office

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

Corporate Office

3A, Shakespeare Sarani,
 Kolkata - 700 071

Head Office

Plot No. 2B, Sector-126, NOIDA - 201304
 Dist. Gautam Budh Nagar,
 Uttar Pradesh

Registrars & Transfer Agents

MCS Ltd.
 F-65, Okhla Industrial Area Phase-I
 New Delhi - 110 020

Notice

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of India Glycols Limited will be held on Saturday the 20th day of September, 2014 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 businesses:

1. To receive, consider and adopt
 - (a) the audited Financial Statements of the Company for the financial year ended March 31, 2014, the Reports of the Board of Directors and Auditors thereon; and
 - (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2014 and report of the Auditors thereon;
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Shri U.S. Bhartia (DIN: 00063091), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if, thought fit to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT subject to provisions of Sections 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if required, Shri U.S. Bhartia, Chairman & Managing Director (DIN: 00063091) be paid the remuneration, perquisites, benefits and amenities for a period not exceeding 2 years w.e.f. 1st April, 2014 as per the details mentioned below:

Remuneration:

a Salary

The Chairman & Managing Director shall be paid salary of ₹ 20,00,000 (Rupees Twenty lacs only) per month.

b Commission

Not exceeding 4% of the net profits of the Company for each financial year computed in a manner laid down in section 198 of the Companies Act, 2013.

c Perquisites:

In addition to the salary, the Chairman and Managing Director shall be entitled to the following perquisites which shall be evaluated as per Income Tax Rules wherever applicable, in the absence of any such rule, perquisite shall be evaluated at actual cost;

- i unfurnished residential accommodation;
- ii furnishing of residence up to an amount not exceeding ₹ 5.0 lacs per annum;
- iii gas, electricity, water as per bills produced to the Company;
- iv medical reimbursement – medical expenses incurred actually for self and family;
- v club fees for two clubs including admission and other fees;

- vi leave travel concession once in a year for self and family to any place in India by Air/Rail/Road as per Rules of the Company;
- vii Medclaim and Personal Accident Insurance premium not exceeding ₹ 20,000 per annum;
- viii Contribution to Provident Fund as per rules of the Company;
- ix Gratuity not exceeding one-half month's salary for each completed year of service;
- x company's car with driver for official and personal use;
- xi Telephone facility at residence and mobile phone for business purposes;
- xii Leave encashment as per Company's rules i.e. 15 days for every completed year of service.

Provided further that the aggregate of remuneration by way of salary, commission, perquisites and allowances etc. payable to Shri U.S. Bhartia, Chairman and Managing Director (DIN: 00063091) shall not exceed 5% of the Net Profits of the Company in a financial year computed in the manner laid down under Section 198 of the Companies Act, 2013 and within the overall limit prescribed under Section 197 read with Schedule V of the Act.”

“FURTHER RESOLVED THAT the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee be authorized to annually review the salary, commission, perquisites and allowances etc. payable to Shri U.S. Bhartia, Chairman and Managing Director (DIN:00063091) and authorized to restructure the remuneration payable within the overall limit of 5% of the Net Profits of the Company in a financial year computed in the manner laid down under Section 198 of the Companies Act, 2013 and within the overall limit prescribed under Section 197 read with Schedule V of the Act.”

“FURTHER RESOLVED THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Shri U.S. Bhartia, (DIN: 00063091) as Chairman and Managing Director of the Company, the aforesaid remuneration shall be the minimum remuneration payable to him or as may be approved by the shareholders by way of special resolution to remain valid for a period of two years starting from 1st April, 2014.”

“FURTHER RESOLVED THAT if the Chairman and Managing Director holds an office as managerial person in any other company his remuneration shall not exceed the higher maximum limit admissible pursuant to schedule V to the Companies Act, 2013 from any one of the Companies of which he is a managerial person.”

“FURTHER RESOLVED THAT the draft agreement for revision of salary of Chairman and Managing Director (a copy thereof duly initialed by the Chairman for the purpose of identification was placed on the table at the meeting) be and is hereby approved.”

“FURTHER RESOLVED THAT Chief Executive Officer, Chief Financial Officer and Company Secretary be and are hereby severally authorized to

file application, if required, with the Central Govt. and execute Agreement with Shri U.S. Bhartia (00063091) for and on behalf of the Company for reappointment as Chairman and Managing Director.”

6. To consider and if, thought fit to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT subject to the provisions of Section 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to other approvals, consents and sanctions as may be required to be obtained from any authority/ies, the Non Executive Directors of the Company be and are hereby authorized to receive remuneration by way of commission every year such sum or sums and in such manner as may be decided by the Board, not exceeding 1% per annum of the net profits of the Company, to be paid and distributed amongst the Directors of the Company (other than Chairman and Managing Directors and Executive Director) and such payment shall be made out of the profits of the Company for each year for a period of five years commencing from 1st April, 2014.”

7. To consider and if, thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT Pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. R.J. Goel & Co., Cost Accountants, appointed as Cost Auditors of the Company by the Board of Directors of the Company be paid remuneration of ₹1,25,000/- (Rupees One Lacs Twenty Five Thousand only) plus actual out of pocket expenses for conducting Cost Audit of the records of the Company for the financial year 2014-15.”

“FURTHER RESOLVED THAT the Company Secretary be and is hereby authorised to file requisite form seeking approval of the Central Government, if any, required for the appointment of Cost Auditor and also obtain such other approvals/sanctions as may be required.”

8. To consider and if, thought fit to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and Rules thereunder or any other law for the time being in force and any modification(s) thereof, the Board of Directors of the Company, as per the recommendation of the Nomination and Remuneration Committee, be and is hereby authorized to approve the payment of remuneration to Ms. Pragya Bhartia, President, Business Development of the Company, of an amount not exceeding ₹ 2,50,000/- p.m.”

“RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee be

authorized to revise the remuneration from time to time subject to the maximum limit prescribed under the Companies Act, 2013 and Rules thereunder or any other law for the time being in force and any modifications thereof.”

“RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to take necessary steps as are required under the Companies Act, 2013 in order to give effect to the above resolution.”

9. To consider and if, thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of section 149 of the Companies Act 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Pradip Kumar Khaitan (DIN: 00004821), in respect of whom a notice has been received from a member proposing his candidature for the office of Directors under section 160 of the Companies Act, 2013, be and is hereby appointed as the Independent Director of the Company for a period not exceeding five consecutive years with effect from 1st October, 2014 as per the terms and conditions contained in the Letter of Appointment issued by the Company.”

10. To consider and if, thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of section 149 of the Companies Act 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ramesh Chandra Misra (DIN: 00063146), in respect of whom a notice has been received from a member proposing his candidature for the office of Directors under section 160 of the Companies Act, 2013, be and is hereby appointed as the Independent Director of the Company for a period not exceeding five consecutive years with effect from 1st October, 2014 as per the terms and conditions contained in the Letter of Appointment issued by the Company.”

11. To consider and if, thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of section 149 of the Companies Act 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Jagmohan N. Kejriwal (DIN: 00074012), in respect of whom a

notice has been received from a member proposing his candidature for the office of Directors under section 160 of the Companies Act, 2013, be and is hereby appointed as the Independent Director of the Company for a period not exceeding five consecutive years with effect from 1st October, 2014 as per the terms and conditions contained in the Letter of Appointment issued by the Company.”

12. To consider and if, thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of section 149 of the Companies Act 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ravi Jhunjhunwala (DIN: 00060972), in respect of whom a notice has been received from a member proposing his candidature for the office of Directors under section 160 of the Companies Act, 2013, be and is hereby appointed as the Independent Director of the Company for a period not exceeding five consecutive years with effect from 1st October, 2014 as per the terms and conditions contained in the Letter of Appointment issued by the Company.”

13. To consider and if, thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of section 149 of the Companies Act 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Jitender Balakrishnan (DIN: 00028320), in respect of whom a notice has been received from a member proposing his candidature for the office of Directors under section 160 of the Companies Act, 2013, be and is hereby appointed as the Independent Director of the Company for a period not exceeding five consecutive years with effect from 1st October, 2014 as per the terms and conditions contained in the Letter of Appointment issued by the Company.”

14. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013, (including any amendment thereto or reenactment thereof), and such other necessary approval(s) if any, as may be required, approval be and is hereby accorded to alter Articles of Association of the Company by deleting the existing Article Nos. 4(c) and 69 and inserting the new Articles 4(c) and 69 in place thereof:

- 4 (c). Subject to the provisions of Section 55 of the Act

and these Articles, the Company shall have power to issue Preference Shares carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption subject to provisions of Section 55 of the Act, exercise such power in such manner as it may think fit.

69. No business shall be transacted at any general meeting unless a quorum of members as prescribed under the Companies Act 2013, including any amendment thereof, is present at the time when the meeting proceeds to business.”

15. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT in accordance with the provisions of Section 41, 42 and 62 and other applicable provisions, if any, of the Companies Act, 2013 and Rules thereunder as also of any other applicable laws, rules, regulations, (including any amendment thereto or re-enactment thereof for the time being in force) and subject to all other applicable Rules, Regulations and Guidelines of the Securities and Exchange Board of India (“SEBI”), the applicable provisions of Foreign Exchange Management Act, 1999 (“FEMA”), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulation, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism), Scheme, 1993 and in accordance with the rules, regulations, guidelines, policies, notifications, circulars & clarifications issued / to be issued thereon by the Government of India (“GOI”), Reserve Bank of India (“RBI”), Securities and Exchange Board of India (“SEBI”), the Department of Industrial Policy and Promotion, Ministry of Commerce (“DIPP”), the Foreign Investment Promotion Board (“FIPB”), the Ministry of Finance (Department of Economic Affairs) and / or any other Regulatory / Statutory Authorities and/ or other Authorities / Institutions / Bodies (hereinafter singly or collectively referred to as the “Appropriate Authorities”) and in accordance with the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions of the Appropriate Authorities concerned and subject to such conditions and modifications, as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (“Board”) (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute for exercising the powers conferred on the Board by this resolution), the Company be and is hereby authorized to issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and

for such categories of persons as may be permitted), in the course of one or more domestic or international offering(s) with or without Green Shoe option, including by way of a qualified institutional placement under Chapter XIII A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 (“SEBI Guidelines”), to eligible investors (whether or not such investors are members of the Company, or whether or not such investors are Indian or foreign, including qualified institutional buyers such as public financial institutions, scheduled commercial banks, mutual funds, foreign institutional investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital investors, state industrial development corporations, insurance companies, pension funds and provident funds), whether by way of a public offering or by way of a private placement and whether by way of circulation of an offering circular or placement document or otherwise, securities including Equity Shares and/or instruments or securities convertible into equity shares of the Company such as Global Depository Receipts and/or American Depository Receipts and/or convertible preference shares and/or convertible debentures or bonds (compulsorily and/or optionally, fully and / or partly), and/or non-convertible debentures with warrants and/or securities with or without detachable / non-detachable warrants and / or warrants with a right exercisable by the warrant-holder to subscribe for equity shares and /or Foreign Currency Convertible Bonds (FCCBs) convertible into equity shares at the option of the Company or the holder(s) thereof, **up to an aggregate principal amount of ₹ 250,00,00,000 (Rupees Two Hundred Fifty Crores)** or its equivalent in any other currency, (hereinafter referred to as “**Securities**”) to be denominated in foreign currency or Indian rupees, as the case may be, which, at the option of the Company or the holders of the Securities may be surrendered for the purpose of cancellation against receipt of corresponding number of underlying equity shares of the Company, as the case may be, and such issue and allotment to be made in one or more tranche or tranches at such price (premium/discount) as may be determined in accordance with relevant guidelines, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment, considering the prevailing market conditions and other relevant factors.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of Securities may have all or any terms or combination of terms as are provided in issue of securities of such nature internationally including terms relating to surrender of the Securities for the purposes of cancellation against receipt of the corresponding number of underlying equity shares and the Company be and is hereby authorized to enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories,

custodians and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities in one or more stock exchanges outside India and the listing of equity Shares underlying the Securities in one or more stock exchanges in India.”

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

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

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

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

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

“RESOLVED FURTHER THAT the Securities issued in foreign markets shall be treated to have been issued

abroad and / or in the international market and/ or at the place of issue of the Securities in the international market and may be governed by applicable foreign laws.”

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

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

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

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Directors or any other officer or officers of the Company to give effect to these resolutions.”

By order of the Board

Place : NOIDA, U.P.
Date : 04.08.2014

Lalit Kumar Sharma
Company Secretary

NOTES:

1. 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.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Register of Members and Share Transfer books of the Company will remain closed from 10th September 2014 to 20th September 2014 (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, F-65, Okhla Industrial Area Phase-I, New Delhi 110020, before the book closure, shall be included in the members register as on the date of the Annual General Meeting.
3. If the final dividend of Re. 1/- per equity share, 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 appears 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.
4. 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).
 - i) Name of the sole/first joint holder and Folio Number.
 - ii) Particulars of Bank Account viz., Name of Bank, Branch address with pin code, Bank Account Number with Account type whether saving or current account.
5. 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.
6. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2007, which remain unclaimed/ unpaid for a period of 7 years from the date such

dividend first become due for payment, will be transferred on or before 29th September, 2014 to the Investors Education and Protection Fund established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.indiaglycols.com). It has been noticed that some shareholders have not encashed the dividend warrant(s) so far for financial year ended 31st March, 2007 or any subsequent financial years. Such shareholders are requested to make their claim to the Company in respect of their unclaimed/unpaid dividend, before being transferred to Investors Education and Protection Fund

as aforesaid. The Shareholders are requested to note that no claim shall lie against the Company in respect of said unclaimed and unpaid dividend, if transferred to the Investors Education and Protection Fund on due dates.

7. Voting through electronic means.

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participant(s)]:

(1)	Open email and open PDF file viz; "IGL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
(2)	Launch internet browser by typing the following – URL: https://www.evoting.nsdl.com/
(3)	Click on "Shareholder – Login"
(4)	Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
(5)	Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
(6)	Home page of "e-voting" opens. Click on e-Voting: Active Voting Cycles.
(7)	Select "EVEN" of India Glycols Limited.
(8)	Now you are ready for e-voting as "Cast Vote" page opens.
(9)	Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
	Upon confirmation, the message "Vote cast successfully" will be displayed.
	Once you have voted on the resolution, you will not be allowed to change/modify your vote. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to ashish@asandco.net (email address of Scrutinizer) with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

(i) Initial password is provided in the attached sheet on the 'Process and manner for e-voting'.		
EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
(ii) Please follow all steps from Sl. No. (2) to Sl. No.(9) above, to cast vote.		

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 10th September, 2014 (9:00 a.m) and ends on 12th September 2014 (6:00 p.m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 8th August, 2014.

8. MEMBERS ARE REQUESTED TO:

- A. Immediately notify any change of address or bank mandates and their PAN 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.
- B. Send their queries, if any, atleast 15 days in advance of the meeting at the Company's Head Office at Plot No. 2-B, Sector-126, Distt. Gautam Budh Nagar, Noida-201304, Uttar Pradesh 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.
- E. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- F. Non resident Indian members are requested to immediately inform the MCS Limited, Registrar and Share Transfer Agent, of change in their residential address on return to India for permanent settlement and the particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- G. The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the circulars bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 and the statute issued by the Ministry, companies can now send various notices /documents (including Annual Report and other communications) to their shareholders through electronic mode to the registered e-mail addresses of the shareholders. We, therefore invite you to please update and register, if not so registered, your e-mail addresses with your Depository Participant(s). You are requested to send an e-mail to compliance.officer@indiaglycols.com and admin@mcsdel.

com or send a letter at the following address registering your email with the Company:

MCS Limited or India Glycols Limited
 F-65, 1st Floor, Plot No 2 B, Sector 126,
 Okhla Industrial Area, Noida-201304
 Phase-I, Dist. Gautam Budh
 New Delhi-110020 Nagar (UP)

9. Shri U. S. Bhartia, Director due to retire by rotation and is eligible for reappointment at this Annual General Meeting. Brief resume of Shri U. S. Bhartia is as under:

Name	Shri U. S. Bhartia
Age	60
Qualifications	B. Com. (Hons.)
Expertise in Specific functional Area	Shri U. S. Bhartia is an industrialist and has overall 35 years of experience in managing various types of Industries. Shri U.S. Bhartia is associated with India Glycols Limited for over 17 years as Managing Director and involved in the day to day managerial activities of the Company.
Date of appointment on the Board of the Company	30.11.1996
Name(s) of the other companies in which Directorships held (as per Sections 165 of the Companies Act, 2013)	1. India Glycols Limited 2. Hindustan Wires Limited 3. Kashipur Holdings Limited 4. IGL Finance Limited 5. Polylink Polymers (India) 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)	India Glycols Limited – Stakeholders Relationship Committee and Corporate Social Responsibility Committee Hindustan Wires Limited – Audit Committee Polylink Polymers (India) Limited - Audit Committee and Stakeholders Relationship Committee
Shareholding as on 31.03.2014	448722

10. As stipulated in the Clause 49 of the Listing Agreement, No Director is inter-se related to any other Director on the Board, except Shri U.S. Bhartia and Smt. Jayshree Bhartia, who are related to each other as Spouse.
11. Explanatory statement pursuant to section 102(1) of the Companies Act, 2013 with respect to items of Special Business is appended hereto, and forms part of this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO.5

The Board of Directors at its meeting held on 22nd May, 2014 on the recommendation of the Nomination and Remuneration Committee of the Board of Directors at its meeting held on 22nd May, 2014, has revised the remuneration of Shri U.S. Bhartia, Chairman and Managing Director as approved at the time of his appointment w.e.f. 1st April, 2011 vide shareholders' resolution dated 27th September, 2011 approving the appointment of Shri U. S. Bhartia as Managing Director for the period of 5 years, as per the details mentioned in the resolution set out at item no. 5 of the notice. Due to global recession and melt down and steep fall in demand as well as prices of its final products, the Company has suffered losses and therefore, unable to pay the shareholders' approved remuneration to the Chairman and Managing Director, hence it is proposed to seek the members' approval for the remuneration payable to Shri U.S. Bhartia as Chairman and Managing Director, in terms of the applicable provisions of the Act. The revised remuneration shall be payable for a period not exceeding 2 years w.e.f. 1st April, 2014.

INFORMATION REQUIRED PURSUANT TO THE PROVISIONS OF SCHEDULE V TO THE COMPANIES ACT, 2013 READ WITH CLAUSE 49 OF THE LISTING AGREEMENT IS FURNISHED AS UNDER:

I. GENERAL INFORMATION:

(i) Nature of Industry

India Glycols Limited is engaged in the manufacturing and marketing of Chemicals including specialty Chemicals, Ethyl Alcohol (Potable), Nutraceutical and herbal extraction, Natural Gum & its derivatives, Industrial Gases, etc. having a turnover of more than ₹ 3000 crores. The company has the advantage of producing Chemicals through agro route (green route) while the other manufacturers are manufacturing through Petroleum. The Company has diversified from a single product to multi-product in a short span of last 14 years period. The Company has diversified its activities from MEG and EO derivatives to other specialty chemicals, Ethyl Alcohol (potable), Natural Gums and its derivatives, nutraceuticals and Herbal extractions and Industrial Gases. The Company through its subsidiary SSAIL, has a sugar plant and distillery in Saharanpur. In a step forward towards registering its international presence, the Company has established an overseas company in Singapore to market its products into south-east Asian Markets. India Glycols Limited is a growing industry in the current economic scenario due to inevitable demand of Pharmaceutical & Nutraceutical industries, Food industries, Textile industry, Automobile industry, and Potable segment. India Glycols Limited is leading manufacturer of Chemicals including Mono Ethyl Glycols (MEG), Ethoxylates and Glycols Ethers through Molasses route, which is most appreciable due to eco-friendly nature in all over world.

(ii) Date or expected date of commencement of commercial production

1st January, 1990.

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

Not Applicable

(iv) Financial Performance based on given indicators

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

(Amount in ₹ crores)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Total Turnover including other income	1412	1860	2633	3347	2913
Profit / (loss) before Depreciation and Tax.	74	105	234	247	104
Depreciation and exceptional item.	43	69	78	82	274
Profit / (loss) before Tax	31	37	157	165	(169)
Provision for Tax	11	11	52	44	(50)
Profit / (loss) after Tax	20	26	105	121	(119)

(v) Foreign Investments or collaborators, if any:

Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

(a) Background Details

Shri U.S. Bhartia is having overall 35 years of experience of managing various types of Industries. Shri U.S. Bhartia is associated with India Glycols Limited for over 17 years as Managing Director and involved in the day to day managerial activities of the Company. As is evident from his experience and industrialist background, Shri U.S. Bhartia is ideally suited to the nature of our Industry, the benefits of which, the Company has reaped over the years.

(b) Past Remuneration

During the Year 2013-14, Shri U.S. Bhartia was paid Salary, perquisite and allowance of ₹ 2.67 Crores.

(c) Recognition or Awards

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

(d) Job Profile and his Suitability

As stated above, Shri U.S. Bhartia is a commerce graduate with over 35 years of experience of managing various types of Industries and is vested with substantial powers of management of the Company. Shri U.S. Bhartia is associated with India Glycols Limited for over 17 years as Managing Director and involved in the day to day managerial activities of the Company. As is evident from his experience and industrialist background, Shri U.S. Bhartia is ideally suited to the nature of our Industry, the benefits of which, the Company has reaped over the years.

Under the able leadership of Shri U.S. Bhartia, the Company has grown from single product of Mono Ethylene Glycols at single plant at Kashipur to multi products including EOD, Glycols Ethers, Ethyl Alcohol (Potable), Natural Gums, Industrial Gases, Nutraceuticals Herbal Extraction, Sugar etc. at four different plant locations including Sugar plant at Saharanpur, Uttar Pradesh. The plant capacity of MEG and equivalent has been increased from 60 MT per day in the year 1996 to presently 575 MT per day. The Company's turn-over has since been increased from ₹122 crores in the year 1996 to ₹ 2913 crores in the year 2013-14.

The Company is exporting its products in various countries around the globe and the Company has registered exports turnover of ₹1195 crores in the year 2014. The Fixed Assets base has been increased from ₹156 crores in the year 1996 to ₹ 1729 crores in the year 2014.

Under the diversification plan initiated by Shri U.S. Bhartia, the Company has also set up Ethyl Alcohol Division at its distilleries in Kashipur and Gorakhpur with an overall capacity of 725 KL per day and is among few Companies in the country having license of operations in and sale of Country Liquor and Indian Made Foreign Liquor (IMFL) in two states of Uttar Pradesh and Uttarakhand. The turnover of Ethyl Alcohol Division has increased from ₹ 67 Crores in the year 2006 to ₹ 657 crores in the year 2014.

The Company has also set up an Industrial Gases division producing Oxygen, Nitrogen and Argon with an overall capacity of 13000 NM³/h. The Company has also set up Carbon dioxide producing plant at Kashipur with a capacity of 160 MT/day.

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

As a further step towards diversification plan initiated by Shri U. S. Bhartia, Company has set up a 100% Export Oriented undertaking (100% EOU) by the name of Ennature Bio-pharma division. The Company has taken 47 acres land on lease from Uttarakhand government, where it is growing a wide variety of medicinal plants etc. The Company has also set up a Supercritical Fluid Extraction facility (SCFE) at Dehradun, which will be cGMP compliance. The unit will be used for extraction of

Dietary Food supplements, Natural Colors, Health care fruits & vegetables, Herbal Extracts, Fruit flavors & fragrances & Spice flavors & extracts. Future thrust is to become supplier of more refined natural active pharmaceutical ingredients (API) & intermediates to pharmaceutical & natural health product industries. All these are very high value added products.

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

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

During the Year 2013-14, Shri U.S. Bhartia was paid Salary, perquisite and Commission of ₹ 267.03 lacs as approved by Central Government vide its approval dated 24.10.2011.

Since during the year 2013-14 Company suffered loss, therefore, pursuant to the provisions of section 197 read with Schedule V of the Companies Act, 2013, annual remuneration is restricted to the limit specified under Schedule V of the Act, which is not adequate compensation keeping in view his present and future responsibilities, his previous remuneration paid, industry norms and his role in placing the Company in pre-eminent position in the Industry.

In view of the above, it was decided by the Board of Directors of the Company pending Shareholder's approval, to approve the remuneration payable to Shri U.S. Bhartia at reasonable level in line with the remuneration levels in the Industry, across the country and befits his position.

The remuneration approved by the Board of Directors is based on the prevalent levels of remuneration in manufacturing industries, in general and the industry in particular.

(e) Remuneration Proposed

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

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

The prevalent levels of remuneration in manufacturing industries, in general and the industry in particular are higher. Taking into account the turnover of the Company and responsibilities of Shri U.S. Bhartia, the proposed remuneration to the appointee is reasonable and in line with the remuneration levels in the Industry, across the country and befits his position.

(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial

personnel, if any.

Shri U.S. Bhartia is one of the Promoters of the Company and has been instrumental in bringing significant growth in the volume of its business since inception. He is also related to Mrs. Jayshree Bhartia, who is a director in the Company and belongs to Promoter group of the Company.

II. OTHER INFORMATION:

During the year under review performance of the Company has been adversely affected on account of depressed global economic situation which has resulted in reduction of commodity demand. The performance of the Company has been adversely affected due to realized loss on foreign exchange fluctuations and steep fall in Guar gum prices. The performance was further adversely affected as domestic prices of our feedstock viz. molasses and alcohol was high on account of poor availability of sugar cane and diversion of alcohol towards the implementation of Ethanol Blending with Petrol (EBP) Program of Government of India. The current year has been an extra ordinary and abnormal year for the company due to steep fall in commodity demand, its prices internationally and foreign exchange losses.

In terms of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement on Corporate Governance, Shri U. S. Bhartia is qualified as non-Independent Director.

The above may be treated as an abstract and written memorandum setting out the variation of the terms of contract of appointment of Shri U. S. Bhartia under Section 190 of the Companies Act, 2013.

The relatives of Shri U. S. Bhartia may be deemed to be interested in the resolution set out at Item no. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Except Shri U S Bhartia and Smt. Jayshree Bhartia, none of the other Directors, Key Managerial Personnel or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors has recommended the proposed resolution set out at item No.5 of this Notice for your approval by way of a Special Resolution.

ITEM NO. 6

As per Section 197 of the Companies Act, 2013, the Non-Executive Directors of the Company may receive remuneration by way of commission every year in such manner as may be decided by the Board, not exceeding 1% per annum of the net profits of the Company and such payment shall be made out of the profits of the Company. Keeping in view the enhanced responsibilities of the Board of Directors, the Board of Directors at its meeting held on 22nd May, 2014 on the recommendation of the Nomination and Remuneration Committee at its meeting held on 22nd May, 2014, has recommended the payment of remuneration by way of annual commission such sum, not exceeding 1% per annum of the net profits of the Company to be paid and distributed amongst the Non-Executive Directors of the Company and such payment shall be in addition to the sitting fee payable to them for attending meetings of the Board and Committees thereof made out of the profits of the Company for each year for a period of five years commencing from 1st April,2014.

Save and except all the non-executive directors of

the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested financially or otherwise in the resolution set out at Item No. 6 of the notice.

The Board of Directors has recommended the proposed resolution set out at item No.6 of this Notice for your approval by way of a Special Resolution.

ITEM NO. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration of M/s R. J. Goel, Cost Auditor, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at an audit fee of ₹ 1.25 Lacs.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

The Board of Directors has recommended the proposed resolution set out at item No.7 of this Notice for your approval by way of an Ordinary Resolution.

ITEM NO. 8

The Board of Directors at its meeting held on 22nd May, 2014 on the recommendation of the Nomination and Remuneration Committee at its meeting held on 22nd May, 2014 and subject to the approval of shareholders, had approved and recommended the payment of remuneration to Ms. Pragya Bhartia, within the overall limit specified under Section 188 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 at ₹ 2,50,000 (Two Lacs Fifth Thousand), as President, Business Development of the Company, who is dealing with the Business Development including Strategy Planning of various on-going projects and day to day affairs of the Company.

Initially, Ms. Pragya Bhartia was responsible for the implementation of Nutra-ceutical Herbal Extraction project at Dehradun. Ms. Pragya Bhartia is MSc. Economics for Development, with distinction and was second rank holder from University of Oxford, U.K. The particulars of the transaction pursuant to para 3 of Explanation to Rule 15 of the Companies (Meeting of Board and its Powers) Rule, 2014 are as under:

1. Name of the related Party: Ms. Pragya Bhartia
2. Name of the director or key managerial personnel who is related: Shri U. S. Bhartia and Smt. Jayshree Bhartia.
3. Nature of relationship: Relative of Shri U. S. Bhartia and Smt. Jayshree Bhartia.
4. Nature, material terms, monetary value and particulars of the contract or arrangement: As mentioned above
5. Any other information relevant or important for the members to take a decision on the proposed resolution: None

Except Shri U.S. Bhartia and Smt. Jayshree Bhartia, none of the other Directors, Key Managerial Personnel

or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors has recommended the proposed resolution set out at item No.8 of this Notice for your approval by way of Special Resolution.

ITEM NOS. 9 TO 13

Pursuant to the provisions of section 149 of the Companies Act, 2013, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation and shall hold office for a period not exceeding 5 years.

It is proposed to appoint Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjhunwala and Shri Jitender Balakrishnan and as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a period not exceeding 5 (five) consecutive years with effect from the conclusion of this Annual General Meeting.

Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjhunwala and Shri Jitender Balakrishnan are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The Company has also received declarations from Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjhunwala and Shri

Jitender Balakrishnan that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjhunwala and Shri Jitender Balakrishnan are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjhunwala and Shri Jitender Balakrishnan for the office of Directors of the Company.

The Company has also received declarations from Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjhunwala and Shri Jitender Balakrishnan that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjhunwala and Shri Jitender Balakrishnan fulfill the conditions for appointment as Independent Directors as specified in the Act and are independent of the management.

A brief profile of Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, is provided below:

Name	Shri Pradip Kumar Khaitan	Shri Ramesh Chandra Misra
Age	73	84
Qualifications	L.L.B.	M.A. and L.L.B.
Expertise in Specific functional Area	Shri Pradip Kumar Khaitan, an L.L.B Attorney-at-Law (Bell Chambers Gold Medalist), is currently the partner of Messrs. Khaitan & Co, Advocates. He specializes in the areas of commercial, corporate and tax law, in addition to arbitration, joint ventures, merger & acquisition, restructuring and de-mergers. He is the member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society, Calcutta and the Indian Council of Arbitration, New Delhi. He also has the trusteeship of educational and charitable institutions to his credit	Shri R.C. Misra is the former Chairman of the Central Board of Excise & Customs and holds a Master's degree in Arts and Bachelor of Law degree from the University of Delhi. Shri Misra has expertise in Direct & Indirect taxation and Corporate Laws. Shri Misra joined India Glycols Limited in 1988.
Date of appointment on the Board of the Company	29.11.1996	17.06.1988
Name(s) of the other companies in which Directorships held	1. India Glycols Limited 2. CESC Limited 3. Dalmia Bharat Limited 4. Dhunseri Petrochem & Tea Limited 5. Electrosteel Castings Limited 6. Emami Limited 7. Graphite India Limited 8. OCL India Limited 9. Woodlands Multispeciality Hospital Limited	India Glycols 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)	India Glycols Limited–Audit Committee- Member, Nomination and Remuneration Committee- Member and Corporate Social Responsibility Committee-Member; Graphite India Limited–Nomination and Remuneration Committee-Chairman, Stakeholders Relationship Committee-Member; Electrosteel Castings Ltd. Audit Committee- Member, Stakeholders Relationship Committee–Member and Corporate Social Responsibility Committee-Member Dalmia Bharat Limited- Audit Committee- Member	India Glycols Limited- Chairman-Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Member–Finance Committee, Compensation Committee for ESOS, Share Transfer Committee
Shareholding as on 31.03.2014	Nil	500

A brief profile of Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjunwala and Shri Jitender Balakrishnan is provided below:

Name	Shri Jagmohan N. Kejriwal	Shri Ravi Jhunjunwala	Shri Jitender Balakrishnan
Age	75	58	65
Qualifications	M.A.(Eco.)	B. Com and MBA from Geneva	BE (Mech.) and Post Graduate in Industrial Management
Expertise in Specific functional Area	Shri Jagmohan N. Kejriwal is an industrialist, who is also the founder promoter of Dynatron (P) Ltd. With over 46 years' experience in managing business enterprises, Shri Kejriwal has been associated with India Glycols Ltd since 2002 as an Independent Director.	Shri Ravi Jhunjunwala is an Industrialist, manages ₹ 3900 crores LNJ Bhilwara Business Group. He started his career as a Management Trainee and having gone through a very well planned grooming in all aspects of Business Management and was later assigned the reins of HEG Ltd. as Managing Director. He is also active on number of National Management forums and is associated with various chambers of commerce including CII.	Shri Jitender Balakrishnan is former Deputy Managing Director of IDBI Bank Ltd. and holds Bachelor's degree in Mechanical Engineering from National Institute of Technology, Madras University and Masters in Business Administration. He has more than 32 years of experience. During his tenure with IDBI Bank Ltd., he has held various positions and has obtained experience in various areas of banking and financial services. After holding the post of Executive Director of IDBI Bank in July 2004, he was promoted as Deputy Managing Director of IDBI Limited in 2006. He also has relevant and adequate capital market experience to be a Designated Director of the Company on the Stock Exchange, as required under the Stock Exchange rules and regulations.
Date of appointment on the Board of the Company	28.05.1999	26.10.2009	13.08.2010
Name(s) of the other companies in which Directorships held	1. India Glycols Ltd. 2. Dynatron (P) Ltd. 3. Industele Services (P) Ltd.	1. India Glycols Limited 2. HEG Ltd. 3. RSWM Ltd. 4. Malana Power Company Ltd. 5. Maral Overseas Ltd. 6. Indo Canadian Consultancy Services Ltd. 7. BSL Ltd. 8. AD Hydro Power Ltd. 9. Cheslind Textiles Ltd. 10. Bhilwara Energy Limited 11. Bhilwara Green Energy Ltd. 12. NJC Hydro Power Ltd 13. J.K. Lakshmi Cement Ltd. 14. BMD Pvt. Ltd.	1. India Glycols Limited 2. Bharti AXA General Insurance Company Ltd. 3. Bhoruka Power Corporation Ltd. 4. Polyplex Corporation Limited 5. Sarda Energy & Minerals Limited 6. IL&FS Investement Managers Ltd. 7. Bharti Infratel Ltd. 8. Essar Projects India Limited 9. Bharti AXA Life Insurance Company Limited 10. Aditya Birla Finance Ltd. 11. Usha Martin Ltd. 12. Essar Services India Ltd 13. Magus Estates & Hotels Pvt. Ltd. 14. Equinox Realty and Infrastructure Pvt. Ltd.

Name(s) of Companies in which Committee membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement with the Stock Exchanges)	India Glycols Ltd. – Member-Audit Committee, Stakeholders Relationship Committee– Member, Member Share Transfer Committee and Member Nomination and Remuneration Committee	HEG Limited- Shareholders Grievance/ Stakeholders Relationship Committee- Member, Corporate Social Responsibility Committee - Chairman; BSL Ltd - Shareholders'/Investors Grievance Committee- Member; Malana Power Company Ltd Audit Committee- Chairman; AD Hydro Power Ltd Audit Committee – Chairman, Remuneration Committee- Member J.K.Lakshmi Cement Ltd- Audit Committee- Director and Nomination and Remuneration Committee-Director	Aditya Birla Finance Ltd -Risk Committee - Chairman; IL&FS Investment Managers Ltd.- Audit Committee-Member; Polyplex Corporation Limited -Remuneration Committee-Member; Magus Estates and Hotels Pvt. Ltd-Remuneration, & Audit Committee – Member; Bharti Axa Life Insurance Co. Ltd- Chairman-Policy Holders Protection Committee-Member with Profit Committee and Member - Nomination and Remuneration Committee- Usha Martin Ltd.-Audit Committee- Chairman –Bharti Axa General Insurance Company Ltd. Member-Nomination and Remuneration Committee-Member Sarda Energy & Minerals Ltd - Investor Grievance Committee Member-Compensation Committee; Bharti Infratel Ltd.-Audit Committee - Member
Shareholding as on 31.03.2014	Nil	Nil	Nil

Copy of the draft letters for respective appointments of Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjhunwala and Shri Jitender Balakrishnan as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjhunwala and Shri Jitender Balakrishnan are interested in the resolutions set out respectively at Item Nos. 9, 10, 11, 12, and 13 of the Notice with regard to their respective appointments. The relatives of Shri Pradip Kumar Khaitan, Shri Ramesh Chandra Misra, Shri Jagmohan N. Kejriwal, Shri Ravi Jhunjhunwala and Shri Jitender Balakrishnan may be deemed to be interested in the resolutions set out respectively at Item Nos. 9, 10, 11, 12, and 13 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 9, 10, 11, 12, and 13 of the Notice for approval by the shareholders

ITEM NO. 14

The existing Articles of Association of the Company (“AoA”) are based on the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (“the Act”).

With the coming into force of the Act some regulations of the existing AoA of the Company require alteration or deletions in some articles.

Article no. 4 (c) of the unaltered AoA permitted the Company to redeem Preference Shares “at the option of the Company”. However, Article 4(c) is proposed to be amended pursuant to Section 55 of the Companies Act 2013 which requires a Company to issue Preference Shares redeemable within a period of 20 years from the date of their issue.

Article 69 of the unaltered AoA stated that 5 members personally present will constitute quorum for General

Meetings. However, Article 69 is proposed to be amended pursuant to Section 103 of the Companies Act 2013 which requires a Public Company to have at least 30 members personally present if the number of members as on the date of the meeting exceeds five thousand, being the case with India Glycols Limited.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 14 of the Notice.

The Board commends the Special Resolution set out at Item No. 14 of the Notice for approval by the shareholders.

ITEM NO. 15

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

With a view to raise long term finance as well as meeting Company's fund requirements for expansion, capital expenditure and for other expenditures as permitted under the prevailing Guidelines in this regard, the Company proposes to issue Equity Shares and/or instruments or securities convertible into equity shares of the Company such as Global Depository Receipts and/or American Depository Receipts and/or convertible preference shares and/or convertible debentures or bonds (compulsorily and/or optionally, fully and / or partly), and/or non-convertible debentures with warrants and/or securities with or without detachable / non-detachable warrants and / or warrants with a right exercisable by the warrant-holder to subscribe for equity shares and /or Foreign Currency Convertible Bonds (FCCBs) convertible into equity shares at the option of the Company or the holder(s) thereof, up to an aggregate principal amount of ₹ 250,00,00,000 (Rupees Two Hundred fifty Crores) or its equivalent in any other currency on the terms and conditions as stated in the Notice of the Meeting.

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

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

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

This resolution is proposed as an enabling resolution to authorize the Board of Directors to raise long term finance as well as meeting Company's fund requirements for expansion, capital expenditure and for other expenditures as permitted under the prevailing Guidelines in this regard meeting Company's fund requirements for expansion, capital expenditure and for other expenditures as permitted under the prevailing Guidelines in this regard. This resolution also gives adequate flexibility in respect of working out the modalities of issue as also to issue FCCBs in such tranches, at such times as the Board may in its absolute discretion deem fit.

Under Section 41, 42 and 62 of the Companies Act, 2013 shareholders approval by a special resolution is required for issue of shares to persons other than existing shareholders of the Company. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 15 of the Notice.

The resolution set out at Item No.15 is proposed to be passed as a Special Resolution.

By order of the Board

Place :NOIDA, U.P.
Date :04.08.2014

Lalit Kumar Sharma
Company Secretary

Directors' Report

To The Members

Your Directors are pleased to present the Thirtieth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

(Amount in ₹ Crores except earnings per share)

	Year ended 31.03.2014	Year ended 31.03.2013
Sales and Other Income	2914	3347
Profit/(Loss) before Depreciation, Exceptional Item and Tax	105	247
Exceptional Item (Net)	192	0
Depreciation	83	82
Profit Before Tax	(170)	165
Provision For Tax	(50)	44
Net Profit	(120)	121
Earning Per Share (In ₹)	(38.61)	41.10

DIVIDEND

Your Directors are pleased to recommend a final dividend of Re.1 (Rupee One only) per equity share. The outgo on dividend will be ₹ 3.62 Crores including tax on dividend.

PERFORMANCE

During the year under review performance of the Company has been adversely affected on account of depressed global economic situation which has resulted in reduction of commodity demand. The performance of the Company has been adversely affected due to loss on account of foreign exchange volatility and steep fall in Guar gum prices. The performance was further adversely affected as domestic prices of our feedstock viz. molasses and alcohol, was high on account of poor availability of alcohol and diversion of alcohol towards the implementation of Ethanol Blending with Petrol (EBP) Program of Government of India at an unrealistic price resulting in a sharp increase in the prices of alcohol.

Sales and other income for the year under review has been ₹ 2914 Crores as compared to ₹ 3347 Crores last year. Loss after depreciation, exceptional item and tax for the year has been ₹ 120 Crores as compared to profit of ₹ 121 Crores last year.

The current year has been an extra ordinary and abnormal year for the company due to steep fall in guar gum prices and foreign exchange losses.

CHEMICALS

The Company is the largest manufacturer of Bio-MEG in the world made out of renewable feedstock i.e. Molasses and Ethanol. Bio-MEG has an application, apart from other products, in PET bottles, which is used for packaging of beverage products.

Sales of Glycols (MEG, DEG, TEG and Heavy Glycols) has increased from 91,225 MT in FY 2012-13 to 95,342 MT in FY 2013-14 and in Sales Value from ₹ 693 Crores in FY 2012-13 to ₹ 758 Crores in FY 2013-14.

Sales under Ethylene Oxide Derivatives (EOD) business decreased marginally to 103,713 MT in FY 2013-14 from 104,755 MT during previous year. However, in value terms it has increased from Rs.1005 Crores in 2012-13 to ₹ 1106 Crores in FY 2013-14. EOD business has witnessed improvement in profitability due to higher prices of Ethylene and Ethylene Oxide in the world market.

During the year, your Company produced 96275 MT of Glycols compared to 91215 MT last year. Ethylene Oxide Derivatives (EODs) production has been 105510 MT compared to 104157 MT last year.

EXPORTS

During the year under review, your Company has achieved total export turnover of ₹ 1195 Crores as compared to ₹ 1772 Crores last year. The steep decline in exports can be attributed to the steep fall in prices of guar gum. Your Company hopes to achieve reasonable growth in the overall export sales in the current year though the market conditions remain extremely challenging. Company has been granted 'One Star Export House' status by Government of India.

ETHYL ALCOHOL (POTABLE) & EXTRA NEUTRAL ALCOHOL

During the year, your Company registered total sales of ₹ 657 Crores compared to ₹ 660 Crores last year in the Ethyl Alcohol (Potable) division. During the year thrust was given on the export of high quality Extra Neutral Alcohol (ENA).

Company is having license for operations in and sale of Country Liquor and Indian Made Foreign Liquor (IMFL) in the States of Uttar Pradesh and Uttarakhand. During the year under review, Company has launched its premium products under the brand name of "V2O Vodka" in three flavors viz. Orange, Green Apple and Smooth. We have also extended the launch of Beach House Premium XXX Rum. During the year, IMFL brands of the Company have been supplied to Canteen Stores Department (CSD) of Indian Defence Forces. Company is in process of introducing its IMFL brands in the higher range market and brand building program shall be introduced in the current financial year.

Monde Selection Committee is conducting evaluation sessions for different categories of consumer products & accordingly provides quality awards, our Company has won fourth time in a row GRAND GOLD award from MONDE SELECTION, Belgium for its high quality of Extra Neutral Alcohol.

Company has a tie-up with Bacardi for bottling of its products at its Kashipur bottling unit.

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

Company has a 100% Export Oriented Unit (100% EOU) by the name of Ennature Bio-pharma division. The unit

has established Supercritical Fluid Extraction- CO₂ and solvent extraction facility at Dehradun. The unit is cGMP, ISO 9001, ISO22000, HACCP, Kosher and Halal certified. The R&D center at Ennature Bio-Pharma plant at Dehradun is working vigorously on the process of stabilizing and developing various Phytopharmaceutical and Nutraceutical products for the developed markets.

Company during the year developed Indian grown health supplements for the developed market with Zero residual solvents by SCF-CO₂ technology. These products have given stupendous boost to the growth of the business of Bio-Pharma. During the year, Company has become a qualified supplier to many large conglomerates worldwide for natural colors, nutraceuticals, health supplements and plant based Active Pharmaceutical Ingredients (APIs). Company has established its name as a quality manufacturer and supplier with stringent QC and QA controls in place.

During the year, sales turnover of Ennature Bio-Pharma division has declined to ₹ 43 Crores as compared to ₹ 62 Crores last year due to strategic restructuring of the business relationship with a few key customers. Variety in Product Folio available with the Company has created better business opportunities to deeply penetrate into domestic as well as international market, which has encouraged the Company to increase its production capacities from 400 MT to 800 MT.

During the year under review, your Company has created four new process patents to hold intellectual property rights on products namely; Thiocolchicoside, Marigold lutein, DHA and Green Ginger Shogaol. We have also designed various new formulations, micro-encapsulated forms from the existing SCF-CO₂ process in order to have better product portfolio.

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

INDUSTRIAL GASES

The Industrial Gases division producing Oxygen, Nitrogen and Argon has an overall capacity of 13460 NM³/h. During the year under review, Company produced approximately 13549788 NM³ of Oxygen and 955915 NM³ of Nitrogen. Both Oxygen and Nitrogen were successfully marketed and also used for own requirement. Industrial gases division also produced 1553591 NM³ of Argon.

The Industrial Gases division has also produced food and industrial grade liquid Carbon Di-oxide (CO₂) at Kashipur Plant having capacities of 160 MT/day each, to meet growing demand in the domestic market. Company has produced 48,187 MT of Carbon Di-oxide (CO₂). During the year Industrial Gases segment registered total sales of ₹ 36.08 Cr. compared to ₹ 31.42 Cr. in the last year. During the year the Company for the first time exported Liquid Carbon Di-oxide (LCO₂) worth ₹ 4.18 Cr.

Your Company has its own in house facilities for manufacturing of ETHYLENE OXIDE (EO) and Liquid Carbon-Dioxide (LCO₂) at its Kashipur plant, suitable for Sterilization of Disposable Surgical & Medical Devices, spices and packing substances like rubber plastic, etc. It is the only plant in Northern India to have such manufacturing facility, therefore, we have a distinct edge over other

suppliers in the market. During the year the Company has sold 722 MT of EO-LCO₂ as compared to 600 MT in the last year.

JOINT VENTURE FOR PRIVATE FREIGHT TERMINAL (PFT)

The Company has terminated the Joint Venture agreement with M/s Fourcee Infrastructure Equipments Pvt. Limited (FIEPL) in respect of the Joint Venture for setting up a private freight terminal at Kashipur, Uttarakhand on 23rd June, 2014.

The Company is exploring various possibilities including identifying another partner for the purpose of setting-up, operating and managing the said Private Freight Terminal (PFT) in order to provide multi-modal logistics solutions to our Company and external customers and enhance its service delivery capacity. With the commissioning of this facility, logistics movement for both inbound and outbound cargo would become more dependable, reliable and economical and would also ensure on-time delivery of goods and enable better inventory management.

The total initial equity investment base of the JV Company would be around ₹ 30 Crores, which would be contributed by Joint Venture Partners equally. The estimated project cost would be ₹ 75 Crores. The facility is expected to be commissioned by last quarter of this financial year.

EXPANSION / MODERNISATION / DIVERSIFICATION PLANS

Your Company is actively pursuing growth opportunities and looking at areas to reduce its cost of production. The Company is also evaluating plans to further expand its Ethoxylates capacity to improve its product.

Our Gorakhpur Unit, has commissioned a 12 MW Bio-mass based co-generation plant based on Multi-fuel i.e. Rice Husk & Concentrated Spent Wash (Slop) for Power generation and sale of the surplus power has started to the Power Grid. This new setup is designed to supply approx. 8MW per hour Power to the Grid after meeting the in-house requirements. With the successful commissioning of this Power Project, we will be contributing towards reduction of the power deficit in the Uttar Pradesh State and also meet our commitment of zero effluent discharge from our distillery Plant.

The Company is setting up 10 ton biomass/day capacity pilot plant to convert lignocellulosic agricultural waste biomass to ethanol by using the bench-scale process developed at DBT-ICT Centre for Energy Bio-Sciences, Mumbai. The Pilot Plant will use agricultural non-fodder lignocellulosic waste (i.e. Rice Straw, Wheat Straw & Bagasse) as feedstock to manufacture ethanol. The plant will aim at solving technical roadblocks in Lignocellulosic Ethanol Technology in order to improve the overall situation with regard to alcohol availability. The plant is being set-up with the Department of Bio-Technology aid/loan.

The Company has started manufacturing of special spirits, maturation and bottling of high proof brands. The Company has started to produce Bacardi brands including Superior white rum, flavoured rum in five variants, black rum, Eristoff Vodka in four variants and Bacardi whisky. The Company is in-process of developing new premium range Whisky. The Company is also exploring

opportunities for distribution of its IMFL brands in the North-East and Eastern India Markets. The Company is also introducing its premium range Rum in CSD of Indian Defence Forces.

The Company is also setting up a guar gum based PO derivatives plant for oil field industry.

FINANCE

During the year under review, Company has raised Term Loans of ₹ 200 Crores and repaid total loans of ₹189 Crores.

The Company has been regular in meeting its obligations towards payment of principal/interest to Financial Institutions/Banks/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

The Company operates a sugar manufacturing plant in the state of Uttar Pradesh through its subsidiary Company M/s Shakumbari Sugar and Allied Industries Ltd. (SSAIL) with a crushing capacity of 7500 tones crushed per day (TCD) alongwith a modern distillery of 65 KL per day (KLPD) producing high quality rectified spirit and an internal bagasse fired co-generation plant of 11 MW catering to the captive power needs of the sugar and distillery units. During the year the sugar plant has operated for 72 days and produced 4939.5 MT of White Crystal Sugar. During the year the distillery has manufactured 74.65 lacs KL of rectified spirit.

The net worth of Shakumbari Sugar and Allied Industries Limited (SSAIL) has been completely eroded, therefore, the Company has been declared as Sick Company under the provisions of section 3(1) (o) of the Sick Industrial Companies (Special Provision) Act, 1985. IDBI Bank Ltd. being the Operating Agency has prepared and submitted the revival scheme for SSAIL.

IGL Finance Ltd. is a 100% subsidiary of the Company IGL(F) had invested funds in short term commodity financing contracts by the National Spot Exchange Ltd. (NSEL). Even though NSEL has defaulted in settling the contracts on due dates the action taken by the Government and other investigating agencies, we are confident of recovery of our dues from NSEL over a period of time.

Company has a 100% subsidiary in Singapore to augment its activities in South Eastern region & help the marketing of products from Chemical Plant, Natural Gums Plant and Supercritical Fluid Extraction facility to large buyers in US, Europe and South East Asia.

Your Company has three subsidiary companies, i.e. Shakumbari Sugar & Allied Industries Limited (SSAIL), IGL Finance Limited and IGL CHEM International Pte. Ltd. The Ministry of Corporate Affairs, Government of India, vide General Circular dated 8th February 2011 and 21st February 2011 has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular for non-inclusion of Subsidiary Companies' Annual Report with the Annual Report of the Holding Company. The Company has satisfied the conditions stipulated in the

circular and hence have availed the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

The Company undertakes that annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

In order to broaden the Company's activities, your Company has incorporated a 100% subsidiary Company in the United States of America with the main objective for trading & distribution of Company's product in the American and Latin American regions and any other related activities.

FIXED DEPOSIT

During the year, your Company had neither invited nor accepted any fixed deposits from the public. There are no overdue deposits except unclaimed deposits amounting to ₹ 4.16 Lacs.

DIRECTORS

During the year under review, the Board of Directors of your Company comprised of nine directors out of which seven are Non-Executive Directors, one Managing Director and one Executive Director. Out of the nine Directors, during the year under review, in terms of the listing agreement, the Company has five Independent Directors. However, pursuant to the provisions of the Companies Act 2013, Company has six independent Directors as on 1st April, 2014, therefore, Company has to fix the tenure of the Independent Directors for a period not exceeding 5 years. The Company proposes to fix the term of all independent Directors for a period not exceeding five years from 1st October, 2014 till 30th September, 2019. All Independent Directors have affirmed compliance with the criteria of independence as provided under sub section (6) of Section 149 of the Companies Act, 2013 by way of declaration of independence.

Shri Autar Krishna (DIN 00031386) has resigned from the Board of Directors as he is not keeping good health. The Board of Directors at its meeting held on 4th August 2014 has accepted his resignation from the office of Directors and Board Committees with effect from 15th July, 2014. The Board of Directors place on record their deep appreciation for his invaluable professional guidance, considerable talent, poise, commitment and determination.

During the year under review, four Board Meetings were held on 30th May, 2013, 9th August, 2013, 11th November, 2013 and 12th February, 2014.

During the year under review, the Shareholders of the Company at their 29th Annual General Meeting had reappointed Shri M.K. Rao as Executive Director for a period not exceeding 5 years w.e.f. 1st April, 2013.

Shri U.S. Bhartia, Non-independent Director of the Company, retiring by rotation and being eligible, offer himself for reappointment. Your Directors recommend the

reappointment of Shri U.S. Bhartia, the Retiring Director for your approval.

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2013 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 on Management Discussion and Analysis is appended herewith, which shall form part of this Directors' Report.

CORPORATE GOVERNANCE

The Board of Directors supports the broad principles of Corporate Governance. The report on Corporate Governance for the year ended 31st March, 2014 as stipulated in clause 49, of the listing agreement with the stock exchanges and Auditor's Certificate on Corporate Governance are appended with this Directors' Report.

AUDITORS & AUDIT REPORT

The Auditors, M/s. Lodha & Co., Chartered Accountants, retiring at the ensuing Annual General Meeting and offer themselves for reappointment. The Board recommended the appointment of Statutory Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. M/s. Lodha & Co., Chartered Accountants, have confirmed that they are eligible under Section 139 of the Companies Act, 2013 for reappointment.

The Auditors in their Audit Report have invited the attention of the Shareholders towards non- provisioning by the Company against the investment in its subsidiary Company, Shakumbari Sugar and Allied Industries Limited (SSAIL) amounting to ₹ 54.28 Crores, loans and advances amounting to ₹ 102.11 Crores. The Auditors have also invited the attention of the Shareholders towards Corporate Guarantee extended by the Company on behalf of SSAIL against outstanding amount of Financial Institutions and Banks as stated in Note 27 (A) (iii) of the Financial Statements. The Company has already provided its clarification as contained in note no.34 (A) of the Financial Statements i.e. considering the intrinsic value of the investment in Shakumbari Sugar and Allied Industries

Limited, (based on valuation report, future projections and long term in nature) and direction issued by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) for preparation of revival scheme by the operating agency as appointed, which has been filed with BIFR on 11th January 2014, no provision at this stage is considered necessary by the management against investments and Loans & advances made/given as stated above.

The Auditors have also invited the attention of the Shareholders towards non- provisioning by the Company against total exposure of amounting to ₹ 148.49 Crores in its 100% subsidiary Company IGL Finance Limited. The Company has also provided its clarification as contained in note no. 34 (B) of the Financial Statements i.e. Company has total exposure of ₹ 148.49 crores (including Investment in capital of ₹ 1.25 Crores) in IGL Finance Ltd. (IGLFI). IGLFI in turn had invested funds for short term in commodity financing contracts offered by National Spot Exchange Ltd. (NSEL). NSEL has defaulted in settling the contracts on due dates. Considering the present state of affairs, action taken by the Govt. and other authorities, the management is confident of recovery of dues from NSEL over a period of time. Accordingly, no provision has been considered necessary at this stage by the company and shown as good and fully recoverable.

COST AUDITORS

Company has appointed M/s R J Goel & Co., Cost Accountants (FRN 000026) as Cost Auditors of the Company for the financial year 2014-15 under section 148 of the Companies Act, 2013, subject to the approval of the Shareholders at their ensuing Annual General Meeting and the Central Government. Cost Auditors have confirmed that they are eligible under Section 141 (3) of the Companies Act, 2013 for reappointment. The Cost Auditors have attended the Audit Committee Meeting, where their Report was discussed.

Due date for filing of the Cost Auditors Report in XBRL mode for the year 2013-14 with Central Government is 30th September, 2014. The due date for filing of the Cost Auditors Report in XBRL mode for the year 2012-13 with Central Government was 30th September, 2013, however, the Company had filed the same on 28th November, 2013.

ENVIRONMENT, ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, ETC.

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

The Company has installed unique technology for converting distillery spentwash into fuel at both the plants viz. Kashipur and Gorakhpur. Through this technology, the spentwash is concentrated through five effect evaporator. The concentrate is utilized as fuel to substitute coal in a specifically designed boiler. The high pressure steam so generated is passed through the turbine for power generation and low pressure steam after turbine is utilized in the plant for operation. Due to this your Company is saving fossil fuel in terms of coal and substituting the essential power generation through DG sets. Estimated

saving due to Slop utilized during the year under review is as under:

Slop Equivalent Coal savings (net of Evaporator)	- 32300 MT
Slop Equivalent Power units savings (net of evaporator)	- 3255 MW

The Biomass based Cogeneration Project activity taken up by the Company at its Gorakhpur, U.P. plant is successfully registered under Clean Development Mechanism (CDM) project by United Nations Framework Convention on Climate Change (UNFCCC) for ten year fixed crediting period 16/12/2010 to 15/12/2020. Under the Clean Development Mechanism, emission-reduction (or emission removal) projects in developing countries can earn certified emission reduction credits.

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

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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Good governance demands adherence of social responsibility coupled with creation of value in the larger interest of the general public. Your Company, Directors and its dedicated employees continue to contribute towards society by several worthwhile causes. Your Company aims to enhance the quality of life of the community in general and has a strong sense of social responsibility.

In compliance to the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 passed with effect from 1st April, 2014, the Board of Directors formed a CSR Committee comprising of Shri U.S.Bhartia, Chairman and Managing Director, Shri M.K. Rao, Executive Director, Shri R.C. Misra, Independent Director and Shri P.K. Khaitan, Independent Director as the members of the Committee. The CSR Committee formulated a CSR Policy and the same is enforced with effect from the current financial year. The Company has also placed the CSR policy on its website.

Some of the Corporate Social activities voluntarily undertaken in and around Kashipur (Uttarakhand state) during the year under review are as follows:

- 1 Organising Village Medical Camp and Medical Eye Camp so that villagers get medical assistance.
- 2 Sponsoring Medical treatment for people in need.
- 3 Facilitating Wall repair and Whitewashing of community buildings.
- 4 Installed hand pumps for drinking water at villages.
- 5 Fogging of pesticide in village.

- 6 Distribution of Blankets to Poor Homeless families.
- 7 Extended support to the victims of Flood affected people.
- 8 Distribution of School Uniforms to Poor Children at the Villages Schools.
- 9 Organising NSS Camp and Bharat Sewa Mission for villagers evacuation during flood.
- 10 Providing financial assistance to Hospitals for old age patients, educational institute for education support to handicap students and NGOs for poor girls marriage.

Your Company is also supporting a community school at Dwarka, New Delhi through charitable organization Nirmal Society for Education Promotion. The school is equipped with modern facilities and also has a good infrastructure. The school possesses qualified and experienced faculties, which enable children to make a great future.

The Company lent financial assistance to the underprivileged children under its CSR activity. Your Company is also extending educational and on-the-job training to the students of many professional Institutions and the professionals of many other Management and Engineering Institutions, which helps them to start a new beginning for their future professional career.

At the end your Company constantly strives hard to serve the society by implementing such other policies which benefited people at large. The company always endeavors to give back the Society for the support the Company has received to rise and flourish.

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 your Company sustain even in a tough year and achieve 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.

ACKNOWLEDGEMENT

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 : NOIDA, U.P.

U.S. Bhartia

Dated : 04.08.2014 *Chairman and Managing Director*

Annexure to the Directors' Report

Particulars as required under 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 2014.

CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken.

1. Installation of 12 MW STG set to sell the surplus power to UPCL.
2. Installation of steam condensate recovery in Guar gum unit.
3. Installation of steam condensate recovery in Glycol Ether Dryer unit.
4. Provision of VFD in cooling tower fans (Phase-2).
5. Provision of VFD in tempered Water pump of Ethoxylation Stirred reactor.
6. Installation of forced circulation in 4th & 5th stage in existing Evaporator plant resulting in increased capacity.
7. Installation of VFD in ID fan of LIPI boiler to save the power.
8. Process steam condensate of ENA plant is used as a boiler feed water resulting in DM water and energy saving.
9. Process condensate of Evaporator plant is used as a dilution in fermentation resulting in Raw water and energy saving.
10. Effluent Evaporator on stream factor increased after provision of centrifuge Decanters.(GKP)
11. Successfully commissioned the 200ML Pet bottle mould in our PET bottle machine resulting in reduction of per unit cost.
12. ENA Plant HQ column condensate recovery resulting in heat conservation.

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

Following schemes are being implemented:

1. Extraction back pressure steam turbine of 3.5 MW under implementation.
2. Optimization heat integration of dehydration steam in T-410/T-2410/T-3410 resulting in steam saving in strippers.
3. Proposal for usage of Coal Additive in Boilers resulting in coal savings.
4. Flash steam recovery from steam Boiler drums water blowdown.
5. Reducing the FO consumption in MEG heater by maximizing the bio gas in heater.
6. Replacement of fuel in MEG heater from Furnace Oil to Natural gas.

7. Installation of Reboiler in ENA plant analyzer column to reduce the effluent.
8. Installation of VFD in superheater furnace ID fan to save power.
9. Installation of VFD in spent wash recycles pumps to save the power.
10. Installation of forced circulation calandria 4th & 5th in existing Evaporator plant to increase through put.
11. Installation of LED lighting and solar heaters.

(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	Up to 41.51 MT/day
Preheating of Boiler Feed Water	Up to 55.10 MT/day
Operation of Evaporator reflux Preheater	Up to 1.28 MT/day
Installation of Boiler feed water preheater in MEG Process Heaters	Up to 2.19 MT/day
Preheating of 12 MW turbine condensate with Dehydration Steam Condensate	Up to 7.10 MT/day
Utilized hot condensate in GEA and GE to Generate LP steam	Up to 4.30 MT/day
Utilized steam condensate to generate flash Steam in Guar Gum unit	Up to 4.93 MT/day

Saving of Power by

Operation of TG Set at Optimum load (Kashipur)	124254.18 MWH of Power
Operation of TG Set at Optimum load (Gorakhpur)	30171.26 MWH of Power Generated during the year (Last year 18666.31 MWH)

Saving of Fuel (FO) by

Utilization of waste gas/ Biogas in the Process Heater	Up to 20.10 MT/Day
--	--------------------

Saving of Coal by

Slop utilization in Boiler	Up to 152.25 MT/Day
----------------------------	---------------------

Saving of Rice Husk by

Max. Slop utilization in Boiler	Up to 300MT/day
Process steam condensate utilization in Boiler	Up to 750MT/day

(d) Total energy consumption and energy consumption per unit of production as Prescribed Form – A.
Form-A
 Form for disclosure of particulars with respect to conservation of energy

	Units	Year ending March 2014	Year ending March 2013
A. Power and fuel consumption			
KASHIPUR PLANT			
i) Electricity			
a) Purchased Unit	1000 KWH	168649.04	153046.68
Total Amount	₹ Lacs	7980.61	7259.01
Rate per unit	₹ /KWH	4.73	4.74
b) Own Generation through DG Sets	1000 KWH	2655.53	6739.12
Units per Kg/Liter of Diesel Oil/HPS	KWH/Kg	4.55	4.52
Cost/Unit	₹/KWH	10.16	9.90
ii) Coal			
Quantity	MT	385235.34	437821.02
Total Cost	₹ Lacs	19359.92	21426.66
Average Rate	₹/MT	5025.48	4893.93
iii) Bagasse			
Quantity	MT	Nil	6566.71
Total Cost	₹ Lacs	-	121.69
Average Rate	₹/MT	-	1853.06
iv) Fuel Oil (LDO/RFO)			
Quantity	MT	5325.76	5079.94
Total Cost	₹ Lacs	2335.09	2165.45
Average Rate	₹/MT	43845.23	42627.55
v) Others/internal generation			
a) From Back Pressure Turbine			
Quantity	1000 KWH	70593.05	69251.26
Total Cost	₹ Lacs	Nil	Nil
Average Rate	₹/KWH	Nil	Nil
b) From Extraction, Back Pressure & Condensing Turbine			
Quantity	1000 KWH	53661.13	50910.31
Total Cost	₹ Lacs	2468.20	2565.90
Average Rate	₹/KWH	4.60	5.04
Total (a + b)	1000 KWH	124254.18	120161.57
GORAKHPUR PLANT			
i) Electricity			
a) Purchased Unit	1000 KWH	3709.68	4258.84
Total Amount	₹ Lacs	341.07	319.11
Rate per unit	₹/KWH	9.20	7.49
b) Own Generation through	1000KWH	123.04	236.30
DG sets Unit per Kg/Lit	₹ Lacs	21.19	32.54
Of Diesel Oil/HPS			
Cost/Unit	₹/KWH	17.22	13.77
ii) Rice Husk			
Quantity	MT	77495.41	66484.70
Total Cost	₹ Lacs	2257.23	1685.98
Average Rate	₹/MT	2912.23	2535.89
iii) Coal			
Quantity	MT	14885.34	13410.77
Total Cost	₹ Lacs	858.93	720.46
Average Rate	₹ /MT	5770.27	5372.24
iv) OTHER/INTERNAL GENERATION			
(From Back pressure Turbine)			
Quantity	1000KWH	30171.26	18666.31
Total Cost	₹ Lacs	-	-
Average Rate	₹/KWH	-	-
ENNATURE BIO-PHARMA PLANT:			
A POWER AND FUEL CONSUMPTION			
i) ELECTRICITY			
a) Purchased Unit	1000KWH	5006.330	3989.68
Total Amount	₹ Lacs	254.37	184.64
Rate per unit	₹ /KWH	5.08	4.63
b) Own Generation through	1000KWH	736.45	827.76
DG sets Unit per Kg/Lit	Kg/lt	3.59	3.51
Of Diesel Oil/HPS			
Cost/Unit	₹/KWH	14.22	11.26

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 New Generation “Green” surfactants”.
- Specialty alcohol Ethoxylate for construction chemicals.
- Development of biodegradable and user friendly surfactants for textile processing.
- Speciality Additives for Continuous Processing (Textiles)
- Development of low temperature & low dosage demulsifiers for crude oil production.
- Development of specialty surfactants for pigment dispersion and defoamer in paints.
- Development of Emulsifiers for newly introduced combo pesticides for export.
- Development of emulsifier package for multi Toxicant for agro.
- Development of wetting and dispersing agents for powder formulations in pesticides.
- Development of specialty chemicals for Pulp & Paper Industries.
- Adjuvants for the Herbicides formulations.
- Development of house hold cleaning and personal care surfactants.
- Development of new Natural Health Products (NHPs) by Supercritical Fluid CO₂ (SCF-CO₂) Extraction Technology (Green Ginger product, Shogaol for control of Cancers like Blood Leukemia).
- Microencapsulation of Docosahexaenoic acid (DHA) is developed for its stability and sustained release.

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

- Providing eco-friendly surfactant for premium application.
- Developed low dosage application to reducing the load on effluent treatment.
- Product with cost advantage to customer with better attributes.
- Business sustainability and stability for capacity utilization of both SCF-CO₂ plant to 85% and Aqueous-Solvent extraction plant capacity to 80%.
- Obtained a WHO-cGMP drug approval for Active Pharmaceutical Ingredients (APIs).
- R&D laboratory facility giving room for innovation for the benefit of process and product development.

3. FUTURE PLAN OF ACTION

- Random / block copolymers for Fibre Finish applications.
- Ecofriendly surfactant for Emulsion –Polymer /Paints.
- New delivery system for control release in crop protection.
- Modified polymeric surfactants for oil field and

construction application.

- Ecofriendly emulsifier for Crop protection.
- Enzyme based formulations for textile and paper application.
- Upgradation of laboratories and instrument application labs.
- Add value addition to SCF-CO₂ products at new formulation block and enhance product profile.
- Addition of new extractors to existing SCF-CO₂ plant.
- Setting up of Biogas plant or Solid fire waste boiler for energy saving.
- To broaden the reach activities on various new products like Insulin Rejuvenator from Karela fruit, Natural vitamin-D from Day-Jasmine and Insulin Plant Costus for Insulin Synthesis.
- To go for a commercial process and launch of Vinpocetine to the market.
- An increase in Herbal process capacity of Aqueous-Solvent extraction to 700 ton/annum with wide product portfolio by new facility created for Aqueous-Solvent plant

4. (i) EXPENDITURE ON R&D (Chemical, Kashipur)

2013-14 (₹ in Lacs)

Capital	79.33
Recurring	130.09
Total	209.42
Total expenditure as a percentage of total turnover	0.07%

(ii) Expenditure on R & D (Ennature Biopharma, Dehradun)

2013-14 (₹ in Lacs)

Capital	13.12
Recurring	115.04
Total	128.16
Total Expenditure as a percentage of total turnover	0.04%

B) TECHNOLOGY ABSORPTION AND INNOVATION

- Development of new cost effective feed stock (RM) source.
- Developed APEO free emulsifiers for textile applications.
- Developed low temperature, low dosage demulsifier for crude oil demulsification and dehydration.
- Method development for chain distribution and Ethoxylated products by G.C./HPLC.
- Developed scaling inhibitors, biocides for oil and gas industries applications.
- Utilized the technology and widen the product range to harness the market with potentially quality products.

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

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.	FOB Value of the Exports during the year were ₹ 1108 Crores
(ii) Total Foreign Exchange used	Total Foreign Exchange used was ₹ 849 Crores (Previous year Foreign Exchange used was ₹ 839 crores)

for and on behalf of the Board

Place : NOIDA, U.P.
Dated : 04.08.2014

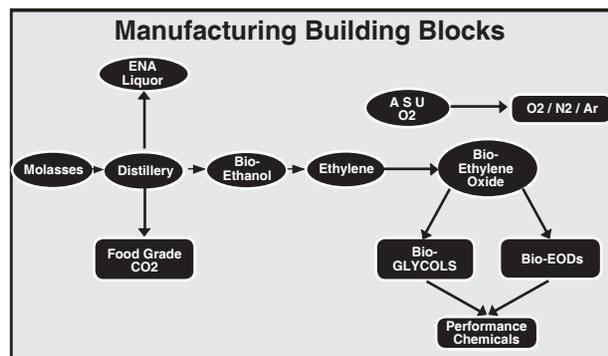
U.S. Bhartia
Chairman and Managing Director

Management Discussion & Analysis Report

PRODUCTS

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

The manufacturing building blocks are represented:-



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

A. Chemical segments comprises:-

- Glycols (MEG, DEG, TEG and Heavy Glycols)
- Ethylene Oxide Derivatives (EODs)
- Natural Gum and Derivatives

B. Ethyl Alcohol (Potable) and Extra Neutral Alcohol

C. Others include Nutraceuticals & Herbal Extracts, Industrial Gases etc.

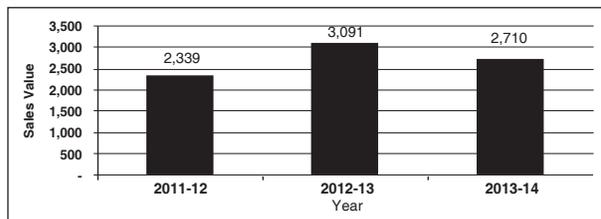
The segment wise business share is indicated as follows:-

Segment	Sales Value 2013-14 (₹ In Crores) (domestic + Exports)	% Share
Chemicals	2,710	79%
Ethyl Alcohol (Potable)	667	19%
Others	56	2%
Total	3,433	100%

CHEMICAL SEGMENT

Sales in the Chemical segment has decreased from ₹ 3091 crores in FY 2012-13 to ₹ 2710 crores in FY 2013-14. This segment is highest contributor at 79% to the total turnover of the Company. Decrease in value is on account of depressed global economic situation which has resulted in reduction of commodity demand and steep fall in Guargum prices. Company has regulated its Domestic sales as it was not feasible to market MEG using expensive Ethanol.

	2011-12	2012-13	2013-14
Chemical Sales Value (₹ in Crores)	2,339	3,091	2,710



GLYCOLS AND EOD

Sales of Glycols (MEG, DEG, TEG and Heavy Glycols) has increased from 91,225 MT in FY 2012-13 to 95,342 MT in FY 2013-14 and in Sales Value from ₹ 693 Crores in FY 2012-13 to ₹ 758 Crores in FY 2013-14.

In view of higher feedstock cost, the focus has been on sales of Bio-MEG for exports.

Sales under Ethylene Oxide Derivatives (EOD) business decreased marginally to 103,713 MT in FY 2013-14 from 104,755 MT during previous year. However, in value terms it has increased from Rs 1005 Crores in 2012-13 to ₹ 1106 Crores in FY 2013-14. EOD business accounted for 41% of company's revenue from Chemical business and is highest contributor at 32% to the total revenue of the Company. EOD business has witnessed improvement in profitability due to higher prices of Ethylene and Ethylene Oxide in the world market.

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

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

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

BIO-ETHOXYLATES

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

NATURAL GUMS

The performance under the Natural Gums Division had suffered set back during the year under review due to steep fall in Guargum prices consequent upon the oversupply in the Indian market. In spite of the depressed market conditions for Guargum, Company has carved a niche in world market and now is known as the consistent quality manufacturer among the customers world over.

OPPORTUNITIES & CHALLENGES

MEG consumption for polyester industries for 2013-14 has been around 2.2 million tons. The major increase in capacity has come from expansion at leading domestic industries.

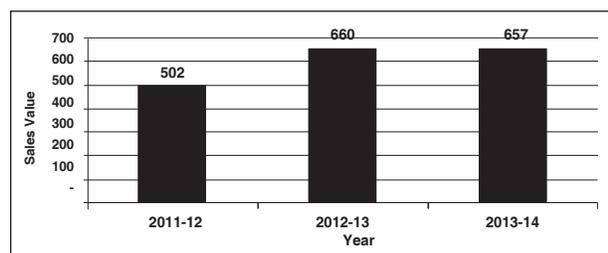
Domestic production of MEG is around 1.1 million tons primarily from Reliance & IOC and balance demand has been met by imports. Overall demand supply balance have been favorable for MEG producers in the world market in 2013-14 and prices were in the range of \$1000 to \$1200 per MT.

Company in its long term strategy, is shifting from commodity to niche markets and specialty products and would divert EO molecule for Bio-MEG and EO Derivative/ Specialty products which will give us a much better returns. Company is promoting its Glycols as Bio/ Green MEG to potential customers interested in meeting their objective of using environment friendly chemicals made from natural renewable resources. Company has converted this concept into a good business opportunity which will enable full capacity utilisation with better realisation. Moreover, the niche markets of BIO MEG in the packaged water, automobile, personal care & cosmetics are going to give us better margins.

ETHYL ALCOHOL (POTABLE) AND EXTRA NEUTRAL ALCOHOL

In the Ethyl Alcohol (Potable) and Extra Neutral Alcohol segment, Company registered total sales of ₹ 657 Crores compared to ₹ 660 Crores last year and ₹ 502 Crores a year before. Efforts are being made to further increase the sales in the segment.

	2011-12	2012-13	2013-14
Sales Value (₹ In Crores)	502	660	657



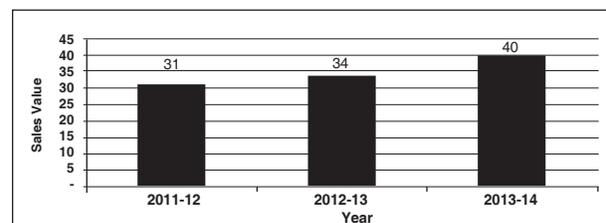
INDUSTRIAL GASES

Company produced 726 lacs NM3 of Oxygen and 228 lacs 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 16 lacs NM3 of Argon and 37,877 MT of Carbon Di-oxide, which were marketed successfully.

Under the Industrial Gases division, Company registered total sales of ₹ 40 Crores compared to ₹ 34 Crores last

year and ₹ 31 Crores a year before.

	2011-12	2012-13	2013-14
Sales Value (₹ In crores)	31	34	40



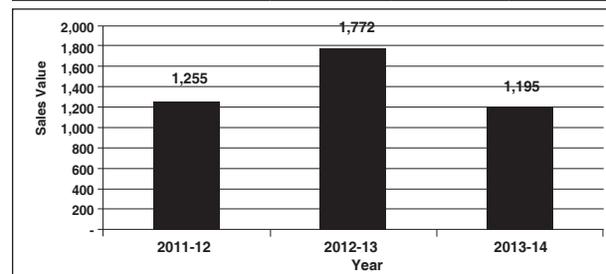
EXPORTS

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

Exports sales has decreased by 33% in turnover from ₹ 1772 Crores in 2012-13 to ₹ 1195 Crores in 2013-14 on account of depressed global economic situation which has resulted in reduction of commodity demand and steep fall in Guargum prices and due to strategic cut down in the sales of Glycol Ether Acetates in view of low prices in China.

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

	2011-12	2012-13	2013-14
Exports Sales Value (₹ In crores)	1255	1772	1195



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

FINANCIAL REVIEW

In addition to the depressed global economic situation which has resulted in reduction of commodity demand, the performance of the Company has also been adversely

affected due to loss on account of foreign exchange volatility. The performance was further adversely affected as domestic prices of our feedstock viz. molasses and alcohol was high on account of poor availability of alcohol and diversion of alcohol towards the implementation of Ethanol Blending with Petrol (EBP) Program of Government of India at an unrealistic price resulting in a sharp increase in the prices of alcohol.

Sales and other income for the year under review has been ₹ 2,914 Crores as compared to ₹ 3,347 Crores last year. Loss after depreciation, exceptional item and tax for the year has been ₹ 120 Crores as compared to profit of ₹ 121 Crores last year.

During the year under review, Company has raised Term Loans of ₹ 200 Crores and repaid total loans of ₹ 189 Crores.

During the year under review, the Gross Fixed Assets has increased to ₹ 1,900 Crores from ₹ 1,729 Crores in 2012-13.

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

HEALTH, SAFETY, ENVIRONMENT & MANAGEMENT SYSTEMS

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

HEALTH

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

much needed emotional and financial security. Company organizes blood donation camp at Company as part of community welfare activities.

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

SAFETY

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

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

At work place appropriate protective equipment and gears are provided to the employees and usage of the same is strictly monitored to ensure high level of safety. Safety training programs are regularly conducted for training the employees in proper use of safety equipment 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 Tenders, modern communication facilities and elaborate fire hydrant system and other equipment which are manned and supervised by trained experts. Live fire training drills are organized to provide hands-on training to the employees.

ENVIRONMENTAL STEWARDSHIP

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

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 controlled land application, which is giving good results. The response from farmers has been very encouraging. Towards improvement of the environment company has

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

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

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

SUSTAINABLE ENVIRONMENT AND CLIMATE CHANGE INITIATIVES

Life Cycle Management Capacity Maturity Model (LCM CMM) pilot project of Company has been accepted by UNEP (United Nations Environment Program) to demonstrate the usefulness of Life Cycle Initiative. UNEP had called for proposals from companies interested in implementing life cycle management in their business operations. UNEP had received a total of 22 applications from around the world, and only 8 were selected, including our application.

As part of the program, company has received technical and financial support from UNEP through FICCI (Federation of Indian Chambers of Commerce and Industry) for the pilot project on LCM-CMM, and case studies will be published to inspire other businesses across the world.

Company prepared documented system under LCM to collect data for LCA of product and conducted LCA of POLYMEG 1200 AP.

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

In continuation Company has also conducted Life Cycle Assessment (LCA) study for its other products as Bio-Ethanol, Bio-EO, Bio-DEG, Bio-TEG, Bio-MEGEE, Bio-

DEGEE, Bio-TEGEE, PEG-600 & Allyl Alcohol PEG 1200 etc. Company is working continuous on Life Cycle Assessment (LCA) study for its other products as Ethylene Oxide derivatives and specialty chemicals.

Company has taken up several initiatives in promoting climate change and environment-sustainable projects. As a result of such continuous efforts, Company's Gorakhpur plant has got its Large scale CDM project (Title: Biomass based Cogeneration Project activity taken up by IGL at Gorakhpur, U.P; Annual CERs: 110157) registered at UNFCCC.

MANAGEMENT SYSTEMS INTEGRATED MANAGEMENT SYSTEM

Company is having Integrated Management System (IMS) comprising of Quality Management System (ISO 9001:2008), Environmental Management System (ISO 14001:2004), Occupational Health & Safety Management System (OHSAS 18001:2007), Food Safety Management System (ISO 22000:2005), Food Safety System Certificate (FSSC 22000: 2010). Energy Management System (ISO 50001:2011) and Social Accountability (SA 8000:2008). Integrated Management System has been accredited by M/s DNV, a renowned certification agency.

We have successfully launched and implemented Behavior Based Safety (BBS) naming it with an appropriate name, derived by open forum consensus "**BHAVISHYA BANAYE SURAKSHIT**".

PROCESS SAFETY MANAGEMENT SYSTEM

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

LEAN MANAGEMENT

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

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

We are committed to work towards continual improvement of Quality, Environment, Health &

Safety, Food Safety, Energy Performance and Social accountability and we discourage discrimination of any kind in any form.

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

Research and development is one of the key drivers for the business at India Glycols Limited. This contributes both for the sustenance of the existing business and for the growth via innovation. The Innovation Strategy at IGL is always focused to create value for the products or for the application at the customer end and in nutshell the strategy is to create a win-win situation for IGL and its valued customers.

The developmental activities are carried out at the state-of-the-art R & D Centre located at Kashipur. The centre is equipped with most modern and advanced instruments and with a team of highly experienced and dedicated researchers. The resultant scientific milestones have laid the ground work for numerous solution-oriented applications in a wide variety of industry sectors, which in turn ensures our profitable growth and sustainable commercial success.

The rapidly growing and aging environment and water pollution, rising demand for energy and climate protection represent global challenges which we address with innovative solutions through GREEN CHEMISTRY. The efforts have led to many customized value added products and processes with emphasis on "Sustainable" approaches via use of renewable RMs and savings of energy and water. These products and processes are designed to meet most of the international standards and are accredited with organizations like Control Union (Europe) i.e. GOTS, Oekoetex, REACH etc.

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

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

1. Development of alternative feed stock (RM) source:

- Development of new cost effective feed stock source

2. Textile Processing (Fibre & Fabric processing)

- Products for continuous dyeing range (CDR) based on GREEN CHEMISTRY.
- Enzyme base Products for Desizing /Scouring & Peroxide bleaching process.
- Green products for Fibre finish.
- All in one chemical for single bath scouring and dyeing (with reduced water consumption).

3. Crop-Protection Business

- Surfactants for capsule suspension- Controlled Release Applications
- Single Emulsifier package for multiple toxicants.
- Emulsifier for powder and granule formulation.
- Surfactant for special Combo formulation.

4. Oil & Gas Industry

- Low temperature & low dose demulsifier for crude oil.
- Emulsifiers for Orchid spray oil.

5. Emulsion Polymerization & Paint Industry

- Ecofriendly surfactant (Vegetable oil based) for pigment dispersion.
- Universal colorant for water & oil based paint
- APEO free surfactant for Emulsion Polymerization process.

6. Paper Industry

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

7. Automobile industry

- Ecofriendly solvent free Pour Point Depressant.
- Lubricant additives.

8. Detergent / Personal care Industry

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

9. Construction chemicals

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

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

RISK AND CONCERNS

Risk Factors & Minimization procedure

1. Risk against fire, flood and accidents including accident due to human failure and health related problems and personal accident of the workforce

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

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

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.

All the employees of the Company are insured under group mediclaim and accidental insurance policy, which provides health related security to the employees and their dependent family members.

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 also has 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.

The Company has also expanded its capacity of MEG to compete in the volume trading and minimizing the marginal cost on production, resulting in higher profits. 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, Nutra-ceutical Herbal Extraction, Industrial Gases and Natural Gum to minimize risk from single business.

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 advice from various currency experts from Banks, preventive actions are taken to hedge the foreign currency transactions.

6. Default/late in Payment realization

In the normal course of business, it is normal practice that there is default in payment realization or realization is late. The Company has regular monitoring and reporting of default in payment realization and/or late realization. Proper follow up in the matter is ensured by the respective departments. In case of long over dues, legal notices are being served through legal department of the Company and through legal counsel as the case may be. In case of default of payment realization, if not realized even after legal notices, legal cases against the defaulters are being initiated.

7. 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. The Company also places periodic compliance report on Corporate Governance before the Board of Directors as required by the SEBI and Ministry of Corporate Affairs.

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 1300.

CAUTIONARY STATEMENT

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

Report on Corporate Governance

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 enactment of the Companies Act, 2013 and amendments to the Listing Agreement with Stock Exchanges. The provisions of the Corporate Governance code prescribed by the Companies Act and the Listing Agreement, for the time being in force, have been complied.

BOARD OF DIRECTORS

a) Composition of the Board

As on 31st March, 2014 the Board of Directors comprised of nine Directors out of which seven are Non-Executive Directors, one Managing Director and one Executive

Director. Out of the Nine Directors, Company has Five Independent Directors.

b) Number of Board Meetings

During the year ended 31st March, 2014, four Board Meetings were held, on 30th May, 2013, 9th August, 2013, 11th November, 2013 and 12th February, 2014. The details of Board meetings are given below:

Date	Board Strength	No. of Directors Present
May 30, 2013	9	8
August 9, 2013	9	9
November 11, 2013	9	8
February 12, 2013	9	9

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	Directorship in other public Limited Companies*
Shri U.S. Bhartia	Chairman and Managing Director	4	4	Yes	4
Smt. Jayshree Bhartia	Promoter Director	4	3	No	2
Shri Pradip Kumar Khaitan	Non-Independent Director	4	4	No	14
Shri Autar Krishna	Independent Director	4	4	No	6
Shri Jitender Balakrishnan	Independent Director	4	4	No	12
Shri Ravi Jhunjunwala	Independent Director	4	3	No	12
Shri Jagmohan N. Kejriwal	Independent Director	4	4	No	Nil
Shri R.C. Misra	Independent Director	4	4	Yes	Nil
Shri M.K. Rao	Executive Director	4	4	Yes	Nil

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 transactions with the Company as required by Accounting Standard (AS-18) on Related Party Transactions have been given in Note no. 41 of the Notes to Accounts. Besides this, Company has no materially significant transaction with the related parties viz. Promoters, Directors or the management or relatives and their subsidiaries, etc. that may have a potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed or passed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities on any matter related to Capital Markets for non-compliance by the Company during last three years.
- Following Non-executive directors are holding equity shares of the company as per following details.

Name of Director	No. of Shares
Smt. Jayshree Bhartia	400003
Shri R.C. Misra	500
Shri Autar Krishna	1000

e) Remuneration of Directors, sitting fees etc. for the year 2013-14

During the year under review, Shri U.S. Bhartia, Chairman and Managing Director, was paid salary, Commission and perquisites for ₹ 2,67,03,153/- (Rupees Two Crores Sixty Seven Lacs Three Thousand One Hundred fifty Three Only) and Shri M.K. Rao, Executive Director was paid salary and perquisites of ₹ 64,80,457/- (Rupees Sixty Four Lacs Eighty Thousand Four Hundred Fifty Seven Only). Besides above,

the Chairman and Managing Director and Executive Director were entitled to Company's contribution to provident fund and gratuity fund.

Commission and Sitting fees paid to non-executive directors for the year ended 31st March, 2014

Name of director	Commission (₹)	Sitting Fee (₹)
Smt. Jayshree Bhartia	-	2,20,000
Shri Autar Krishna	-	2,10,000
Shri Pradip Kumar Khaitan	-	90,000
Shri Jagmohan N Kejriwal	-	2,10,000
Shri R.C. Misra	-	4,10,000
Shri Ravi Jhunjunwala	-	60,000
Shri Jitender Balakrishnan	-	80,000

During the year, legal professional services fee of ₹ 35,66,615/- (Rupees Thirty Five Lac Sixty Six Thousand Six Hundred Fifteen only) were paid to Khaitan & Co., LLP, Advocates, in which Shri Pradip Kumar Khaitan, Director of the Company is a partner.

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 (www.indiaglycols.com). All Board members and senior management personnel have affirmed compliance with the code for the year 2013-14, declaration by Chairman and Managing Director 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 auditors, 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.

(ii) Composition

As on 31st March, 2014 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 Member	Status	No. of Meetings Attended
Shri R.C. Misra	Chairman	4
Shri Jagmohan N Kejriwal	Member	4
Shri Autar Krishna	Member	4

b) Investors' Grievance Committee

i) Terms of Reference

The Committee has been constituted to look into the redressal of investors' complaints and any other matter relating to shareholders/investors grievance.

ii) Composition

As on 31st March, 2014 the committee comprises of three non-executive Independent Directors, namely, Shri R.C. Misra, Chairman of the committee, Shri Autar Krishna, Shri Jagmohan N Kejriwal and one Executive Director, Shri U.S. Bhartia, Chairman and Managing Director.

iii) Attendance record of the Investors' Grievance Committee

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

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

iv) Investors' complaints received and resolved during the year

During the year under review, Company had received 34 Investors' Complaints upto 31st March, 2014, Company had redressed all Complaints.

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 and issue of duplicate share certificates. The Share Transfer Committee also reviews the status of Shareholding pattern of the Company and significant changes, if any.

ii) Composition

As on 31st March, 2014, the Committee comprises

of four Directors, namely, Shri U.S. Bhartia, Smt. Jayshree Bhartia, Shri Jagmohan N Kejriwal and Shri R.C. Misra.

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

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

Name of the Member	Status	No. of Meetings Attended
Shri U.S. Bhartia	Chairman	20
Smt. Jayshree Bhartia	Member	16
Shri Jagmohan N Kejriwal	Member	4
Shri R.C. Misra	Member	20

d) **Finance Committee**

(i) **Terms of Reference**

The Finance Committee shall consider and approve Corporate Deposits and Investment, investment of surplus funds from time to time in marketable securities, to take decisions on the Banking operations of the Company and to consider, review and approve the borrowings by the Company.

(ii) **Composition**

As on 31st March, 2014, the Committee comprises of two Directors, namely, Shri U.S. Bhartia, Chairman and Managing Director and Shri R.C. Misra, Director and two senior officials of the Company namely Shri Rakesh Bhartia, Chief Executive Officer and Shri Anand Singhal, Chief Financial Officer.

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

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

Name of the Member	Status	No. of Meetings Attended
Shri U.S. Bhartia	Chairman	7
Shri R.C. Misra	Member	7
Shri Rakesh Bhartia	Member	5
Shri Anand Singhal	Member	7

e) **Nomination and Remuneration Committee**

i) **Terms of Reference**

In view of the changes prescribed under the Companies Act 2013, the Appointment and Remuneration committee has been renamed

and reconstituted as "NOMINATION AND REMUNERATION COMMITTEE". Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the revised clause 49 of the Listing agreement, the Nomination and Remuneration Committee has an enhanced scope and includes in addition to others the screening and recommending to the Board the persons who shall be eligible to constitute the Board of Directors and to be appointed in the senior management of the Company and fixation of remuneration of the Directors, KMPs, and other employees comprising senior management of the company, their performance evaluation and removal thereof.

ii) **Composition**

As on 31st March, 2014, the Committee comprises three non-executive independent Directors namely, Shri R.C. Misra, Shri Autar Krishna and Shri Jagmohan N. Kejriwal and one non-executive non-independent Director namely, Shri Pradip Kumar Khaitan.

iii) **Attendance record of the Appointment and Remuneration Committee.**

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

Name of the Member	Status	No. of Meetings Attended
Shri R.C. Misra	Chairman	1
Shri Jagmohan N. Kejriwal	Member	1
Shri Pradip Kumar Khaitan	Member	1
Shri Autar Krishna	Member	1

f) **Compensation Committee for Employees Stock Option Scheme**

i) **Terms of Reference**

The Compensation Committee has been constituted to consider administration and superintendence of the Employees Stock Option Scheme (ESOP).

ii) **Composition**

As on 31st March, 2014, the Committee comprises Chairman and Managing Director Shri U.S. Bhartia and three non-executive Directors namely Shri Pradip Kumar Khaitan, Shri R.C. Misra and Shri Autar Krishna.

iii) **Meetings of Employees Stock Option Scheme Committee**

No meeting of Employees Stock Option Scheme Committee has been held during the year.

MANAGEMENT

a) Management discussion and analysis

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

b) Disclosure on Risk Management

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

SHAREHOLDERS

a) Means of Communication

The quarterly, half-yearly and annual Financial Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The

d) General Body Meetings

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

Financial Year	Date	Time	Venue
2012-13	18.09.2013	12.30 P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt Udham Singh Nagar, Uttarakhand
2011-12	15.09.2012	12.30 P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt Udham Singh Nagar, Uttarakhand
2010-11	27.09.2011	12.30 P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt Udham Singh Nagar, Uttarakhand

Special Resolutions under section 81 (1A) were passed at the AGM(s) held on 27.09.2011, 15.09.2012 and 18.09.2013.

e) Postal Ballot

During the year ended 31st March, 2014, the Company did not conduct any Postal Ballot resolution.

Additional shareholders information

a) Annual General Meeting

Date : 20.09.2014

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

Time : 12.30 P.M.

b) Financial Calendar

Financial year: 1st April to 31st March

For the financial year 2014-15, the tentative dates for approval of unaudited financial results will be by 14th August, 2014 for the first quarter, by 14th November, 2014 for half-yearly, 14th February, 2015 for third quarter for Unaudited/Audited Results and by May 15/ May 30, 2015 for approval of Unaudited 4th Quarter/ Annual Audited Results (2014-15).

c) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 10th September, 2014 to 20th September, 2014 (Both days inclusive)

results are published in accordance with the guidelines of Stock Exchanges and are posted on the Web-site of the Company.

b) Investor Grievances

As mentioned earlier, the Company has constituted an 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, F-65, Okhla Industrial Area Phase -I New Delhi 110 020 a Category – I Registrar registered with SEBI.

d) Dividend Payment Date: 25.09.2014.

Dividend is paid under four modes viz:

National Electronic Clearing Services (NECS)

National Electronic Fund Transfer (NEFT)

Direct Credit to shareholders' account by bank

Physical dispatch of Dividend Warrant

e) Listing at stock exchanges and stock codes

The name of the Stock Exchanges at which the equity shares are listed as on 31st March, 2014 and the respective stock codes are as under:

Name of the Stock Exchange	Stock Code No.
Bombay Stock Exchange Ltd.	500201
National Stock Exchange of India Ltd.	Indiaglyco

Listing fee to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. for the financial year ended 31st March, 2014 has been paid.

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

NSDL - INE 560A01015

CDSL - INE 560A01015

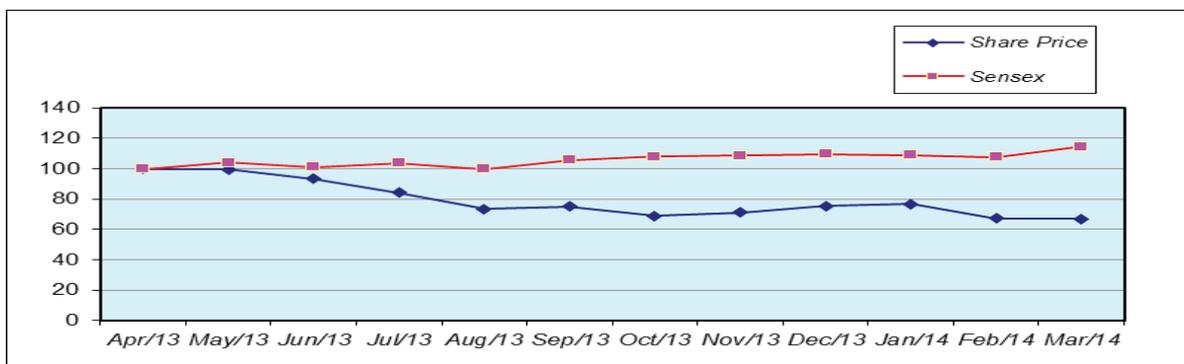
f) Stock Data

High/Low of market price of the Company's equity shares traded on the Bombay Stock Exchange Ltd. during the financial year ended 31st March, 2014 was

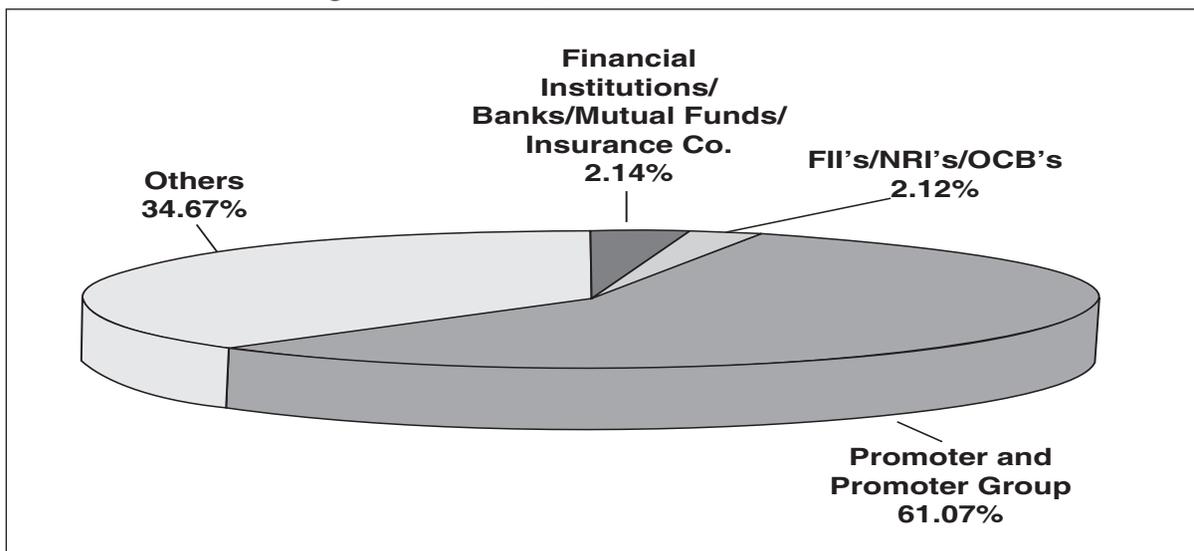
as follows:

Month	High	Low	Sensex
Apr- 13	145.60	125.25	19,622.68
May- 13	145.00	131.00	20,443.62
Jun- 13	136.00	103.25	19,860.19
Jul- 13	122.65	100.60	20,351.06
Aug- 13	107.00	84.75	19,569.20
Sep- 13	109.35	85.50	20,739.69
Oct- 13	100.50	86.00	21,205.44
Nov- 13	103.40	84.35	21,321.53
Dec- 13	110.00	88.50	21,483.74
Jan- 14	111.80	89.25	21,409.66
Feb- 14	97.85	84.10	21,140.51
Mar- 14	97.60	83.25	22,467.21

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



h) Distribution of shareholding as on 31st March, 2014



i) **Shares held in physical and dematerialised form**

Mode of Holding	%age
NSDL	30.18
CDSL	59.25
Physical	10.57

As on 31st March, 2014, 89.43% of shares were held in De-materialised form and 10.57% in physical form. 89.70% Non- Promoters holding is in De-materialised 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.
2. E-1, Sector-15, Gorakhpur Industrial Development Area, Gorakhpur, Uttar Pradesh.
3. Plot No. 2, 3, 4 & 5 Pharma City, Selaqui, Dehradun, Uttarakhand
4. Block No. 229-230, Village Valthera, Dholka, Ahmedabad-387810, Gujarat

l) **Address for correspondence**

India Glycols Limited, Plot No. 2B, Sector-126, Noida-201 304, Gautam Budh Nagar, Uttar Pradesh
Telephone : 0120- 3090100,
Fax : 0120-3090111
Website : www.indiaglycols.com
E-Mail : compliance.officer@indiaglycols.com

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

Shareholders can obtain ECS application form from Head Office at Plot No. 2B, Sector-126, Noida-201 304 Gautam Budh Nagar, Uttar Pradesh or from Registrar and Share Transfer Agent at F-65, Okhla Industrial Area Phase-I 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 warrant 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.

o) **Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund**

During the year under review, the Company transferred unpaid/unclaimed dividend for ₹ 17.83 lacs and unclaimed Fixed deposits for ₹ 1.75 lacs to Investor Education and Protection Fund (IEAPF) pursuant to Section 205 C of the Companies Act, 1956.

AUDITORS' 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 year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with 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 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, 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, 2014, no investor grievances are unattended/pending for a period exceeding one month against the Company as certified by the Registrars & Transfer Agents of the Company and details presented to the Investors Grievance Committee of the Company.

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

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

(N.K.Lodha)
Partner
Membership No.85155

Place : New Delhi
Date : 04.08.2014

To the Members of India Glycols Limited

DECLARATION

I, U.S. Bhartia, Chairman and Managing Director of India Glycols Limited do hereby declare that the Company had received affirmation from all the members of the Board and Senior Management personnel stating compliance of the code of conduct for the year 2013-14 pursuant to the requirement of the Clause 49 of the Listing Agreement as amended.

for India Glycols Limited

U.S. Bhartia
Chairman and Managing Director

Place : NOIDA, U.P.
Date : 22.05.2014

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of **INDIA GLYCOLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2014 and also the Statement of the Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and the fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountant of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness on the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

Attention is invited to:

- i. Note no. 34 (A) of financial statements regarding non-provision against investment, inter-corporate deposit and advances in subsidiary company Shakumbari Sugar and Allied Industries Limited (SSAIL) amounting to ₹ 5,427.50 Lacs, ₹ 1,834.83 Lacs (including interest thereon) & ₹ 8,375.82 Lacs respectively, where, in the opinion of management no provision is necessary considering the long term in nature, the intrinsic value of assets of subsidiary company and for the reasons as stated in the said notes. Further company have also extended corporate guarantee on behalf of SSAIL against outstanding amount of Financial Institution and Banks (as stated in the note no. 27(A)(iii)).
- ii. Note no 34 (B) regarding non provision against total

exposure of amounting ₹ 14,848.64 lacs including Inter-corporate deposit in a subsidiary, IGL Finance Limited, where the management is confident about its recoverability for the reason as stated in said note, and our inability to comment thereon.

Net Profit for the year, investments, loans & advances and reserve & surplus are without considering the above which cannot be ascertained or otherwise for the reason stated in paras above.

Qualified Opinion

In our opinion and best to our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements, give the information required by the Act in the manner so require and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. *in the case of the Balance Sheet, of the state of the affairs of the company as at 31st March 2014,*
- b. *in case of the Statement of the Profit and Loss, of the loss for the year ended on that date, and*
- c. *in case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Emphasis Matter

Attention is invited to:

Note no. 45(b) with respect to provision made of special discount on account of sudden and steep fall in prices and quality issues, where necessary approvals are pending.

Report on other legal and the regulatory requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the, matter specified in the paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, 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, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013;
 - e. On the basis of the written representations received from the Directors and taken on records by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2014 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **Lodha & Co.**,
Chartered Accountants
Firm Registration No:301051E

(N. K. Lodha)

Partner

M. No.: - 85155

Date: 22.05.2014

Place: Noida, UP

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, 2014)

- i. (a) The Company has maintained records in respect of fixed assets showing full particulars including quantitative details and situation of its fixed assets.
- (b) As per information & explanation given to us, certain fixed assets have been physically verified by the management. As explained to us there is regular programme of physical verification once in every three years, in phased manner, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) As per the records and information & explanation given to us, fixed assets disposed off during the year were not substantial.
- ii. (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 generally reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to information & explanation given to us, the Company is generally maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii. (a) As per the information and records made available to us, the Company has not granted during the year any loan secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4 (iii) (b) to (d) of the order are not applicable to the Company.
- (b) The company has taken unsecured loan from seven companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of such loans are aggregate of ₹ 7,977.24 Lacs and ₹ 6,910.23 Lacs respectively.
- (c) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions on which aforesaid loan has been taken are not, prima facie, prejudicial to the interest of the company.
- (d) The company is regular in repaying the principal and interest amounts whenever the same are stipulated.
- iv. 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 for which suitable alternative sources do not exist for obtaining comparable quotation or where user department has shown specific preference, where, as explained, rates were determined considering the quality, volume, nature of the items and market conditions prevailing at that time in certain cases, there is an internal control system which needs to be further strengthened to be made the same commensurate with the size of the Company and nature of its business for the certain purchases of Inventory & fixed assets, and for the sale of goods and services {this to be read with note no. 37 & 43(a) of financial statement}. Based on the audit procedure performed and information & 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.
- v. According to the information and explanations provided by the management and based on the audit procedure performed, we are of the opinion that the particulars of the contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section and having regard to our comment in para (iv) above, the transaction made in pursuance of such contracts or arrangements (exceeding the value of ₹ 5 Lacs in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directive issued by the Reserve Bank of India and the provisions of Section 58A and 58 AA of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposit 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.
- vii. The Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii. 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 and complete.
- ix. (a) According to the records of the Company, the Company is 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, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable. According to the information and explanations

given to us, there are no undisputed amounts payable in respect of statutory dues which have remained outstanding as at 31st March, 2014 for a period of more than six months.

- (b) According to the records and information and explanations given to us, there are no dues in respect of Income Tax and Wealth Tax that

have not been deposited with the appropriate authorities on account of any dispute and dues in respect of Custom Duty, Service Tax, Excise Duty, Sales tax and Cess that have not been deposited with appropriate authority on account of dispute and the forum where the dispute is pending are given below:-

Nature of Statute	Nature of dues	Amount (₹ in lacs)	Period	Forum
Custom Act	Custom duty	11.42	1992-93	High Court – Uttaranchal
	Custom duty	193.05	2004-05, 2009-10	Asstt. Commissioner of custom
	Duty Drawback	15.86	2006-07	Joint Secretary, Department of Revenue
	Custom Duty	598.17	2004-05	Commissioner Customs (Appeals)
Finance Act 1994	Service Tax	36.31	2004-05 to 2007-08	CESTAT
	Service Tax	3.29	2004-08	Assistant Commissioner- Haldwani
Central Excise Act	Cenvat Credit	20.54	2005-06 to 2009-10	CESTAT
	Excise duty	69.99	2007-08	CESTAT
	Excise duty	6,646.11	1996-97, 2005-06 to 2013-14	Asstt. Commissioner Haldwani
	Excise duty	4,183.63	2010-11	Asstt. Commissioner Haldwani
	Excise duty	90.62	2006-07 to 2009-10	Allahabad High Court
	Excise duty	1.87	2009-10 to 2010-11	Joint Secretary, GOI, New Delhi
	Excise duty	42.92	2010-11 to 2013-14	Commissioner Appeal Allahabad
	Excise duty	7,438.36	2007-08 to 2013-14	Commissioner Allahabad
	Excise duty	918.39	2007-08 to 2013-14	Asstt. Commissioner Gorakhpur
UP VAT Act	Sales Tax	13.52	2008-09, 2009-10, 2011-12 & 2012-13	Additional Commissioner
	Sales Tax	10.50	2007-08	Allahabad High Court

- x. The Company does not have accumulated losses at the end of financial year. Further company has not incurred cash loss during the current financial year and not in the immediately preceding financial year. However, considering the exceptional item (note no. 45) company has incurred cash loss during the year.
- xi. In our opinion, based on audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
- xii. According to the information and explanation given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- xiii. The Company is not a chit fund or a nidhi/ mutual benefit fund /society and therefore, the provisions of clause 4 (xiii) of the Order are not applicable.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has given corporate guarantees to banks for Loans taken by Shakumbari Sugar & Allied Industries Limited ('SSAIL' a Subsidiary Company whose net worth have been fully eroded) for amounting to ₹ 12,428.52 lacs as stated in note no. 27(A)(iii) of the financial statements, the terms and conditions on which the Company has given guarantees for loans taken by SSAIL from banks are not, prima facie, as explained, prejudicial to the interest of the Company since the same is/are on account of commercial expediency. As explained to us, the Company has not given any guarantee for loans taken by others from financial institution.
- xvi. According to the information and explanations given to us, term loans have been applied for the purposes for which they were obtained except pending utilization, have been temporarily parked in the current assets/ deposits with banks.
- xvii. On the basis of information and explanations given to us and on overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie not been used for long-term investments.
- xviii. According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- xix. On the basis of record made available to us and according to the information and explanations given to us, the company does not have outstanding debentures during the year and also at year end.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the 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
Firm Registration No:301051E

(N. K. Lodha)
Partner
M. No.: - 85155

Date : 22.05.2014
Place : Noida, UP

Balance Sheet as at 31st March, 2014

(₹ in lacs)

	Schedule	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,096.15	3,096.15
Reserves and Surplus	3	47,461.38	59,807.18
		50,557.53	62,903.33
Non-current Liabilities			
Long-term borrowings	4	66,222.04	65,771.61
Deferred tax liabilities (Net)	5	10,654.44	15,679.23
Other Long-term liabilities	6	534.54	495.41
Long-term provisions	7	349.03	300.91
		77,760.05	82,247.16
Current Liabilities			
Short-term borrowings	8	105,243.41	78,786.71
Trade payables		47,035.10	45,927.81
Other current liabilities	9	39,614.57	25,366.46
Short-term provisions	7	648.18	1,157.65
		192,541.26	151,238.63
TOTAL		320,858.84	296,389.12
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible assets	10	118,560.81	108,796.97
Intangible assets	10	229.87	376.53
Capital work-in-progress		12,232.28	19,351.34
Non-current investments	11	5,694.52	5,694.52
Long-term loans and advances	12	5,846.79	6,355.02
Other non-current assets	13	229.96	175.52
		142,794.23	140,749.90
Current Assets			
Current Investments	11	9.80	17,192.21
Inventories	14	54,719.22	46,121.13
Trade receivables	15	44,175.68	29,865.27
Cash and Bank balances	16	15,833.56	12,167.44
Short-term loans and advances	17	63,086.63	50,016.85
Other current assets	18	239.72	276.32
		178,064.61	155,639.22
TOTAL		320,858.84	296,389.12

Summary of significant accounting policies 1

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

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 22nd May, 2014

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

Statement of Profit & Loss for the year ended March 31, 2014

(₹ in lacs)

	Note No.	2013-14	2012-13
Revenue from operations	19	288,500.04	333,383.19
Other income	20	2,894.19	1,278.27
Total Revenue		291,394.23	334,661.46
Expenses:			
Cost of materials consumed	21	154,326.92	163,162.02
Purchase of Stock-in-Trade	22	51,030.79	56,172.71
Change in inventories of finished goods, work-in-progress and Stock-in-trade	23	(5,654.09)	34.92
Employee benefit expenses	24	7,951.56	8,124.08
Finance costs	25	13,353.20	13,272.46
Depreciation and amortization expenses	10	8,284.47	8,243.15
Other expenses	26	59,908.03	69,152.18
Total Expenses		289,200.88	318,161.52
Profit/ (Loss) before exceptional items and tax		2,193.35	16,499.94
Exceptional Items (Net)	45	19,172.62	-
Profit/ (Loss) before tax		(16,979.27)	16,499.94
Tax Expense:			
- Current Tax		-	3,300.48
- Deferred tax Charged / (Credit)		(5,024.79)	4,386.01
- Tax for earlier years		-	20.19
- Minimum Alternate Tax Credit entitlement		-	(3,300.48)
Profit/ (Loss) for the period		(11,954.48)	12,093.74
Earning per Equity share basic/ diluted		(38.61)	41.10

Summary of significant accounting policies

1

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

As per our report of even date

For Lodha & Co.
Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 22nd May, 2014

U.S. Bhartia
Chairman and Managing Director
Rakesh Bhartia
Chief Executive Officer
M.K. Rao
Executive Director
Anand Singhal
Chief Financial Officer
Lalit Kumar Sharma
Company Secretary

Cash Flow Statement for the year ended 31st March, 2014

(₹ in lacs)

	2013-14		2012-13	
A Cash Flow from Operating Activities				
Net Profit/(Loss) Before Tax		(16,979.27)		16,499.94
Adjustments For:				
Depreciation	8,284.47		8,243.15	
(Profit)/Loss on Sale of Assets	(429.89)		90.34	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	(1,376.46)		73.60	
Amortisation of Foreign Currency Monetary Item Translation Difference	1,832.88		2,009.64	
(Profit)/Loss on Sale of Current Investments	(961.27)		(82.41)	
Reversal of Provision for Diminution in Value of Current Investments	-		(3.17)	
Provision for Diminution in Value of Current Investment	0.20		-	
Bad Debts W/Off & Provision for Doubtful Debts & Advances	8,406.84		5.76	
Provision No Longer Required Written Back	(49.51)		(27.10)	
Finance Costs	14,120.59		15,332.96	
Interest/Dividend Income	(2,146.86)	27,680.99	(3,212.80)	22,429.97
Operating Profit/ (Loss) before Working Capital Changes		10,701.72		38,929.91
Adjustments For:				
(Increase)/Decrease in Trade & Other Receivables	(21,683.67)		4,736.96	
(Increase)/Decrease in Inventories	(8,598.09)		15,793.45	
Increase / (Decrease) in Trade & Other Payables	6,273.06	(24,008.70)	22,312.63	42,843.04
Cash Generated from / (Used in) Operations		(13,306.98)		81,772.95
Income Tax Paid (Net)		(454.30)		(4,884.98)
Net Cash flow from / (Used in) Operating Activities		(13,761.28)		76,887.97
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	(10,386.16)		(16,275.93)	
Sale of Fixed Assets	1,543.84		769.61	
Interest/Dividend received	1,940.17		3,865.93	
ICDs given	(22,367.32)		(6,358.00)	
ICDs received back	11,299.13		9,327.55	
Investments in shares of subsidiaries/ joint venture	-		(50.00)	
Sale of current investments	18,143.48		1,583.08	
Purchase of current investment	-		(17,100.00)	
Net Cash flow from / (Used in) Investing Activities		173.14		(24,237.76)
C Cash Flow from Financing Activities				
Proceeds from Govt subsidy	-		5.00	
Proceeds from Issue of Share Capital	-		4,266.26	
Proceeds from Borrowings	107,322.86		88,436.51	
Repayment of Borrowings	(79,623.03)		(125,852.84)	
Finance Costs	(16,141.31)		(17,248.73)	
Dividends Paid (Including Corporate Dividend Tax)	(935.55)		(2,176.32)	
Net Cash flow from / (Used in) Financing Activities		10,622.97		(52,570.12)
Net Increase/(Decrease) in Cash & Cash Equivalents [A+B+C]		(2,965.17)		80.09
Opening Cash & Cash Equivalent (refer note 16)		5,052.99		4,972.90
Closing Cash & Cash Equivalent (refer note 16)		2,087.82		5,052.99

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

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 22nd May, 2014

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

Notes to the Accounts

1. ACCOUNTING POLICIES

A. REVENUE RECOGNITION

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

B. 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 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 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.
- (b) Intangible assets: Computer software are accounted for at their cost of acquisition and amortised over the estimated useful life i.e. not exceeding six years.

C. 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.

D. INVESTMENTS

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

Current Investments are valued at lower of cost or fair value.

E. VALUATION OF INVENTORIES

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

F. FOREIGN EXCHANGE & DERIVATIVE TRANSACTIONS

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

G. EMPLOYEES BENEFITS

(a) Defined Contribution Plan:

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

(b) Defined Benefit Plan:

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

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

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

Notes to the Accounts

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 Statement of Profit & Loss. Ancillary cost incurred in connection with the borrowings are amortised over the term of loan.

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 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.

2. SHARE CAPITAL

(₹ in Lacs), except as otherwise stated

Particulars	As at 31.03.2014	As at 31.03.2013
Authorised :		
45,000,000 (Previous Year 45,000,000) Equity Shares of ₹ 10/- each	4,500.00	4,500.00
	4,500.00	4,500.00
Issued, Subscribed and paid up :		
30,961,500 (Previous Year 30,961,500) Equity Shares of ₹ 10/- each fully paid up	3,096.15	3,096.15
	3,096.15	3,096.15

a) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Accounts

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

Name of Shareholder	31.03.2014 No's	31.03.2013 No's
Kashipur Holdings Limited	10,287,406	9,869,303
Sajani Devi Bhartia	2,100,249	2,100,249

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

Particulars	31.03.2014 No's	31.03.2013 No's
Shares outstanding as at the beginning of the year	30,961,500	27,882,500
Additions during the year	-	3,079,000
Deletion during the year	-	-
Shares outstanding as at the end of the year	30,961,500	30,961,500

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

3. RESERVES AND SURPLUS

	(₹ in Lacs)			
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014
Capital Reserve	463.25	-	-	463.25
General Reserve	11,184.00	-	-	11,184.00
Security Premium (Refer note 29)	3,958.36	-	-	3,958.36
Reserve for Contingencies	200.00	-	-	200.00
Surplus in Statement of Profit & Loss [Refer footnote (a)]	46,248.19	-	12,316.72	33,931.47
Sub Total (a)	62,053.80	-	12,316.72	49,737.08
Foreign Currency Monetary Item Translation Difference (Debit Balance)	(2,246.62)	(1,861.96)	(1,832.88)	(2,275.70)
Sub Total (b)	(2,246.62)	(1,861.96)	(1,832.88)	(2,275.70)
Total (a) + (b)	59,807.18	(1,861.96)	10,483.84	47,461.38
Previous year	45,369.85	15,800.93	1,363.60	59,807.18

(a) Detail of Surplus in the Statement of Profit & Loss	March 31, 2014		March 31, 2013	
Opening balance	46,248.19		37,527.69	
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	(11,954.48)		12,093.74	
	34,293.71		49,621.43	
Less: Appropriations				
Proposed Dividend *	309.62		619.23	
Interim Dividend *	-		1,238.46	
Corporate Dividend Tax	52.62		306.15	
Transfer to general reserve	-		1,209.40	
Net Surplus in the Statement of Profit & Loss		33,931.47		46,248.19
		33,931.47		46,248.19

* The Board of Directors, proposed a final dividend of ₹ 1 (Previous year ₹ 2) per equity share. The Board of Directors, during the year, has also declared and paid interim dividend of Nil (Previous Year ₹ 4) per equity share. The total dividend appropriation for the year ended March 31, 2014 amounted to ₹ 362.24 Lacs (Previous Year ₹ 2,163.84 Lacs) including corporate dividend tax of ₹ 52.62 Lacs (Previous Year ₹ 306.15 Lacs).

Notes to the Accounts

4. LONG TERM BORROWINGS

(₹ in Lacs)

	Non-Current Portion		Current Maturities	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
SECURED LOANS				
Rupee Term Loans				
from Banks	36,940.34	43,167.74	17,810.32	14,175.37
other than Banks	608.75	464.46	110.64	31.06
Foreign Currency Term Loans from Banks	21,762.71	14,045.67	3,282.31	5,122.09
	59,311.80	57,677.87	21,203.27	19,328.52
UNSECURED LOANS				
Loan from related parties (Body Corporates)	6,910.24	8,093.74	-	-
	6,910.24	8,093.74	-	-
Less: Amount disclosed under the head “Other Current Liabilities” (Note No. 9)			21,203.27	19,328.52
	66,222.04	65,771.61	-	-

Notes:

- The Term Loans inter-se, are secured / to be secured by mortgage of all immovable properties of the Company both present and future and hypothecation of all movable properties of the Company (save and except book debts) including movable machinery, machinery spares, tools and accessories, both present and future subject to prior charges created and / or to be created in favour of the bankers of the Company on stocks, book debts and other specified movable properties for working capital requirements / Buyers Credit.
- Rupee Term Loans includes loans from Banks of ₹ 32.13 Lacs (Previous Year ₹ 56.86 Lacs) and loans from others of ₹ 10.64 Lacs (Previous Year ₹ 45.52 Lacs) secured by hypothecation of Motor Vehicles purchased there under which is repayable on different dates. Further, Rupee Term Loans from others includes ₹ 708.75 Lacs (Previous Year ₹ 450.00 Lacs) secured against bank guarantee.
- Term Loan from bank of ₹ 2,500.00 Lacs (Previous Year ₹ 5,000.00 Lacs), is repayable in 4 equal quarterly installments.
- Term Loan from bank of ₹ 4,978.47 Lacs (Previous Year ₹ 4,978.47 lacs), is repayable in 11 equal quarterly installments of ₹ 417.00 Lacs and 1 installment of ₹ 391.47 lacs commencing from September 2014.
- Term Loan from bank of ₹ 10,000.00 Lacs (Previous Year ₹ 7,500.00 Lacs), is repayable in 12 equal quarterly installments commencing from April 2015.
- Term Loan from bank of ₹ 2,499.60 Lacs (Previous Year ₹ 2,500.00 Lacs), is repayable in 12 equal quarterly installments commencing from May 2015.
- Term Loan from bank of ₹ 2,915.00 Lacs (Previous Year ₹ 4,583.00 Lacs), is repayable in 6 quarterly installments (4 installments of ₹ 417.00 Lacs each and remaining 2 installments of ₹ 623.50 Lacs each).
- Term Loan from bank of ₹ 1,637.28 Lacs (Previous Year ₹ 3,329.86 Lacs) is repayable in 4 equal quarterly installments. It includes Foreign Currency Loan of ₹ 898.80 Lacs (USD 15.00 Lacs) (Previous Year ₹ 1,656.46 Lacs, USD 30.50 Lacs).
- Term Loan from bank of ₹ 1,458.33 Lacs (Previous Year ₹ 2,291.67 Lacs), is repayable in 7 equal quarterly installments.
- Term Loan from bank of ₹ 3,093.75 Lacs (Previous Year ₹ 4,218.75 Lacs), is repayable in 11 equal quarterly installments.
- Term Loan from bank of ₹ 2,380.00 Lacs (Previous Year ₹ 2,809.00 lacs), is repayable in 66 equal monthly installments of ₹ 35.75 Lacs each and remaining 1 installments of ₹ 20.50 Lacs.
- Term Loan from bank of ₹ 2,187.50 Lacs (Previous Year ₹ 2,625.00 Lacs), is repayable in 10 equal quarterly installments.
- Term Loan from bank of ₹ 1,875.00 Lacs (Previous Year ₹ 2,500.00 Lacs), is repayable in 6 equal quarterly installments.
- Term Loan from bank of ₹ 2,233.46 Lacs (Previous Year ₹ 2,436.50 Lacs), is repayable in 11 equal quarterly installments.
- Term Loan from bank of ₹ 2,500.00 Lacs (Previous Year ₹ 5,000.00 Lacs), is repayable in 4 equal quarterly installments.
- Term Loan from bank of ₹ 3,432.95 Lacs (Previous Year ₹ 3,982.96 Lacs), is repayable in 12 equal quarterly installments of ₹ 275.00 Lacs each and remaining 1 installments for ₹ 132.95 Lacs.
- Term Loan from bank of ₹ 4,375.00 Lacs (Previous Year ₹ 5,000.00 Lacs), is repayable in 7 equal quarterly installments.
- Term Loan from bank of ₹ 2,551.00 Lacs (Previous Year Nil), is repayable in 12 equal quarterly installments commencing from July 2015.
- Term Loan from bank of ₹ 5,000.00 Lacs (Previous Year Nil), is repayable in 16 equal quarterly installments commencing from October 2014.
- Term Loan from bank of Nil (Previous Year ₹ 187.50 Lacs).
- Term Loan from bank of ₹ 3,761.38 Lacs (USD 62.77 Lacs) (Previous Year ₹ 4,924.43 Lacs, USD 90.67 Lacs), is repayable in 10 equal quarterly installments.
- Term Loan from bank of ₹ 868.30 Lacs (USD 14.49 Lacs), (Previous Year ₹ 1,784.61 Lacs, USD 32.86 Lacs), is repayable in 3 installments of ₹ 250.00 Lacs each and remaining 1 installments for ₹ 118.30 Lacs.
- Term Loan from bank of ₹ 9,315.15 Lacs (USD 155.46 Lacs) (Previous Year ₹ 10,802.26 Lacs, USD 198.90 Lacs), is repayable in 10 monthly installments (3 equal monthly installments of ₹ 583.33 Lacs, 3 equal monthly installments of ₹ 833.33 Lacs, 3 equal monthly installments of ₹ 856.67 Lacs and balance in last installment).
- Term Loan from bank of ₹ 10,201.38 Lacs (USD 170.25 Lacs) (Previous Year Nil), is repayable in 37 monthly installments (33 equal monthly installments of ₹ 271.67 Lacs, 3 equal monthly installments of ₹ 345.00 Lacs and balance in last installment) from April 2015.
- Term Loan from DBT Bihorama ₹ 450.00 Lacs (Previous Year ₹ 450.00 Lacs) is repayable in 9 equal half yearly installment.
- Term Loan from DBT Bihorama ₹ 258.75 Lacs (Previous Year Nil) is repayable in 10 equal half yearly installment after completion of the project.
- Loan from related parties of ₹ 6,910.24 Lacs (Previous Year ₹ 8,093.74 Lacs) is payable after a period of 3 years from the respective date of loans.

Notes to the Accounts

5. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Pursuant to the Accounting Standard on “ Accounting for taxes on Income” (AS-22) deferred tax liability/assets are as :		
Deferred Tax Assets :-		
Amount covered U/s 43B	236.95	303.97
Provision for doubtful debts / advances	2,872.99	28.68
Unabsorbed Depreciation	4,149.00	-
Business Loss	496.85	-
Others	209.94	91.73
Gross Deferred tax Assets	7,965.73	424.38
Deferred Tax Liabilities :-		
Accelerated depreciation	17,510.05	15,042.88
Others	1,110.12	1,060.73
Gross Deferred tax Liability	18,620.17	16,103.61
Net Deferred Tax Liability	10,654.44	15,679.23

6. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Security deposits - Real Estate	534.54	495.41
	534.54	495.41

7. PROVISIONS

(₹ in Lacs)

	Long - Term		Short - Term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits				
Provision for Gratuity	-	-	-	-
Provision for employee benefits	-	-	-	-
Provision for Gratuity	-	-	127.12	285.93
Provision for Leave Encashment	349.03	300.91	149.71	138.59
	349.03	300.91	276.83	424.52
Others:				
Proposed equity dividend	-	-	309.62	619.23
Provision for tax on proposed equity dividend	-	-	52.62	105.24
Provision for Fringe Benefit Tax (Net of advance tax ₹ 38.65 Lacs, Previous Year ₹ 38.65 Lacs)	-	-	0.26	0.26
Provision for Wealth Tax	-	-	8.85	8.40
	-	-	371.35	733.13
	349.03	300.91	648.18	1,157.65

Notes to the Accounts

8. SHORT TERM BORROWINGS

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
SECURED LOANS		
Loans repayable on demand from Banks:		
Buyers Import Credit*	31,653.31	23,247.35
Working Capital Loans*	69,778.24	48,050.74
	101,431.55	71,298.09
UNSECURED LOANS		
Short Term Loans from Banks	3,811.86	7,488.62
	3,811.86	7,488.62
	105,243.41	78,786.71

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

Further Packing credit facility of ₹ 1,570.00 Lacs (Previous Year Nil) (included in working capital loans) are specifically secured by pledge of deposit.

9. OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Current maturities of long term borrowings (Note No 4)	21,203.27	19,328.52
Interest accrued but not due on borrowings	190.51	288.07
Duties, taxes and other statutory dues	1,723.75	1,481.94
Capital Payables	1,520.59	1,996.24
Advance from Customers	4,058.27	434.15
Retention money	245.58	372.29
Expenses payable (Including MTM on derivative contracts)	1,534.98	537.57
Other Payables (refer note 45 (b))	9,010.64	586.24
Investor education & protection fund shall be credited by the following amounts when due:		
(i) Unclaimed Dividends	121.29	332.36
(ii) Unclaimed matured deposits	4.16	6.86
(iii) Unclaimed interest on above (ii)	1.53	2.22
	39,614.57	25,366.46

Notes to the Accounts

10. Fixed Assets

(₹ in Lacs)

Description	Gross Carrying Amount				Depreciation/ Amortization				Net Carrying Amount	
	As at 01.04.2013	Additions*	Sales/ Other Adjust- ments	As at 31.03.2014	As at 01.04.2013	For the year	Sales/ Other Adjust- ments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible assets										
Freehold Land	1,873.79	94.28	930.80	1,037.27	-	-	-	-	1,037.27	1,873.79
Leasehold Land	1,418.19	109.53	-	1,527.72	151.86	16.82	-	168.68	1,359.04	1,266.33
Buildings	16,508.02	1,389.35	-	17,897.37	1,856.38	326.09	-	2,182.47	15,714.90	14,651.64
Plant and Machinery	145,686.81	16,709.47	35.10	162,361.18	58,961.01	7,338.96	30.47	66,269.50	96,091.68	86,725.80
Office Equipment	1,933.42	56.46	267.14	1,722.74	1,050.17	130.45	238.83	941.79	780.95	883.25
Furniture and Fixtures	3,275.41	635.11	219.19	3,691.33	649.90	242.23	183.56	708.57	2,982.76	2,625.51
Vehicles#	1,122.49	21.39	181.54	962.34	351.84	95.74	79.45	368.13	594.21	770.65
Total (A)	171,818.13	19,015.59	1,633.77	189,199.95	63,021.16	8,150.29	532.31	70,639.14	118,560.81	108,796.97
Intangible assets										
Computer software	1,063.75	-	249.60	814.15	687.22	134.18	237.12	584.28	229.87	376.53
Total (B)	1,063.75	-	249.60	814.15	687.22	134.18	237.12	584.28	229.87	376.53
Grand Total (A) + (B)	172,881.88	19,015.59	1,883.37	190,014.10	63,708.38	8,284.47	769.43	71,223.42	118,790.68	
Previous Year	162,433.35	12,062.31	1,613.78	172,881.88	56,219.07	8,243.15	753.84	63,708.38		109,173.50

Notes:

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

* (ii) Includes capitalisation of:

(a) Finance cost: Plant & Machinery ₹ 2,361.03 Lacs (Previous Year ₹ 584.51 Lacs).

(b) Exchange difference: Plant and Machinery ₹ 962.10 Lacs (Previous Year ₹ 419.89 Lacs).

Gross block includes ₹ 130.39 Lacs (Previous Year ₹ 367.58 Lacs) secured by hypothecation against loan

Notes to the Accounts

11. INVESTMENTS

(₹ in Lacs), except as otherwise stated

Particulars	Nominal Value	As at 31.03.2014		As at 31.03.2013	
Non-Current Investments					
Long Term, Non- Trade Investment - At Cost less provision					
Investment in Equity Instruments					
Unquoted, Fully paid up - Subsidiary Companies					
1,500,000* (Previous Year 1,500,000)					
Equity Shares of IGL Finance Ltd.	₹ 10	550.00		550.00	
Less: Provision for diminution		425.00	125.00	425.00	125.00
100,000 (Previous Year 100,000) Equity Shares of IGL CHEM International PTE Ltd., Singapore	SGD 1		27.41		27.41
50,112,100* (Previous Year 50,112,100) Equity Shares of Shakumbari Sugar & Allied Industries Ltd.	₹ 10		4,427.50		4,427.50
Unquoted, Fully paid up - Joint Venture					
5,000 (Previous Year 5,000) Equity Shares of Kashipur Infrastructure and Freight Terminal Private Limited	₹ 10		0.50		0.50
			4,580.41		4,580.41
Quoted, fully paid up - Others					
211,360 (Previous Year 211,360) Equity Shares of IDBI Bank Ltd	₹ 10		105.00		105.00
34,000 (Previous Year 34,000) Equity Shares of Axis Bank Ltd.	₹ 10		7.14		7.14
2,500 (Previous Year 2,500) Equity Shares of ICICI Bank Ltd.	₹ 10		1.97		1.97
			114.11		114.11
			4,694.52		4,694.52
Investment in Preference Share (Unquoted, fully paid up) - Subsidiary Company					
10,000,000* (Previous Year 10,000,000)					
10% Cumulative Redeemable Preference Shares of Shakumbari Sugar & Allied Industries Ltd.	₹ 10		1,000.00		1,000.00
			1,000.00		1,000.00
Total Non - Current investments			5,694.52		5,694.52
Aggregated book value of unquoted investment			5,580.41		5,580.41
Aggregated book value of quoted investment			114.11		114.11
Market value of quoted investments			700.53		704.46
Aggregate provision made for diminution in value of investments			425.00		425.00
Current Investments - at the lower of cost or fair value					
Others- Quoted, fully paid up (Non- Trade Investment)					
Investments in Mutual funds					
Nil (Previous Year 5,000,000) Birla Sun Life Fixed Term Plan Series FK Growth	₹ 10		-		500.00
Nil (Previous Year 5,000,000) ICICI Prudential FMP Series 64-367 days Plan D Cumulative	₹ 10 #		-		500.00
Nil (Previous Year 10,000,000) ICICI Prudential FMP Series 64-367 days Plan B Cumulative	₹ 10 #		-		1,000.00
			-		2,000.00

Notes to the Accounts

11. INVESTMENTS (Contd..)

(₹ in Lacs), except as otherwise stated

Particulars	Nominal Value	As at 31.03.2014	As at 31.03.2013
Others- Unquoted, fully paid up (Non- Trade Investment)			
Investments in Mutual funds			
Nil (Previous Year 668,518) UTI Bonds Fund - Dividend Plan	₹ 10	-	82.21
Nil (Previous Year 1,510,779) Kotak Bond Plan A- Growth	₹ 10 #	-	500.00
Nil (Previous Year 28,200,859) SBI Dynamic Bond Fund-Growth	₹ 10 #	-	4,000.00
Nil (Previous Year 16,531,658) Reliance Dynamic Bond Fund- Growth	₹ 10 #	-	2,500.00
Nil (Previous Year 12,261,453) DWS Short Maturity Fund Reg-Growth	₹ 10 #	-	2,500.00
Nil (Previous Year 1,949,367) Birla Sun Life Income Plus-Growth	₹ 10 #	-	1,000.00
100,000 (Previous Year 100,000) SBI Gold Fund- Growth	₹ 10	9.80	10.00
Nil (Previous Year 5,276,047) Reliance Income Fund- Growth	₹ 10 #	-	2,000.00
Nil (Previous Year 7,232,227) IDFC Dynamic Bond Plan B-Growth (Regular)	₹ 10 #	-	1,000.00
Nil (Previous Year 7,192,434) IDFC Dynamic Bond Plan B- Growth (Direct)	₹ 10 #	-	1,000.00
Nil (Previous Year 552,614) IDFC Money Manager - Growth	₹ 10 #	-	100.00
Investments in Pass Through Certificates (PTCs)			
Nil (Previous Year 500) Gold Loan Receivable Trust -II, by IDBI Trusteeship Services Ltd.	₹100000	-	500.00
		9.80	15,192.21
Total Current Investments		9.80	17,192.21
Aggregated book value of unquoted investment		9.80	15,192.21
Aggregated book value of quoted investment		-	2,000.00
Market value of quoted investments		-	2,180.41
Aggregate provision made for Diminution in value of Investments		0.20	-

* Refer Note no 34 to financial statements.

Pledged with banks as security against borrowings.

Notes to the Accounts

12. LONG TERM LOANS & ADVANCES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)		
	As at 31.03.2014	As at 31.03.2013
Capital Advances	2,243.59	1,345.05
Security Deposits @	2,486.65	2,139.90
Inter Corporate Deposits #	964.48	2,659.93
Other Loans & advances *	152.07	210.14
(Includes ₹ 0.66 Lacs (Previous Year ₹ 1.41 Lacs) due from a director)		
	5,846.79	6,355.02

* Prepaid expenses and loans to employees

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

@ Includes ₹ 760.00 lacs (Previous Year ₹ 480.00 Lacs) security deposit to director, private companies in which director/directors of company is director and are also related parties.

13. OTHER NON-CURRENT ASSETS

(₹ in Lacs)		
	As at 31.03.2014	As at 31.03.2013
Bank balance on deposit account* (Refer Note No. 16)	47.97	36.21
Others		
Upfront fee, processing charges, etc amortised over tenure of loans	181.99	139.31
	229.96	175.52

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

14. INVENTORIES (At lower of cost and net realisable value)

(As taken, valued and certified by the management)

(₹ in Lacs)		
	As at 31.03.2014	As at 31.03.2013
Raw Materials *	22,271.88	23,191.38
Work-in-Process	4,401.57	2,614.36
Finished Goods **	11,653.27	7,518.89
Stores and Spares	16,308.60	12,725.93
Residue Product	53.14	39.42
Scrap	6.36	7.72
Loose Tools	24.40	23.43
	54,719.22	46,121.13

*Includes in transit ₹ 218.18 Lacs (Previous Year Nil)

**Includes in transit ₹ 356.15 Lacs (Previous Year ₹ 539.85 Lacs)

Notes to the Accounts

15. TRADE RECEIVABLES

(Unsecured, considered good unless stated otherwise)

<i>(₹ in Lacs)</i>		
	As at 31.03.2014	As at 31.03.2013
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	2,459.78	543.39
- Doubtful	36.43	37.78
(b) Other (Considered good)	41,715.90	29,321.88
	44,212.11	29,903.05
Less: Provision for Doubtful debts	36.43	37.78
	44,175.68	29,865.27

16. CASH AND BANK BALANCES

<i>(₹ in Lacs)</i>		
	As at 31.03.2014	As at 31.03.2013
(a) Cash and Cash equivalents		
(i) Cash in Hand	28.11	27.38
(ii) Balance with Banks		
- On Current Accounts	2,059.71	5,025.61
	2,087.82	5,052.99
(b) Other bank balances		
- In Fixed Deposit Accounts * - Current	13,624.45	6,782.09
- In Fixed Deposit Accounts * - Non current	47.97	36.21
- On Dividend Accounts	121.29	332.36
	15,881.53	12,203.65
Less: Amount disclosed under Other Non Current Assets (Note No 13)	47.97	36.21
	15,833.56	12,167.44

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

Notes to the Accounts

17. SHORT TERM LOANS & ADVANCES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Deposits with Non Banking Financial Institutions	4,491.00	4,491.00
Inter Corporate Deposits #	14,723.64	1,960.00
Interest receivable (Includes receivable from related parties ₹ 870.35 Lacs (Previous Year ₹ 766.74 Lacs)	1,484.49	1,277.80
Export Incentive receivable	2,851.01	5,565.53
Balance with Excise and Other Authorities	8,682.15	8,966.11
Deposits with Government Departments & Others	166.56	177.15
MAT Credit Entitlements	8,075.74	8,090.16
Advance Income Tax/ Tax deducted at source (net of income tax provision of ₹ 4,076.08 Lacs, Previous Year ₹ 7,211.48 Lacs)	640.35	171.63
Prepaid expenses	919.57	862.98
Other Advances:		
Advances recoverable in cash or in kind or for value to be received*	21,052.12	18,454.49
Doubtful advances / loans	46.61	46.61
	21,098.73	18,501.10
Less : Provision for doubtful advances / loans	(46.61)	(46.61)
	63,086.63	50,016.85

*Includes business advance of ₹ 8,376.16 Lacs (Previous Year ₹ 5,080.08 Lacs) to related parties and share application money paid ₹ 1462.59 Lacs (Previous Year Nil) to related party.

Deposit with a related party.

18. OTHER CURRENT ASSETS

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Upfront fee, processing charges, etc amortised over tenure of loans	239.72	276.32
	239.72	276.32

Notes to the Accounts

19. REVENUE FROM OPERATIONS

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Sales of Products		
Glycols	75,786.60	69,336.99
E.O. Derivatives	110,562.84	100,524.64
Guar Gum Powder and derivatives	29,603.61	74,243.30
Ethyl Alcohol (Potable)	65,744.32	66,027.36
Industrial Gases	3,961.33	3,390.01
Sale of traded goods		
Chemical Products	50,117.28	54,682.67
Export Incentive receivable	704.81	7,116.57
Others	4,938.16	6,847.11
	341,418.95	382,168.65
Less: Excise Duty	56,482.11	52,280.27
	284,936.84	329,888.38
Sales of Service		
Rent	1,376.40	1,196.19
Others	551.25	295.79
	1,927.65	1,491.98
Other Operating Revenue		
Provision no longer required written back / Sundry balances written back	49.51	27.10
Exchange fluctuation gain (Net of Loss of ₹ 0.20 Lacs)	0.62	-
Miscellaneous Income	1,585.42	1,975.73
	1,635.55	2,002.83
Total Revenue from operations	288,500.04	333,383.19

20. OTHER INCOME

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Interest Income	1,349.82	1,131.02
Dividend on Long term Investment	15.56	9.03
Interest on Current Investment (TDS Nil, Previous Year ₹ 1.90 Lacs)	12.09	5.85
Dividend on Current Investment	2.00	6.40
Reversal of Diminution in value of Current Investments	-	3.17
Commodity Derivative Income	-	24.35
Profit on sale of Current Investment	961.27	82.41
Profit on sale of Fixed Assets	553.45	16.04
	2,894.19	1,278.27

Notes to the Accounts

21. COST OF MATERIALS CONSUMED

(₹ in Lacs)					
		2013-14	2012-13		
Raw Materials consumed					
i) Molasses		38,262.34	27,713.63		
ii) Chain Starters		12,196.12	10,621.87		
iii) Special Denatured Spirit		50,250.82	47,830.42		
iv) Guar split, Guar seeds, etc.		28,585.51	50,392.72		
v) Production Chemicals & Others		13,232.55	14,929.18		
vi) Packing Material		11,799.58	11,674.20		
Total		154,326.92	163,162.02		
Consumption of Imported and Indigenous Raw Materials		2013-14		2012-13	
		% age	Amount	% age	Amount
Imported		19.44	30,000.37	17.72	28,920.34
Indigeneous		80.56	124,326.55	82.28	134,241.68
		100.00	154,326.92	100.00	163,162.02

22. PURCHASE OF STOCK IN TRADE

(₹ in Lacs)			
		2013-14	2012-13
Chemical and Oil Products		51,030.79	56,172.71
		51,030.79	56,172.71

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

(₹ in Lacs)			
		2013-14	2012-13
CLOSING STOCK			
Finished Goods			
- Glycols		2,586.72	1,564.80
- E.O. Derivatives		7,238.13	4,561.41
- Ethyl Alcohol (Potable)		309.59	308.72
- Guar Gum Powder and derivatives		1,232.94	777.50
- Guar Churi		0.26	0.18
- Industrial Gases		12.25	31.83
- Herbal Products		273.38	274.45
Total Finished Goods		11,653.27	7,518.89
Work-in-Process (Note @ below)		4,401.57	2,614.36
Residue Product		53.14	39.42
		16,107.98	10,172.67

Notes to the Accounts

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (Contd.)

	(₹ in Lacs)	
	2013-14	2012-13
LESS : OPENING STOCK		
Finished Goods		
- Glycols	1,564.80	2,685.15
- E.O. Derivatives	4,561.41	4,127.60
- Ethyl Alcohol (Potable)	308.72	408.47
- Guar Gum Powder and derivatives	777.50	515.55
- Guar Churi	0.18	0.13
- Industrial Gases	31.83	20.48
- Herbal Products	274.45	340.94
Total Finished Goods	7,518.89	8,098.32
Work-in-Process (Note @ below)	2,614.36	2,151.89
Residue Product	39.42	7.04
	10,172.67	10,257.25
Less: Differential Excise Duty provided on Stocks.	281.22	(49.66)
	(5,654.09)	34.92
Note @		
Work-in-Process	31.03.2014	31.03.2013
Alcohol	1,690.46	1,045.08
EO	58.05	10.56
Guar Gum	260.25	234.16
RS/ENA	397.62	261.20
Others	1,995.19	1,063.36
	4,401.57	2,614.36

24. EMPLOYEE BENEFITS EXPENSE

	(₹ in Lacs)	
	2013-14	2012-13
Salaries, Wages, Allowances, etc.	6,629.18	6,935.30
Contribution to Provident and other Funds	541.63	490.46
Employees' Welfare and other Benefits	780.75	698.32
Total	7,951.56	8,124.08

25. FINANCE COSTS

	(₹ in Lacs)	
	2013-14	2012-13
Interest on Fixed Loans	7,211.06	8,755.83
Other Interest	4,973.86	4,459.38
Other Borrowing Cost		
Financial Charges	1,935.67	2,117.75
	14,120.59	15,332.96
Less: Interest Received on temporary deposits	767.39	2,060.50
	13,353.20	13,272.46

Notes to the Accounts

26. OTHER EXPENSES

(₹ in Lacs)				
		2013-14		2012-13
Stores and spares consumed		6,408.95		7,758.56
Power and Fuel		34,618.10		34,943.85
Repairs and Maintenance				
- Buildings		476.80		401.98
- Plant and Machinery		2,487.34		1,825.16
- Others		511.66		415.51
Rent		142.85		131.83
Rates and Taxes		1,443.10		1,392.44
Travelling and Conveyance		952.63		918.16
Insurance		479.61		383.34
(Net of recovery from customers Nil, Previous Year ₹ 0.71 Lacs)				
Directors' sitting Fee		12.80		12.80
Commission to Non Executive Director		-		10.50
Donation		121.12		137.96
Commission to Selling agents		983.41		833.58
Freight forwarding and others (Net of recovery from customers / provision written back ₹ 903.81 Lacs, Previous Year ₹ 857.99 Lacs)		6,384.45		8,900.51
Exchange Fluctuation loss (Previous Year net of gain ₹ 1,652.91 Lacs).		-		6,505.09
Commodity Derivative Loss		7.94		-
Bad debts written off	14.14		4.08	
Less : Provision for doubtful debts written back	0.89	13.25	4.08	-
Loss on Sale / Discard of Fixed Assets		123.56		106.38
Debts/ Advances written off		24.16		5.76
Provision for diminution in value of Current Investments		0.20		-
Amortisation of Foreign Currency Monetary Item Transaction Difference		1,832.88		2,009.64
Wealth Tax		9.86		11.46
Printing & Stationery, Postage, Telephone, security, legal and professional and other Miscellaneous Expenses		2,873.36		2,447.67
		59,908.03		69,152.18
Consumption of Imported and Indigenous Stores and spares				
	% age	Amount	% age	Amount
Imported	38.93	2,494.81	51.68	4,009.95
Indigeneous	61.07	3,914.14	48.32	3,748.61
	100.00	6,408.95	100.00	7,758.56

Notes to the Accounts

27. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR (AS CERTIFIED BY THE MANAGEMENT) :

(i) In respect of:

(₹ in Lacs)

Particulars	As on March 31, 2014	As on March 31, 2013
Central Excise/ State Excise	19,592.03	10,945.93
Customs	860.10	261.93
Service Tax	66.46	69.02
Sales Tax	28.79	32.67
Other matters	2,021.94	2,012.26
Total	22,569.32	13,321.81

(ii) Bills discounted with Banks ₹ 5,258.74 Lacs (Previous Year: ₹ 15,826.08 Lacs).

(iii) Corporate Guarantee to banks for loan availed by Shakumbari Sugar & Allied Industries Limited (a subsidiary company):

(₹ in Lacs)

	Amount Outstanding	
	31.03.2014	31.03.2013
	12,428.52	12,665.42

(B) Custom duty saved on import of raw material under Advance License pending fulfillment of export obligation is amounting to ₹ 1,935.70 Lacs (Previous Year ₹ 774.17 Lacs).

The management is of the view that considering the past export performance and future prospects there is certainty that pending export obligation under advance licenses, will be fulfilled before expiry of the respective advance licenses. Accordingly and on "Going Concern Concept" basis there is no need to make any provision for custom duty saved.

28. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 2,243.59 Lacs, Previous Year ₹ 1,345.05 Lacs) are ₹ 4,295.71 Lacs (Previous Year ₹ 7,238.67 Lacs).

29. During previous financial year, Company had issued and allotted 3079000 nos. fully paid up equity shares of ₹ 10 each at the rate of ₹ 138.56 (including premium of ₹ 128.56 per share) on preferential basis in term of the resolution passed in Annual General Meeting held on 15th September, 2012. The total receipts against this issue of ₹ 4,266.26 Lacs have been fully utilized for the purpose as stated in the resolution for which the issue was made.

30. Advances recoverable in cash or kind includes loans and advances in the nature of Loan recoverable from the employees amounting to ₹ 217.32 Lacs (Previous Year ₹ 239.09 Lacs) where there is no interest or interest is below Section 372A of the Companies Act (Maximum Balance outstanding during the year ₹ 381.66 Lacs, Previous Year ₹ 374.07 Lacs). Out of the above ₹ 57.98 Lacs (Previous Year ₹ 79.70 Lacs) either has repayment schedule beyond seven years (Maximum Balance outstanding during the year ₹ 78.44 Lacs, Previous Year ₹ 96.18 Lacs).

31. Employees Benefits:

a) **Defined Contribution Plan:**

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(₹ in Lacs)

	Current Year	Previous Year
Employer's Contribution to Provident Fund	464.29	418.33

b) **Defined Benefit Plan:**

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Notes to the Accounts

I. Reconciliation of opening and closing balance of Defined Benefit Obligation

(₹ in Lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Present Value of Obligation at the beginning of the year	1,734.00	1,380.86	439.50	365.67
Current Service Cost	162.11	153.16	60.02	48.00
Interest Cost	138.73	118.75	35.16	31.45
Actuarial (gain)/ loss on obligations	(36.03)	147.07	(8.41)	17.81
Benefit Paid	(83.74)	(65.84)	(27.53)	(23.43)
Present Value of Obligation as at the end of the year	1,915.07	1,734.00	498.74	439.50

II. Reconciliation of opening and closing balance of fair value of plan assets

(₹ in Lacs)

	Gratuity	
	31.03.2014	31.03.2013
Fair value of plan assets at the beginning of the year	1,448.08	1,143.65
Expected Return on Plan Assets	130.33	91.49
Contributions	285.92	237.21
Actuarial gain/ (loss) on Plan assets	7.36	41.57
Benefit Paid	(83.74)	(65.84)
Fair value of plan assets at the end of the year	1,787.95	1,448.08

III. Reconciliation of fair value of assets and obligation

(₹ in Lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Fair value of plan assets at the end of the year	1,787.95	1,448.07	-	-
Present Value of Obligation at the end of the year	1,915.07	1,734.00	498.74	439.50
Funded Status [surplus/(Deficit)]	(127.12)	(285.93)	(498.74)	(439.50)
Net Assets/(Liability) Recognized in Balance Sheet	(127.12)	(285.93)	(498.74)	(439.50)

IV. Expenses recognized during the year

(₹ in Lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Current Service Cost	162.11	153.16	60.02	48.00
Interest Cost	138.73	118.75	35.16	31.45
Expected Return on Plan Assets	(130.33)	(91.49)	-	-
Actuarial (gain)/ loss	(43.39)	105.51	(8.41)	17.81
Net Expenses Recognized	127.12	285.93	86.77	97.26

V. Investment Detail

All Investments are made with Trust.

Notes to the Accounts

VI. Actuarial / Demographic assumptions:-

	Gratuity		Leave Encashment (Unfunded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Mortality Table (LIC)	1994-96 (Ultimate)		1994-96 (Ultimate)	
Discount rate (Per annum)	9.10%	8.00%	9.10%	8.00%
Expected Return on Plan Assets (Per annum)	9.00%	9.00%	NA	NA
Rate of escalation in salary (per annum)	8.00%	8.00%	8.00%	8.00%
Retirement Age	58 Years		58 years	
Withdrawal Rate (All Ages)	10%		10%	

The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

32. In the earlier years, the State Government of Uttar Pradesh (UP) had imposed a levy of license fee on transfer of alcohol from the distillery to the chemical plant. The levy was challenged by the Company in the Hon'ble Supreme Court and on October 18, 2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, Company had filed an application for refund of amount paid of ₹ 507.05 Lacs (Previous Year ₹ 507.05 Lacs) (shown as recoverable under the head Short Term Loans and Advances) with State Government of Uttarakhand, which is still pending for refund of the amount.
33. In the earlier years, the State Government of Uttarakhand had levied Export Pass Fee on ENA/RS export outside India. The matter is finally disposed of by Hon'ble High Court of Uttarakhand vide its Order dated 9th January, 2012 and has declared the levy of said fee as unsustainable and irrecoverable. Subsequently, on June 8, 2012, vide Uttarakhand Excise (Amendment) Act, 2012, Uttarakhand Government retrospectively revived old notification relating to imposition of export fee on ENA and ₹. The Company filed Writ Petition challenging the above said notification and vide order dated September 12, 2012 the Hon'ble High Court of Uttarakhand has granted stay and restrained State from imposing export fee. Amount of ₹ 106.15 Lacs (Previous Year ₹ 106.15 Lacs) paid under protest is shown as recoverable from State Govt. of Uttarakhand, in the books of account.
34. (A) (i) Company has investment of ₹ 5,427.50 Lacs (Previous Year ₹ 5,427.50 Lacs) in equity shares and 10% cumulative redeemable preference share capital in a subsidiary company Shakumbari Sugar and Allied Industries Limited (SSAIL) whose net worth has been fully eroded during the previous financial year and SSAIL has also been declared sick industrial undertaking as per the provision of Sick Industrial Companies Act, 1985.
Considering the intrinsic value of the investee assets, long term nature of investment and direction issued by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) for preparation of revival scheme by the operating agency as appointed, which has been filed with BIFR on 11th January 2014, no provision at this stage is considered necessary by the management against investments made in above stated subsidiary namely SSAIL.
- (ii) Loans and advances includes Inter corporate deposit with SSAIL amounting to ₹ 1,834.83 Lacs (Previous Year ₹ 1,713.30 Lacs) (including interest thereon) and advances of ₹ 8,375.82 Lacs (Previous Year ₹ 5,077.63 Lacs), where management is confident about recoverability/ realisability, of the same. Accordingly, considering the facts as stated in Para (i) above, amount is good and fully recoverable and no provision there against is considered necessary by the management.
- (B) Short Term loans and advances to related party includes Inter Corporate Deposit amounting to ₹ 14,723.64 Lacs (Previous Year ₹ 1,960.00 Lacs) given to IGL Finance Ltd. (IGLFI), 100% subsidiary of the company. IGLFI in turn had invested funds for short term in commodity financing contracts offered by National Spot Exchange Ltd. (NSEL). NSEL has defaulted in settling the contracts on due dates. However, considering the present state of affairs, action taken by the Govt. and other authorities, the management is confident of recovery of dues from NSEL over a period of time.
Accordingly, against total exposure in IGLFI of ₹ 14,848.64 Lacs (Previous Year ₹ 2,085.00 Lacs) (including Investment in capital of ₹ 125.00 Lacs), no provision has been considered necessary at this stage by the company and shown as good and fully recoverable.
35. The Company has challenged the legality and the validity of the financial derivative transaction dated January 15, 2008 entered into with Standard Chartered Bank, New Delhi (SCB), which is the subject matter of civil suit (Original suit) pending before the Hon'ble High Court of Delhi (High Court) at New Delhi. Provision made in earlier year had been written back in the books of accounts in the year 2011-12 in view of the favorable opinion of the legal consultant and the fact that DRT and DRAT did not entertain application of the SCB and pending final decision of the High Court same has been considered under contingent liability.

Notes to the Accounts

36. In accordance with Companies (Accounting Standards) Amendment Rules 2009 as amended by Companies (Accounting Standards) (Second Amendment) Rules 2011, the Company continued its policy, as exercised in financial year 2008-09, the option of adjusting exchange differences arising on reporting of long term foreign currency monetary items related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets and other long term monetary item in the "Foreign Currency Monetary Item Translation Difference" to be amortised over the period of loan. Accordingly: (a) Exchange differences (gain)/ loss relating to long-term monetary items, in so far related to acquisition of depreciable capital assets, arising during the year amounting to ₹ 936.50 Lacs (Previous Year ₹ 378.92 Lacs) (net of depreciation ₹ 25.60 Lacs, Previous Year ₹ 40.97 Lacs) adjusted to the cost of fixed assets, and (b) relating to other long-term monetary items arising during the year amounting to ₹ 1,206.62 Lacs (Previous Year ₹ 824.43 Lacs) (Net of amortization of ₹ 655.34 Lacs, Previous Year ₹ 636.14 Lacs) are adjusted to "Foreign Currency Monetary Item Translation Difference".
37. As required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed:

(₹ in Lacs)

S. No	Particular	2013-14	2012-13
a)	i) Principal amount remaining unpaid at the end of the accounting year	-	-
	ii) Interest due on above	-	-
b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is actually paid.	-	-

The above information's regarding Micro, Small and medium Enterprise has been determined to the extent such parties have been identified of information available with the Company.

38. (i) Catalyst is charged to the Statement of Profit & Loss as consumable (Stores & Spares) based on technically assessed useful life (1 to 3 Years).
(ii) Specialised Computer Software is amortised over its useful life of 6 years on SLM basis.

39. Earnings per share (EPS) :

	2013-14	2012-13
Net profit/ (loss) for the year attributable to equity shareholders (₹ in Lacs)	(11,954.48)	12,093.74
Weighted average number of equity shares outstanding	30961500	29426218
Basic and diluted earnings per share (face value of ₹ 10 each) (₹)	(38.61)	41.10

40. Capital work-in-progress includes machinery under installation, buildings under construction, construction/ erection material in hand and other assets and also includes the following pre-operative expenses:

(₹ in Lacs)

Particulars	2013-14	2012-13
Amount brought forward from previous year	1,773.84	1,281.88
Add: Raw Material & Chemical Consumed	24.47	13.32
Salary, wages, allowances, etc.	116.04	27.57
Contribution to Provident and other funds	2.61	2.47
Employees' welfare and other benefits	17.82	15.08
Legal and Professional charges	2.14	4.85
Repair and Maintenance	30.79	49.64
Travelling and Conveyance	57.28	54.87
Interest on Fixed Loans	1,932.26	779.29
Power and Fuel	589.19	339.45
Rates and Taxes	9.40	1.68
Miscellaneous Expenses	0.87	1.28
	4,556.71	2,571.38
Less: Transferred/ Capitalised during the year	3,118.18	797.54
Balance carried forward	1,438.53	1,773.84

Notes to the Accounts

41. Related Parties Disclosure (As identified by the management):

(i) Relationships:

- A. Subsidiary Companies
- IGL Finance Limited (IGLFI)
 - Shakumbari Sugar and Allied Industries Limited (SSAIL)
 - IGLCHEM International PTE. Ltd. (IGLCHEM)
- B. Key Management Personnel & their Relatives
- U. S. Bhartia (Chairman and Managing Director)
 - M. K. Rao (Executive Director)
 - Pragya Bhartia
- C. Enterprises over which Key Management Personnel have significant influence:
- Ajay Commercial Co. (P) Ltd.
 - J. B. Commercial Co. (P) Ltd.
 - Kashipur Holdings Limited
 - Polylink Polymers (India) Ltd.
 - Hindustan Wires Limited
 - Supreet Vyapaar (P) Ltd.
 - Mayur Barter (P) Ltd.
 - Facit Commosales (P) Ltd.
 - J. Boseck & Co. (P) Ltd.
- D. Joint Venture Enterprise
- Kashipur Infrastructure and Freight Terminal Private Limited

(ii) Detail of Transactions with related parties:

(₹ in Lacs)

Related Party Transaction Summary	Subsidiaries		Significant Influence		Joint Venture		Key Managerial Personnel				Relative of KMP	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Purchase Of Material	2,406.03	1,914.08										
Purchase Of Services			38.41	48.70								
Sale of Material	3,656.92	4,643.64	293.76	225.19								
Purchase of Fixed Assets	-	16.28										
Purchase of Stores and Spares	5.57	-										
Sale of Fixed Assets					1,462.59	-						
ICD Given	22,054.00	7,058.00		-	300.00	-						
ICD Received Back	9,290.36	5,098.00		-	300.00	-						
Capital Advance Given			1,000.00	-								
Interest Income	621.40	214.17		-	4.14	-						
Investment in Equity Shares	-	50.00										
Security Deposit Given							280.00	-				
Reimbursement of Expenses – Given	4.90	2.45			1.07	-						
Reimbursement of Expenses – Received					-	4.92						
ICD Received			2,830.00	2,010.24								
ICD Paid Back			4,013.50	5,916.50								
Interest Expense			717.10	968.48								
Rent Paid			25.68	25.08			24.00	-				
Salary											27.29	27.29
Managerial Remuneration							295.83	873.34	69.08	62.81		
Balance Outstanding												
Payable												
ICD Payable(including interest)			6994.51	8,184.58								
Others			8.92	2.24								
Receivable												
ICD (including interest)	16,558.47	3,691.22										
Capital Advances			1,000.00	-								
Security Deposit			480.00	480.00			280.00	-				
Others	8,906.13	5,755.64	4.64	4.64	1,462.93	-						

Notes to the Accounts

(iii) Disclosure in respect of Material Related Party transactions during the year:

- a) Purchases of Material are from:
 - SSAIL ₹ 2,406.03 Lacs (Previous Year ₹ 1,914.08 Lacs).
- b) Sales of Material are to:
 - IGLCHEM ₹ 3,656.21 Lacs (Previous Year ₹ 4,640.34 Lacs).
 - Hindustan Wires Limited. ₹ 293.76 Lacs (Previous Year ₹ 225.19 Lacs).
- c) Interest Income includes from:
 - SSAIL ₹ 135.03 Lacs (Previous Year ₹ 194.26 Lacs).
 - IGLFI ₹ 486.37 Lacs (Previous Year ₹ 19.91Lacs).
- d) Interest Expense includes to:
 - Kashipur Holding Limited ₹ 549.78 Lacs (Previous Year ₹ 669.60 Lacs).
 - Supreet Vyapaar (P) Ltd. ₹ 39.45 Lacs (Previous Year ₹ 82.21 Lacs).
 - Mayur Barter (P) Ltd. ₹ 93.59 Lacs (Previous Year ₹ 161.74 Lacs).
- e) Inter Corporate Deposit / Other Deposits given includes to:
 - SSAIL Nil (Previous Year ₹ 4,398.00 Lacs)
 - IGLFI ₹ 22,054.00 Lacs (Previous Year ₹ 2,660.00Lacs).
- f) Inter Corporate Deposit / Others Deposits received back includes from:
 - SSAIL Limited Nil (Previous Year ₹ 4,398.00 Lacs)
 - IGLFI ₹ 9,290.36Lacs (Previous Year ₹ 700.00Lacs).
- g) Capital advances given:
 - Hindustan Wires Limited ₹ 1,000.00 Lacs (Previous year Nil)
- h) Inter Corporate Deposit received includes from:
 - Kashipur Holding Limited ₹ 2,530.00 Lacs (Previous Year ₹ 1,738.24 Lacs).
 - Mayur Barter ₹ 300.00 Lacs (Previous Year Nil).
- i) Inter Corporate Deposit paid back includes to:
 - Kashipur Holding Limited ₹ 2,045.00 Lacs (Previous Year ₹ 4,040.00 Lacs).
 - Mayur Barter (P) Ltd. ₹ 820.00 Lacs (Previous Year ₹ 1,113.00 Lacs).
 - Supreet Vyapaar (P) Ltd. ₹ 547.00 Lacs (Previous Year ₹ 350.00 Lacs).
- j) Inter Corporate Deposit Payable (including interest)includes:
 - Kashipur Holding Limited ₹ 5,849.90 Lacs (Previous Year ₹ 5,381.03 Lacs).
 - Mayur Barter (P) Ltd. ₹ 788.61 Lacs (Previous Year ₹ 1,298.43 Lacs).
- k) ICD Receivable includes:
 - Shakumbari Sugar and Allied Industries Limited ₹ 1,834.83 Lacs (Previous Year ₹ 1,713.30 Lacs). (Maximum balance outstanding during the year ₹ 1,834.83 Lacs, Previous Year ₹ 4,962.48 Lacs).
 - IGL Finance Limited ₹ 14,723.64 Lacs (Previous Year ₹ 1,977.92 Lacs). (Maximum balance outstanding during the year ₹ 15,857.00 Lacs, Previous Year ₹ 1,977.92 Lacs).
- l) Others Receivable includes:
 - Shakumbari Sugar and Allied Industries Limited ₹ 8,375.82 Lacs (Previous Year ₹ 5,077.63 Lacs). (Maximum balance outstanding during the year ₹ 10,135.18 Lacs, Previous Year ₹ 8,878.31 Lacs).
 - IGL CHEM International Pte. Ltd. ₹ 530.31 Lacs (Previous Year ₹ 675.56 Lacs). (Maximum balance outstanding during the year ₹ 1,403.41 Lacs, Previous Year ₹ 1,310.79 Lacs).
- m) Capital advances receivable:
 - Hindustan Wires Limited ₹ 1,000.00 Lacs (Previous year Nil)

42. Expenditure on Research & Development:

(₹ in Lacs)

Particulars	2013-14	2012-13
Capital	92.45	188.18
Revenue	245.13	385.83
Total	337.58	574.01

43. Balances of certain debtors, creditors, other liabilities and loans and advances are in process of confirmation and/ or reconciliation. Management is confident that on final reconciliation/ confirmation of these, there will not be any material adjustment.

44. In previous year foreign exchange gain amounting to ₹ 312.63 Lacs, net of Loss of ₹ 4,361.19 Lacs has been included in the respective heads of accounts in the Statement of Profit & Loss. This has no impact on Profit / Loss for the year.

45. Exceptional item includes:

- a) Loss on account of exchange rate differences amounting to ₹ 10,803.19 Lacs (net of gain of ₹ 11,336.93 Lacs) for year ended 31st March 2014, on payment, settlement as well as reinstatement of short term foreign currency borrowings and other monetary assets/ liabilities, and

Notes to the Accounts

- b) Provision made, against amount receivable from an overseas debtors, on account of special discount due to steep fall in the natural gum prices and quality issues amounting to ₹ 8,369.43 Lacs, pending final reconciliation and necessary approval from Reserve Bank of India. The same has been included in other payables under "Other Current liabilities.
46. a) The Company had entered into a Joint Venture Agreement dated October 12, 2011 ("JV Agreement") with Fourcee Infrastructure Equipments Pvt. Ltd. (FIEPL) for setting up a Private Freight Terminal providing railway based logistic services and other facilities at Kashipur, Uttarakhand through Kashipur Infrastructure and Freight Terminal Pvt. Ltd. ("JV Company"). The Company and FIEPL equally hold 50% stake in the JV Company. The Company has invested ₹ 0.50 Lacs (Previous Year ₹ 0.50 Lacs) in JV Company till March 31, 2014 and in term of the JV agreement has also transferred 33.404 acres of land worth ₹ 1,462.59 Lacs in the JV Company towards its equity contribution as share application money, which is pending for allotment of equity shares. On 26th December, 2013, the Company has served a notice on the other partner for termination of the JV agreement. Pursuant to the said notice, follow up actions, are being taken. On this account, the company does not expect any material impact on the state of affairs.
- b) In compliance with Accounting Standard 27 on Financial Reporting of Interest in Joint Ventures, following disclosures are made in respect of jointly controlled entity - Kashipur Infrastructure and Freight Terminal Private Limited, in which the Company is a joint venturer:

(₹ in Lacs)

	31.03.2014	31.03.2013
Country of Incorporation	India	
Percentage of Share in Joint Venture	50%	
Assets	2,126.26	721.37
Liabilities	2,126.26	721.37
Income	-	-
Expenditure	0.38	1.67
Capital Commitment (Net of advances)	989.87	1,258.45

47. Segment Information:

A. Information about Business Segments (Primary Segments):

(₹ in Lacs)

	Business Segments				Others		Unallocable		Total	
	Industrial Chemicals		Liquor		31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	31.03.2014	31.03.2013	31.03.2014	31.03.2013						
A REVENUE										
1 Gross Sales (External)	270,991.12	3,09,062.42	66,746.49	67,184.33	5,608.99	7,413.88	-	-	343,346.60	3,83,660.63
2 Other Income	977.12	602.70	99.76	913.76	558.04	486.37	2,894.82	1,278.27	4,529.74	3,281.10
3 Total Revenue	271,968.24	3,09,665.12	66,846.25	68,098.09	6,167.03	7,900.25	2,894.82	1,278.27	347,876.34	3,86,941.73
B RESULTS										
1 Segment Result (PBIT)	1,916.76	37,045.59	1,769.24	3,437.26	817.86	612.45	(8,129.93)	(11,322.90)	(3,626.07)	29,772.40
2 Interest Expense (Net)									13,353.20	13,272.46
3 Profit Before Tax									(16,979.27)	16,499.94
Provision for Current Tax (net of MAT credit)									-	-
Deferred Tax									(5,024.79)	4,386.01
4c Taxation provision of earlier year									-	20.19
5 Profit after Tax									(11,954.48)	12,093.74
C OTHER INFORMATION:										
1 Segment Assets	2,21,084.45	2,03,974.88	16,798.34	14,245.79	22,026.79	20,898.00	60,949.26	57,270.45	3,20,858.84	2,91,639.13
2 Segment Liabilities	60,601.10	47,684.29	3,167.34	2,116.16	1,461.20	2,620.85	2,05,071.67	1,81,064.49	2,70,301.31	2,43,481.03
3 Capital Expenditure	9,987.45	16,638.06	1,105.45	307.81	1,507.67	1,598.56	194.50	94.52	12,795.07	18,638.95
4 Depreciation and Amortisation expenses	6,883.65	6,946.08	248.34	244.62	786.42	692.11	366.06	360.34	8,284.47	8,243.15

Notes to the Accounts

B. Information about Geographical Segments (Secondary Segments): (₹ in Lacs)

		Domestic		Overseas		Total	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
1	Gross Sales (External)	2,23,805.03	2,06,464.04	1,19,541.57	1,77,196.59	3,43,346.60	3,83,660.63
2	Segment Assets	2,35,052.29	2,24,448.02	24,857.29	14,670.65	2,59,909.58	2,39,118.67

Notes:

Primary Segment reporting (by business segment)

Segments have been identified in line with Accounting Standard on 'Segment Reporting' (AS-17), taking into account the organisational structure as well as the differential risks and returns of these segments. The Company has identified three segments i.e. business Industrial chemical, Liquor and others which includes herbal products and reported accordingly.

Secondary Segment reporting (by geographical segment-customer location)

In respect of secondary segment information, the Company has identified its geographical segment as (a) domestic and (b) overseas on the basis of location of customers.

Reportable segments

Reportable segments have been identified as per the quantitative criteria specified in 'Accounting Standard 17: Segment Reporting'.

Segment Composition

Industrial Chemicals Segment comprises Glycols, Specialty Chemicals, Natural Gum and other related goods etc.

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

'Others' primarily includes Herbal Products and Rental.

48. Additional Information:

A. a) Payment to Auditors (Exclusive of applicable service tax) (₹ in Lacs)

		2013-14	2012-13
i)	As Auditors	15.00	15.00
ii)	In other capacity in respect of		
	a) Out of Pocket Expenses	1.76	1.49
	b) Certification	5.49	5.50
		22.25	21.99

(b) Cost Auditors (Exclusive of applicable service tax) (₹ in Lacs)

		2013-14	2012-13
i)	Audit Fees	1.00	1.00
ii)	Out of Pocket Expenses	0.10	0.16
		1.10	1.16

B. (a) C.I.F. Value of Imports (₹ in Lacs)

Particulars		2013-14	2012-13
1.	Capital Goods	-	3.71
2.	Stores & Spares	9,717.83	8,006.73
3.	Raw Materials	27,457.09	18,076.25
4.	Traded Goods	46,519.76	55,988.77

(b) Earning in Foreign currency (₹ in Lacs)

Particulars		2013-14	2012-13
FOB Value of Exports – Goods		1,10,788.99	1,67,472.59

Notes to the Accounts

C Commodity and Foreign Exchange Derivatives and exposures (as certified by the management).

(a) Outstanding at the year- end as follows

Nature of Instruments	2013-14 Amount (FC in millions)	2013-14 Amount (₹ in Lacs)	2012-13 Amount (FC in millions)	2012-13 Amount (₹ in Lacs)
Forward Contracts - USD	28.35	17,985.08	-	-
Foreign currency options - USD	-	-	2.00	1086.00
Packing Credit Net of Export debtors -USD	-	-	46.20	25,092.00
Open foreign exchange exposures:				
Loans - USD	50.66	30,358.40	58.01	31,503.07
Payable - USD	53.53	32,077.30	58.05	31,512.68
- EURO	0.03	22.81	0.01	5.04
- JPY	1.33	7.76	1.00	5.77
- CHF	0.01	2.96	0.01	2.50

(b) Exchange fluctuation gain of ₹ 0.62 Lacs (Previous Year loss of ₹ 6,505.09 Lacs), is net of loss of ₹ 0.20 Lacs (Previous Year gain of ₹ 1,652.91 Lacs). (Also refer notes 44 and 45).

(c) The Company uses derivative instruments for hedging possible losses and exchange fluctuation loss is ₹ 679.44 Lacs net off gain of ₹ 5,253.99 Lacs (Previous Year ₹ 1,746.57 Lacs net off gain of ₹ 618.13 Lacs) which is inclusive of loss of ₹ 343.04 Lacs (Previous Year gain of ₹ 60.83 Lacs) provision for mark to market gain/loss on account of all outstanding financial transactions as on 31st March 2014.

(d) Considering the principle of prudence and announcement made by The Institute of Chartered Accountants of India 'Accounting for Derivatives' in March, 2008, the Company has provided for an amount of ₹ 143.63 Lacs included in (c) (Previous Year ₹ 6.58 Lacs) on outstanding contracts to the Statement of Profit & Loss, on account of foreign exchange derivative instruments.

D. Expenditure in Foreign Currency

(₹ in Lacs)

Particulars	2013-14	2012-13
a) Travelling and other matters	134.54	96.58
b) Interest	507.40	1,219.25
c) Process Engineering and Technical Assistance	-	5.92
d) Advertisement/ Subscription/ Membership	50.51	48.13
e) Commission	437.22	414.95
f) Others	63.86	17.50

E. Remittance in Foreign Currency on Dividend Account

(₹ in Lacs)

	2013-14	2012-13
Amount of Final Dividend Remitted*	₹ 0.88 Lacs	₹ 1.35 Lacs
Year to which the Dividend relates	Year ended 31 st March 2013	Year ended 31 st March 2012
No. of Equity Shares held by Non-resident shareholders	44200	45200
Amount of Interim Dividend Remitted*	-	₹ 1.76 Lacs
Year to which the Dividend relates	-	Year ended 31 st March 2013
No. of Equity Shares held by Non-resident shareholders	-	44200

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

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

As per our report of even date

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

N.K. Lodha
Partner
M. No. 85155

Place : Noida, UP
Dated : 22nd May, 2014

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

M.K. Rao
Executive Director

Anand Singhal
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

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

1. Name of the Subsidiary Company	IGL Finance Ltd.	Shakumbari Sugar and Allied Industries Ltd	IGL Chem International Pte Ltd.
2. Financial Year of the Company ended on	31.3.2014	31.03.2014	31.03.2014
3. Holding Company's Interest :	1000000	50112100	100000
(a) Number of Shares Fully Paid	100%	98.89%	100%
(b) Extent of holding			
4. Net aggregate amount of profit/(loss) of the Subsidiary, so far as they concern members of Holding Company			
(i) For the said financial year of the Subsidiary:	Nil	Nil	Nil
(a) Dealt with in the accounts of Holding Company	(266.39) ₹ in Lacs	(3,684.12) ₹ in Lacs	(0.20) USD in Lacs
(b) Not dealt with in the accounts of Holding Company	(13.31) ₹ in Lacs	(12,330.85) ₹ in Lacs	(0.49) USD in Lacs
(ii) For the previous financial years of the Subsidiary since It became the Holding Company's Subsidiary			
5. Changes in the Holding Company's interest in the Subsidiary between the end of the subsidiary and Holding Company's Financial year	Not Applicable	Not Applicable	Not Applicable
6. Material Changes which have occurred between the end of the financial year of the subsidiary and the end of the Holding Company's financial year in respect of the subsidiary's:	Not Applicable	Not Applicable	Not Applicable
(i) Fixed Assets			
(ii) Investments			
(iii) Money lent by subsidiary			
(iv) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities			

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF INDIA GLYCOLS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIA GLYCOLS LIMITED, IT'S SUBSIDIARIES AND IT'S JOINT VENTURE

We have audited the accompanying Consolidated Financial Statements of India Glycols Limited, its subsidiaries and its joint venture (collectively referred to as "the Group"), which comprises the Consolidated Balance Sheet as at 31st March 2014 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Basis for Qualified Opinion

Attention is invited to:

- Note no 47 regarding non provision against total exposure amounting to ₹ 14,503.44 lacs in NSEL, where the management is confident about its recoverability for the reason as stated in said note, and our inability to comment thereon.

Net Profit for the year, loans & advances and reserve & surplus are without considering the above which cannot be

ascertained or otherwise for the reason stated in para above.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and the joint venture as noted below, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of the affairs of the company as at 31st March 2014,
- in case of the Consolidated Statement of the Profit and Loss, of the loss for the year ended on that date, and
- in case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to the following notes related with subsidiary Shakumbari Sugar & Allied Industries Limited:-

- Note No. 38 regarding pending confirmation/ reconciliation of balances of debtors, creditors, Loans & Advances (including capital advances), other liabilities and provision and internal control need to be further strengthened for the reasons as stated in the said note and consequential impact whereof presently cannot be ascertained.
- Note No. 36 regarding pending verification and updation of records of fixed assets as stated in the said note.

Other Matters

- We did not audit the financial statements of the subsidiary company M/s IGL Finance Limited and M/s IGL CHEM INTERNATIONAL PTE LIMITED whose financial statements reflect total assets of ₹ 15,359.28 Lacs at 31st March 2014, total revenues of ₹ 4,424.73 Lacs and net cash flow of ₹ 51.82 Lacs for the year then ended. The said financial statements have been audited by other auditor, whose report has been furnished to us by the management and our opinion, in so far as it relates to these subsidiaries is based solely on the report of their auditors and further information and explanation provided to us and relied upon by us.
- We did not audit the financial statements of the joint venture M/s Kashipur Infrastructure and Freight Terminal Pvt. Ltd. whose financial statements reflect total assets of ₹ 4,252.52 Lacs as at 31st March 2014, total revenues of Nil and net cash flow of ₹ (55.70) Lacs for the year then ended. The said financial statements have been audited by other auditor, whose report has been furnished to us by the management and our opinion, in so far as it relates to this joint venture is based solely on the report of their auditors and further information and explanation provided to us and relied upon by us.
- Financial statements of one subsidiary company namely Shakumbari Sugar & Allied Industries Limited, whose financial statement reflect total assets of ₹ 16,464.62 Lacs as at 31st March 2014 and total revenue of ₹ 10,729.59 Lacs and net cash flow of ₹ (534.72) Lacs for the year then ended, have been audit by us.

For **Lodha & Co.**
Chartered Accountants
FRN:- 301051E

(**N.K. Lodha**)

Partner

M. No. 85155

Date: 22nd May, 2014
Place: Noida, UP

Consolidated Balance Sheet as at 31st March, 2014

(₹ in lacs)

	Schedule	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,096.15	3,096.15
Reserves and Surplus	3	34,149.21	50,485.47
		37,245.36	53,581.62
Non-current Liabilities			
Long-term borrowings	4	70,929.57	71,709.14
Deferred tax liabilities (Net)	5	10,654.44	15,679.23
Other Long-term liabilities	6	874.61	707.14
Long-term provisions	7	365.13	321.08
		82,823.75	88,416.59
Current Liabilities			
Short-term borrowings	8	111,007.17	84,014.15
Trade payables		49,113.80	51,675.31
Other current liabilities	9	43,434.48	32,853.56
Short-term provisions	7	661.37	1,242.38
		204,216.82	169,785.40
TOTAL		324,285.93	311,783.61
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible assets	10	127,678.95	118,196.60
Intangible assets	10	229.97	376.66
Goodwill on Consolidation		3,039.30	3,039.30
Capital work-in-progress		13,693.48	20,137.73
Intangible assets under development		50.00	50.00
Non-current investments	11	404.11	188.11
Long-term loans and advances	12	5,826.99	6,362.94
Other non-current assets	13	324.23	635.53
		151,247.03	148,986.87
Current Assets			
Current Investments	11	9.80	17,192.21
Inventories	14	58,674.52	57,078.64
Trade receivables		44,060.86	29,588.82
Cash and Bank balances	16	16,446.52	13,291.14
Short-term loans and advances	17	53,607.48	45,369.61
Other current assets	18	239.72	276.32
		173,038.90	162,796.74
TOTAL		324,285.93	311,783.61

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

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 22nd May, 2014

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

Consolidated Statement of Profit & Loss for the year ended March 31, 2014 (₹ in lacs)

	Note No.	2013-14	2012-13
Revenue from operations	19	297,657.20	342,256.42
Other income	20	1,931.66	1,063.82
Total Revenue		299,588.86	343,320.24
Expenses:			
Cost of materials consumed	21	155,861.00	172,714.62
Purchase of Stock-in-Trade	22	51,030.79	56,172.71
Change in inventories of finished goods, work-in-progress and Stock-in-trade	23	1,032.09	(2,627.46)
Employee benefit expense	24	8,676.69	8,912.37
Finance costs	25	15,034.27	15,009.16
Depreciation and amortization expense	10	9,060.77	9,017.73
Other expenses	26	60,883.04	70,159.28
Total Expenses		301,578.65	329,358.41
Profit/ (Loss) before exceptional items and tax		(1,989.79)	13,961.83
Exceptional Items (Net)	42	19,172.62	-
Profit/ (Loss) before tax		(21,162.41)	13,961.83
Tax Expense:			
- Current Tax		-	3,301.56
- Deferred tax Charged / (Credit)		(5,024.79)	4,386.01
- Tax for earlier years		(1.83)	21.87
- Minimum Alternate Tax Credit entitlement		-	(3,300.48)
Profit/ (Loss) for the period		(16,135.79)	9,552.87
Earning per Equity share basic/ diluted		(52.12)	32.46

Summary of significant accounting policies

1

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

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 22nd May, 2014

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2014 (₹ in lacs)

	2013-14		2012-13	
A Cash Flow from Operating Activities				
Net Profit/ (Loss) Before Tax		(21,162.41)		13,961.83
Adjustments For:				
Depreciation	9,060.77		9,017.73	
(Profit)/Loss on Sale of Assets	(168.51)		90.62	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	(1,376.46)		73.60	
Amortisation of Foreign Currency Monetary Item Translation Difference	1,832.88		2,009.64	
Effect of Exchange Difference on Translation of Foreign Currency Cash & Cash Equivalent	0.08		0.07	
Preoperative expenses written off	-		-	
(Profit)/Loss on Sale of Current Investments	(883.59)		(82.41)	
Provision for Diminution in Value of Current Investments	0.20		-	
Reversal of Provision for Diminution in Value of Current Investments	-		(3.17)	
Provision for Diminution in Value of Current Investment	-		-	
Bad Debts W/Off & Provision for Doubtful Debts & Advances	8,406.99		9.21	
Provision No Longer Required Written Back	(49.51)		(27.13)	
Finance Costs	15,849.57		17,134.30	
Interest/Dividend Income	(1,571.30)	31,101.12	(3,063.27)	25,159.19
Operating Profit/ (Loss) before Working Capital Changes		9,938.71		39,121.02
Adjustments For:				
(Increase)/Decrease in Trade & Other Receivables	(29,753.06)		7,591.52	
(Increase)/Decrease in Inventories	(1,595.88)		12,852.99	
Increase / (Decrease) in Trade & Other Payables	(1,499.50)	(32,848.44)	27,025.37	47,469.88
Cash Generated from / (Used in) Operations		(22,909.73)		86,590.90
Income Tax Paid (Net)		(477.31)		(4,871.26)
Net Cash flow from / (Used in) Operating Activities		(23,387.04)		81,719.64
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	(11,497.69)		(16,834.90)	
Sale of Fixed Assets	1,282.20		782.53	
Interest / Dividend received	1,438.02		3,932.42	
ICDs received back	1,695.45		4,929.55	
Investments in shares of subsidiaries/ joint venture *	-		0.50	
Sale of Current Investments	18,555.80		1,583.08	
Purchase of current investment	(490.00)		(17,100.00)	
Net Cash flow from / (Used in) Investing Activities		10,983.78		(22,706.82)

Consolidated Cash Flow Statement (Contd.)

	2013-14		2012-13	
C Cash Flow from Financing Activities				
Proceeds from Govt subsidy	-		5.00	
Proceeds from Issue of Share Capital	-		4,266.26	
Proceeds from Borrowings	108,859.18		88,936.51	
Repayment of Borrowings	(81,544.30)		(130,197.31)	
Finance Costs	(17,719.81)		(19,036.82)	
Dividends Paid (Including Corporate Dividend Tax)	(935.54)		(2,176.32)	
Net Cash flow from / (Used in) Financing Activities		8,659.53		(58,202.68)
D Effect of Changes in Currency Fluctuation Reserve		(25.15)		(8.70)
E Effect of Exchange Differences on Translation of Foreign Currency		(0.08)		(0.07)
Cash & Cash Equivalent				
F Share of Profit / (loss) in Joint Venture related to earlier year*		-		(0.19)
Net Increase/(Decrease) in Cash & Cash Equivalents [A+B+C+D+E+F]		(3,768.96)		801.18
Opening Cash & Cash Equivalent (refer note 16)		5,977.06		5,175.88
Closing Cash & Cash Equivalent (refer note 16)		2,208.10		5,977.06

Note :

Previous Year's figures have been regrouped wherever considered necessary.

* Refer note 1 (vii) of Financial Statements

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner Chief Executive Officer

M. No. 85155

Place : Noida, UP

Dated : 22nd May, 2014

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Financial Officer

M.K. Rao

Executive Director

Anand Singhal

Lalit Kumar Sharma

Company Secretary

Notes to Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

- (i) The Consolidated Financial Statements (CFS) comprises the financial statements of India Glycols Limited (IGL) and its following Subsidiaries/ Joint Venture as on March 31, 2014.

Name of the Company	Nature	Country of Incorporation	% of Shareholding & Voting Power
Shakumbari Sugar & Allied Industries Limited (SSAIL)	Subsidiary	India	98.89%
IGL Chem International PTE. LTD.	Subsidiary	Singapore	100%
IGL Finance Limited	Subsidiary	India	100%
Kashipur Infrastructure and Freight Terminal Private Limited (KIFTPL)	Joint Venture	India	50%

- (ii) The Consolidated Financial Statements have been prepared using uniform accounting policies and in accordance with the generally accepted accounting policies (GAAP).
- (iii) The effects of intergroup balances and transactions are eliminated in consolidation.
- (iv) The difference between the costs to the Holding Company of its investment in the Subsidiary Companies over the Holding Company's portion of equity of the subsidiaries is recognized in the financial statements as Good will or Capital Reserve as the case may be. Good will arisen on consolidation is shown under Fixed Assets and Capital Reserve on consolidation is shown under Reserve & Surplus.
- (v) The policy adopted by SSAIL for valuation of Inventories is enumerated below:-
- Finished Goods and Stock in Process of Sugar - At cost or at net realisable value whichever is lower, the net realizable value of sugar in case of finished goods of stock of levy sugar, levy price notified by Central Government.
 - Store and spares parts – At cost arrived at applying weighted average method.
 - Cane crop – At net realisable value determined on the basis of estimated yield per hectare.
Inventory of Molasses, Bagasse, Press mud and Bio Compost are considered at net realizable value.
- (vi) Foreign Subsidiary conversion: Operation of foreign subsidiary has been considered non integral foreign operation by the management thus all assets and liabilities are converted at the rates prevailing at the end of the year and Revenue items have been consolidated at the average rates. Exchange gain/ loss arising on translation of financial statements of foreign subsidiaries are shown under the head 'Foreign Currency Translation Reserve' in the Consolidated Balance Sheet.
- (viii) Interests in Joint Venture (KIFTPL) has been accounted by using the proportionate consolidation method as per Accounting Standard 27- "Financial Reporting of interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006, even though on 26th December, 2013, the Company has served a notice on the other partner for termination of the JV agreement. Pursuant to the said notice, follow up actions, are being taken. On this account, the company does not expect any material impact on the state of affairs.

2. SHARE CAPITAL

(₹ in Lacs), except as otherwise stated

Particulars	As at 31.03.2014	As at 31.03.2013
Authorised :		
45,000,000 (Previous Year 45,000,000) Equity Shares of ₹ 10/- each	4,500.00	3,000.00
	4,500.00	3,000.00
Issued, Subscribed and paid up :		
30,961,500 (Previous Year 30,961,500) Equity Shares of ₹ 10/- each fully paid up	3,096.15	3,096.15
	3,096.15	3,096.15

Notes to Consolidated Financial Statements

a) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	31.03.2014 No's	31.03.2013 No's
Kashipur Holdings Limited	10,287,406	98,69,303
Sajani Devi Bhartia	2,100,249	2,100,249

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

Particulars	31.03.2014 No's	31.03.2013 No's
Shares outstanding as at the beginning of the year	30,961,500	27,882,500
Additions during the year	-	3,079,000
Deletions during the year	-	-
Shares outstanding as at the end of the year	30,961,500	30,961,500

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

3. RESERVES AND SURPLUS

	As at 01.04.2013	Additions	Deductions	(₹ in Lacs) As at 31.03.2014
Capital Reserve *	463.33	216.00	-	679.33
General Reserve	11,184.00	-	-	11,184.00
Statutory Reserve	0.30	-	-	0.30
Security Premium (Refer note 30)	3,958.36	-	-	3,958.36
Molasses Reserve Fund	1.64	0.25	-	1.89
Foreign Currency Translation Reserve	6.90	-	25.15	(18.25)
Reserve for Contingencies	200.00	-	-	200.00
Surplus in Statement of Profit & Loss [Refer footnote (a)]	36,917.56	-	16,498.28	20,419.28
Sub Total (a)	52,732.09	216.25	16,523.43	36,424.91
Foreign Currency Monetary Item Translation Difference (Debit Balance)	(2,246.62)	(1,861.96)	(1,832.88)	(2,275.70)
Sub Total (b)	(2,246.62)	(1,861.96)	(1,832.88)	(2,275.70)
Total	50,485.47	(1,645.71)	14,690.55	34,149.21
Previous year	38,597.90	13,260.71	1,373.14	50,485.47

Notes to Consolidated Financial Statements

(₹ in Lacs)

	March 31, 2014		March 31, 2013	
(a) Detail of Surplus in the Statement of Profit & Loss				
Opening balance	36,917.56		30,738.96	
Less: Share of loss in joint venture related to earlier years	-		(0.19)	
Add: Net Profit/ (Loss) after tax transferred from Statement of Profit and Loss	(16,135.79)		9,552.87	
	20,781.77		40,291.64	
Less: Appropriations				
Proposed Dividend **	309.62		619.23	
Interim Dividend **	-		1,238.46	
Corporate Dividend Tax	52.62		306.15	
Transfer to Molasses Reserve Fund	0.25		0.84	
Transfer to general reserve	-		1,209.40	
Net Surplus in the Statement of Profit & Loss		20,419.28		36,917.56
		20,419.28		36,917.56

* The subsidiary company, IGL Finance Limited, was having a provision of ₹ 416.00 Lacs towards diminution in the value of investments in the Preference Share Capital of Hindustan Wires Limited. During the year, the entire amount so invested was received back on redemption of Preference Share Capital. However, further investment of the similar amount was made in the Preference Share Capital of the said Company by the subsidiary company. Based upon the latest audited financials of Hindustan Wires Limited., the subsidiary company is keeping the provision of ₹ 200.00 Lacs towards diminution in the value of the said investment and accordingly ₹ 216.00 Lacs has been written back directly to Capital Reserve, as in the previous years the losses, including provisions, were adjusted to Capital Account pursuant to the Scheme of Arrangement as approved by the Hon'ble High Court.

** The Board of Directors, proposed a final dividend of ₹ 1 (Previous year ₹ 2) per equity share. The Board of Directors, during the year, has also declared and paid interim dividend of Nil (Previous Year ₹ 4) per equity share. The total dividend appropriation for the year ended March 31, 2014 amounted to ₹ 362.24 Lacs (Previous Year ₹ 2163.84 Lacs) including corporate dividend tax of ₹ 52.62 Lacs (Previous Year ₹ 306.15 Lacs).

4. LONG TERM BORROWINGS

(₹ in Lacs)

	Non-Current Portion		Current Maturities	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
SECURED LOANS				
Rupee Term Loans				
from Banks	39,549.39	46,821.69	19,760.33	15,739.15
other than Banks	2,707.23	2,748.04	295.74	293.66
Foreign Currency Term Loans from Banks	21,762.71	14,045.67	3,282.31	5,122.09
	64,019.33	63,615.40	23,338.38	21,154.90
UNSECURED LOANS				
Loan from related parties (Body Corporates)	6,910.24	8,093.74	-	-
	6,910.24	8,093.74	-	-
Less: Amount disclosed under the head				
“Other Current Liabilities” (Note No. 9)			23,338.38	21,154.90
	70,929.57	71,709.14	-	-

Notes to Consolidated Financial Statements

Notes:

- 1 The Term Loans inter-se, are secured / to be secured by mortgage of all immovable properties of the Company both present and future and hypothecation of all movable properties of the Company (save and except book debts) including movable machinery, machinery spares, tools and accessories, both present and future subject to prior charges created and / or to be created in favour of the bankers of the Company on stocks, book debts and other specified movable properties for working capital requirements / Buyers Credit.
- 2 Rupee Term Loans includes loans from Banks of ₹ 32.13 Lacs (Previous Year ₹ 56.86 Lacs) and loans from others of ₹ 10.64 Lacs (Previous Year ₹ 45.52 Lacs) secured by hypothecation of Motor Vehicles purchased there under which is repayable on different dates. Further, Rupee Term Loans from others includes ₹ 708.75 Lacs (Previous Year ₹ 450.00 Lacs) secured against bank guarantee.
- 3 Out of the above, term loan of ₹ 1,975.77 Lacs (Previous year ₹ 2,509.43 Lacs) in respect of subsidiary company are secured by a first pari passu charge created on movable (including book debts) and immovable properties both present and future of subsidiary company's plant situated at Saharanpur in the state of Uttar Pradesh and term loan of ₹ 2,083.29 Lacs (Previous year ₹ 2,708.30 Lacs) are secured by a first pari passu charge created on movable and immovable properties both present and future of subsidiary company's plant situated at Saharanpur in the state of Uttar Pradesh. The above Loans are further secured by corporate guarantees of India Glycols Ltd. (The Holding Company).
- 4 Loan from Sugar Development Fund (included in Loans from others) is secured by bank guarantee, which is further secured by corporate guarantees of India Glycols Ltd. (The Holding Company)
- 5 Term Loan from bank of ₹ 2,500.00 Lacs (Previous Year ₹ 5,000.00 Lacs), is repayable in 4 equal quarterly installments.
- 6 Term Loan from bank of ₹ 4,978.47 Lacs (Previous Year ₹ 4,978.47 lacs), is repayable in 11 equal quarterly installments of ₹ 417.00 Lacs and 1 installment of ₹ 391.47 lacs commencing from September 2014.
- 7 Term Loan from bank of ₹ 10,000.00 Lacs (Previous Year ₹ 7,500.00 Lacs), is repayable in 12 equal quarterly installments commencing from April 2015.
- 8 Term Loan from bank of ₹ 2,499.60 Lacs (Previous Year ₹ 2,500.00 Lacs), is repayable in 12 equal quarterly installments commencing from May 2015.
- 9 Term Loan from bank of ₹ 2,915.00 Lacs (Previous Year ₹ 4,583.00 Lacs), is repayable in 6 quarterly installments (4 installments of ₹ 417.00 Lacs each and remaining 2 installments of ₹ 623.50 Lacs each).
- 10 Term Loan from bank of ₹ 1,637.28 Lacs (Previous Year ₹ 3,329.86 Lacs) is repayable in 4 equal quarterly installments. It includes Foreign Currency Loan of ₹ 898.80 Lacs (USD 15.00 Lacs) (Previous Year ₹ 1,656.46 Lacs, USD 30.50 Lacs).
- 11 Term Loan from bank of ₹ 1,458.33 Lacs (Previous Year ₹ 2,291.67 Lacs), is repayable in 7 equal quarterly installments.
- 12 Term Loan from bank of ₹ 3,093.75 Lacs (Previous Year ₹ 4,218.75 Lacs), is repayable in 11 equal quarterly installments.
- 13 Term Loan from bank of ₹ 2,380.00 Lacs (Previous Year ₹ 2,809.00 lacs), is repayable in 66 equal monthly installments of ₹ 35.75 Lacs each and remaining 1 installments of ₹ 20.50 Lacs.
- 14 Term Loan from bank of ₹ 2,187.50 Lacs (Previous Year ₹ 2,625.00 Lacs), is repayable in 10 equal quarterly installments.
- 15 Term Loan from bank of ₹ 1,875.00 Lacs (Previous Year ₹ 2,500.00 Lacs), is repayable in 6 equal quarterly installments.
- 16 Term Loan from bank of ₹ 2,233.46 Lacs (Previous Year ₹ 2,436.50 Lacs), is repayable in 11 equal quarterly installments.
- 17 Term Loan from bank of ₹ 2,500.00 Lacs (Previous Year ₹ 5,000.00 Lacs), is repayable in 4 equal quarterly installments.
- 18 Term Loan from bank of ₹ 3,432.95 Lacs (Previous Year ₹ 3,982.96 Lacs), is repayable in 12 equal quarterly installments of ₹ 275.00 Lacs each and remaining 1 installments of ₹ 132.95 Lacs.
- 19 Term Loan from bank of ₹ 4,375.00 Lacs (Previous Year ₹ 5,000.00 Lacs), is repayable in 7 equal quarterly installments.
- 20 Term Loan from bank of ₹ 2,551.00 Lacs (Previous Year Nil), is repayable in 12 equal quarterly installments commencing from July 2015.
- 21 Term Loan from bank of ₹ 5,000.00 Lacs (Previous Year Nil), is repayable in 16 equal quarterly installments commencing from October 2014.
- 22 Term Loan from bank of Nil (Previous Year ₹ 187.50 Lacs).
- 23 Term Loan from bank of ₹ 3,761.38 Lacs (USD 62.77 Lacs) (Previous Year ₹ 4,924.43 Lacs, USD 90.67 Lacs), is repayable in 10 equal quarterly installments.
- 24 Term Loan from bank of ₹ 868.30 Lacs (USD 14.49 Lacs), (Previous Year ₹ 1,784.61 Lacs, USD 32.86 Lacs), is repayable in 3 quarterly installments of ₹ 250.00 Lacs each and remaining 1 installments of ₹ 118.30 Lacs.
- 25 Term Loan from bank of ₹ 9,315.15 Lacs (USD 155.46 Lacs) (Previous Year ₹ 10,802.26 Lacs , USD 198.90 Lacs), is repayable in 10 monthly installments (3 equal monthly installments of ₹ 583.33 Lacs, 3 equal monthly installments of ₹ 833.33 Lacs, 3 equal monthly installments of ₹ 856.67 Lacs and balance in last installment).
- 26 Term Loan from bank of ₹ 10,201.38 Lacs (USD 170.25 Lacs) (Previous Year Nil), is repayable in 37 monthly installments (33 equal monthly installments of ₹ 271.67 Lacs, 3 equal monthly installments of ₹ 345.00 Lacs and balance in last installment).
- 27 Term Loan from DBT Bihorama ₹ 450.00 Lacs (Previous Year ₹ 450.00 Lacs) is repayable in 9 equal half yearly installment.
- 28 Term Loan from DBT Bihorama ₹ 258.75 Lacs (Previous Year Nil) is repayable in 10 equal half yearly installment after completion of the project.
- 29 Loan from related parties of ₹ 6,910.24 Lacs (Previous Year ₹ 8,093.74 Lacs) is payable after a period of 3 years from the respective date of loans.
- 30 Term loan from Banks of ₹ 1,956.92 Lacs (Previous year ₹ 2,490.58 Lacs) is repayable in 11 equal quarterly installments of ₹ 177.90 Lacs each.
- 31 Term loan from Banks of ₹ 2,083.29 Lacs (Previous year ₹ 2,708.30 Lacs) is repayable in 10 equal quarterly installments of ₹ 208.33 Lacs each.
- 32 Term loan from Banks of ₹ 18.85 Lacs (Previous year ₹ 18.85 Lacs) is repayable in 2 quarterly installment 1st of ₹ 10.11 Lacs and 2nd quarterly installment of ₹ 8.74 Lacs.
- 33 Term Loan from Sugar Development Fund of ₹ Nil (Previous year ₹ 77.50 Lacs)
- 34 Term Loan from Sugar Development Fund of ₹ 277.66 Lacs (Previous year ₹ 462.76 Lacs) is repayable in 3 half yearly installments of ₹ 92.55 Lacs each.
- 35 Term Loan from Sugar Development Fund of ₹ 1,740.42 Lacs (Previous year ₹ 1,740.42 Lacs) is repayable in 5 equal yearly installments of ₹ 348.08 Lacs each started from year 2017.
- 36 Term Loan from Sugar Development Fund of ₹ 265.50 Lacs (Previous year ₹ 265.50 Lacs) is repayable in 4 equal yearly installments of ₹ 66.38 Lacs each started from year 2016.
- 37 Out of the above, term loan from bank of ₹ 500.00 Lacs (being share in Joint Venture [JV]) is secured by first charge over all the fixed assets (movable & immovable) including mortgage over Project land of JV, pledge of other joint venturer's share holding to the extent of 30%, first charge on all the JV's account including DSRA & Escrow account and assignment of insurance policies of assets. The same is payable in 34 equal quarterly instalments commencing from April 2015. However, the creation of necessary charges by way of hypothecation is in process

Notes to Consolidated Financial Statements

5. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Pursuant to the Accounting Standard on “ Accounting for taxes on Income “ (AS-22) deferred tax liability/assets are as :		
Deferred Tax Assets :-		
Amount covered U/s 43B	236.95	303.97
Provision for doubtful debts	2,872.99	28.68
Unabsorbed Depreciation	4,149.00	-
Business Loss	496.85	-
Others	209.94	91.73
Gross Deferred tax Assets	7,965.73	424.38
Deferred Tax Liabilities :-		
Accelerated depreciation	17,510.05	15,042.88
Others	1,110.12	1,060.73
Gross Deferred tax Liability	18,620.17	16,103.61
Net Deferred Tax Liability	10,654.44	15,679.23

6. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Interest accrued but not due on borrowings	256.42	166.89
Retention Money	52.92	14.11
Security deposits- Real Estate	565.27	526.14
	874.61	707.14

7. PROVISIONS

(₹ in Lacs)

	Long - Term		Short - Term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits				
Provision for Gratuity	-	-	127.12	356.08
Provision for Leave Encashment	365.13	321.08	162.90	153.17
	365.13	321.08	290.02	509.25
Others:				
Proposed equity dividend	-	-	309.62	619.23
Provision for tax on proposed equity dividend	-	-	52.62	105.24
Provision for Fringe Benefit Tax {(Net of advance tax ₹ 38.65 Lacs) (Previous Year ₹ 38.65 Lacs)}	-	-	0.26	0.26
Provision for Wealth Tax	-	-	8.85	8.40
	365.13	321.08	371.35	733.13
			661.37	1,242.38

Notes to Consolidated Financial Statements

8. SHORT TERM BORROWINGS

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
SECURED LOANS		
Loans repayable on demand from Banks:		
Buyers Import Credit*	31,653.31	23,247.35
Working Capital Loans*	75,501.50	53,278.18
	107,154.81	76,525.53
UNSECURED LOANS		
Short Term Loans from related parties	40.50	-
Short Term Loans from Banks	3,811.86	7,488.62
	3,852.36	7,488.62
	111,007.17	84,014.15

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

Further Packing credit facility of ₹ 1570.00 Lacs (Previous Year Nil) (included in working capital loans) are specifically secured by pledge of deposit.

Out of the above, working capital facility of ₹ 5,723.26 Lacs (Previous Year ₹ 4727.44 Lacs) is also secured by the corporate guarantee of India Glycols Limited (The Holding Company).

9. OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Current maturities of long term borrowings (Note No 4)	23,338.38	21,154.90
Interest accrued but not due on borrowings	196.93	296.14
Duties, taxes and other statutory dues	1,982.29	2,040.75
Capital Payables	1,845.29	2,328.18
Advance from Customers	4,613.80	4,301.95
Retention money	254.94	381.40
Interest accrued and due on borrowings	99.93	-
Expenses payable (Including MTM on derivative contracts)	1,542.78	543.13
Other Payables (refer note 42 (b))	9,433.16	1,465.67
Investor education & protection fund shall be credited by the following amounts when due:		
(i) Unclaimed Dividends	121.29	332.36
(ii) Unclaimed matured deposits	4.16	6.86
(iii) Unclaimed interest on above (ii)	1.53	2.22
	43,434.48	32,853.56

Notes to Consolidated Financial Statements

10. CONSOLIDATED FIXED ASSETS SCHEDULE

(₹ in Lacs)

Description	Gross Carrying Amount				Depreciation/ Amortization				Net Carrying Amount	
	As at 01.04.2013	Additions*	Sales/ Other Adjust- ments	As at 31.03.2014	As at 01.04.2013	For the year \$	Sales/ Other Adjust- ments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible assets										
Freehold Land	2,090.55	587.89	930.80	1,747.64	-	-	-	-	1,747.64	2,090.55
Leasehold Land	1,418.18	109.53	-	1,527.71	151.84	16.82	-	168.66	1,359.05	1,266.34
Buildings	18,632.20	1,389.35	-	20,021.55	2,492.48	375.30	-	2,867.78	17,153.77	16,139.72
Plant and Machinery	159,173.29	16,709.47	38.92	175,843.84	64,870.59	8,036.68	34.20	72,873.07	102,970.77	94,302.70
Office Equipment	2,317.65	57.60	266.98	2,108.27	1,350.09	144.46	238.76	1,255.79	852.48	967.56
Furniture and Fixtures	3,323.89	635.11	218.89	3,740.11	695.17	242.51	183.50	754.18	2,985.93	2,628.72
Vehicles #	1,285.43	21.39	181.54	1,125.28	484.42	111.01	79.46	515.97	609.31	801.01
Total (A)	188,241.19	19,510.34	1,637.13	206,114.40	70,044.59	8,926.78	535.92	78,435.45	127,678.95	118,196.60
Intangible assets										
Computer software	1,063.92	-	249.60	814.32	687.26	134.21	237.12	584.35	229.97	376.66
Total (B)	1,063.92	-	249.60	814.32	687.26	134.21	237.12	584.35	229.97	376.66
Grand Total (A) + (B)	189,305.11	19,510.34	1,886.73	206,928.72	70,731.85	9,060.99	773.04	79,019.80	127,908.92	
Previous year	178,532.38	12,403.10	1,630.37	189,305.11	62,471.10	9,017.97	757.22	70,731.85		118,573.26

Notes:

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

* (ii) Includes capitalisation of:

(a) Finance cost: Plant & Machinery ₹ 2,361.03 Lacs (Previous Year ₹ 584.51 Lacs).

(b) Exchange difference: Plant and Machinery ₹ 962.10 Lacs (Previous Year ₹ 419.89 Lacs).

Gross block includes ₹ 130.39 Lacs (Previous Year ₹ 367.58 Lacs) secured by hypothecation against loan

\$ Depreciation amounting to ₹ 0.22 lacs (Previous Year ₹ 0.24 lacs) has been carried forward as project preoperative expenses by joint venture and the same is not charged to Statement of Profit and Loss.

Note:

Opening Gross Block & Accumulated depreciation of Foreign Subsidiary, IGL Chem PTE LIMITED, Singapore, as on 31st March, 2013 is reinstated as per AS-11 and amount of ₹ 0.72 Lacs (Previous Year ₹ 0.20 Lacs) (Net of depreciation of ₹ 0.24 Lacs, Previous Year ₹ 0.27 lacs) is adjusted in Foreign Currency Translation Reserve.

Notes to Consolidated Financial Statements

11. INVESTMENTS

(₹ in Lacs), except as otherwise stated

Particulars	Nominal Value	As at 31.03.2014		As at 31.03.2013	
Non-Current Investments					
Long Term, Non-Trade Investment - At Cost less provision					
Quoted, fully paid up - Others					
211,360 (Previous Year 211,360) Equity Shares of IDBI Bank Ltd	₹ 10		105.00		105.00
34,000 (Previous Year 34,000) Equity Shares of Axis Bank Ltd.	₹ 10		7.14		7.14
2,500 (Previous Year 2,500) Equity Shares of ICICI Bank Ltd.	₹ 10		1.97		1.97
			114.11		114.11
Investment in Preference Share (Unquoted, fully paid up)					
4,68,000 (Previous Year 4,68,000) 15% Redemable Non-cumulative Preference Shares of Hindustan Wires Ltd	₹ 100	468.00		468.00	
Less: Provision for diminution		191.02	276.98	397.32	70.68
22,000 15% Redemable Non-cumulative Preference Shares of Hindustan Wires Ltd	₹ 100	22.00		22.00	
Less: Provision for diminution		8.98	13.02	18.68	3.32
			290.00		74.00
Total Non - Current investments			404.11		188.11
Aggregated book value of Unquoted investment			290.00		74.00
Aggregated book value of quoted investment			114.11		114.11
Market value of quoted investments			700.53		704.46
Aggregate provision made for Diminution in value of Investments			200.00		416.00
Current Investments - at the lower of cost or fair value					
Others- Quoted, fully paid up (Non- Trade Investment)					
Investments in Mutual funds					
Nil (Previous Year 5,000,000) Birla Sun Life Fixed Term Plan Series FK Growth	₹ 10		-		500.00
Nil (Previous Year 5,000,000) ICICI Prudential FMP Series 64-367 days Plan D Cumulative	₹ 10 #		-		500.00
Nil (Previous Year 10,000,000) ICICI Prudential FMP Series 64-367 days Plan B Cumulative	₹ 10 #		-		1,000.00
			-		2,000.00

Notes to Consolidated Financial Statements

11. INVESTMENTS (Contd..)

(₹ in Lacs), except as otherwise stated

Particulars	Nominal Value	As at 31.03.2014	As at 31.03.2013
Others-Unquoted, fully paid up (Non- Trade Investment)			
Investments in Mutual funds			
Nil (Previous Year 668,518) UTI Bonds Fund - Dividend Plan	₹ 10	-	82.21
Nil (Previous Year 1,510,779) Kotak Bond Plan A- Growth	₹ 10 #	-	500.00
Nil (Previous Year 28,200,859) SBI Dynamic Bond Fund-Growth	₹ 10 #	-	4,000.00
Nil (Previous Year 16,531,658) Reliance Dynamic Bond Fund-Growth	₹ 10 #	-	2,500.00
Nil (Previous Year 12,261,453) DWS Short Maturity Fund Reg- Growth	₹ 10 #	-	2,500.00
Nil (Previous Year 1,949,367) Birla Sun Life Income Plus-Growth	₹ 10 #	-	1,000.00
100,000 (Previous Year 100,000) SBI Gold Fund- Growth	₹ 10	9.80	10.00
Nil (Previous Year 5,276,047) Reliance Income Fund- Growth	₹ 10 #	-	2,000.00
Nil (Previous Year 7,232,227) IDFC Dynamic Bond Plan			
B- Growth (Regular)	₹ 10 #	-	1,000.00
Nil (Previous Year 7,192,434) IDFC Dynamic Bond Plan			
B-Growth (Direct)	₹ 10 #	-	1,000.00
Nil (Previous Year 552,614) IDFC Money Manager - Growth	₹ 10 #	-	100.00
Investments in Pass Through Certificates (PTCs)		-	-
Nil (Previous Year 500) Gold Loan Receivable Trust -II, by			
IDBI Trusteeship Services Ltd.	₹100000	-	500.00
		9.80	15,192.21
Total Current Investments		9.80	17,192.21
Aggregated book value of unquoted investment		9.80	15,192.21
Aggregated book value of quoted investment		-	2,000.00
Market Value of quoted investment		-	2,180.41
Aggregate provision made for Diminution in value of Investments		0.20	-

Pledged with banks as security against borrowings.

12. LONG TERM LOANS & ADVANCES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Capital Advances	3,137.82	2,267.00
Security Deposits @	2,537.10	2,190.35
Inter Corporate Deposits	-	1,695.45
Other Loans & advances *	152.07	210.14
(Includes ₹ 0.66 Lacs (Previous Year ₹ 1.41 Lacs) due from a director)	5,826.99	6,362.94

* Prepaid expenses and loans to employees

@ Includes ₹ 760.00 lacs (Previous Year ₹ 480.00 Lacs) security deposit to director, private companies in which director/directors of company is director and are also related parties.

Notes to Consolidated Financial Statements

13. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Bank balance on deposit account* (Refer Note No. 16)	114.54	461.19
Interest receivable	13.70	19.28
Others	-	-
Upfront fee, processing charges, etc amortised over tenure of loans	195.99	155.06
	324.23	635.53

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

14. INVENTORIES (At lower of cost and net realisable value)

(As taken, valued and certified by the management)

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Raw Materials *	22,452.81	23,431.14
Work-in-Process	4,618.72	3,403.87
Finished Goods **	15,021.19	17,246.59
Stores and Spares	16,497.90	12,926.47
Residue Product	53.14	39.42
Scrap	6.36	7.72
Loose Tools	24.40	23.43
	58,674.52	57,078.64

*Includes in transit ₹ 218.18 Lacs (Previous Year Nil)

**Includes in transit ₹ 468.76 Lacs (Previous Year ₹ 640.29 Lacs)

15. TRADE RECEIVABLES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	2,744.07	606.55
- Doubtful	63.32	64.67
(b) Other (Considered Good)	41,316.79	28,982.27
	44,124.18	29,653.49
Less: Provision for Doubtful debts	63.32	64.67
	44,060.86	29,588.82

Notes to Consolidated Financial Statements

16. CASH AND BANK BALANCES

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
(a) Cash and Cash equivalents		
(i) Cash in Hand	32.70	32.21
(ii) Balance with Banks		
- On Current Accounts	2,175.40	5,944.85
	2,208.10	5,977.06
(b) Other bank balances		
- In Fixed Deposit Accounts * - Current	14,117.13	6,981.72
- In Fixed Deposit Accounts * - Non current	114.54	461.19
- On Dividend Accounts	121.29	332.36
	16,561.06	13,752.33
Less: Amount disclosed under Other Non Current Assets (Note No 13)	114.54	461.19
	16,446.52	13,291.14

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

17. SHORT TERM LOANS & ADVANCES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

		As at 31.03.2014		As at 31.03.2013
Deposits with Non Banking Financial Institutions		4,491.00		4,491.00
Interest receivable		657.77		518.92
Export Incentive receivable		2,851.01		5,565.53
Balance with Excise and Other Authorities		8,857.89		9,269.68
Deposits with Government Departments & Others		170.71		182.81
MAT Credit Entitlements		8,075.74		8,090.16
Advance Income Tax/ Tax deducted at source (net of income tax provision of ₹ 4,076.08 Lacs, Previous Year ₹ 7,211.48 Lacs)		671.44		177.88
Prepaid expenses		966.28		910.06
Other Advances:				
Advances recoverable in cash or in kind or for value to be received	26,865.64		16,163.57	
Doubtful advances / loans	73.59		73.59	
	26,939.23		16,237.16	
Less : Provision for doubtful advances / loans	(73.59)	26,865.64	(73.59)	16,163.57
		53,607.48		45,369.61

18. OTHER CURRENT ASSETS

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
Upfront fee, processing charges, etc amortised over tenure of loans	239.72	276.32
	239.72	276.32

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

Notes to Consolidated Financial Statements

19. REVENUE FROM OPERATIONS

	(₹ in Lacs)	
	2013-14	2012-13
Sales of Products		
Glycols	75,786.60	69,336.99
E.O. Derivatives	106,906.63	96,113.60
Guar Gum Powder and derivatives	29,603.61	74,243.30
Ethyl Alcohol (Potable)	65,744.32	66,027.36
Industrial Gases	3,961.33	3,390.01
Sugar	8,647.89	8,150.51
Sale of traded goods		
Chemical Products	54,222.27	59,619.52
Export Incentive receivable	704.81	7,116.57
Others	5,147.19	7,399.24
	350,724.65	391,397.10
Less: Excise Duty	57,139.79	52,838.34
	293,584.86	338,558.76
Sales of Service		
Rent	1,378.06	1,197.84
Others	551.25	295.79
	1,929.31	1,493.63
Other Operating Revenue		
Provision no longer required written back / Sundry balances written back	49.51	27.13
Miscellaneous Income	2,093.52	2,176.90
	2,143.03	2,204.03
Total Revenue from operations	297,657.20	342,256.42

20. OTHER INCOME

	(₹ in Lacs)	
	2013-14	2012-13
Interest Income	726.35	916.85
Dividend on Long term Investment	15.56	9.03
Interest on Current Investment (TDS Nil, Previous Year ₹ 1.90 Lacs)	12.09	5.85
Dividend on Current Investment	2.00	6.40
Reversal of Diminution in value of Current Investments	-	3.17
Commodity Derivative Income	-	24.35
Profit on sale of Current Investment	883.59	82.41
Profit on sale of Fixed Assets	292.07	15.76
	1,931.66	1,063.82

Notes to Consolidated Financial Statements

21. COST OF MATERIALS CONSUMED

	(₹ in Lacs)	
	2013-14	2012-13
i) Molasses	39,327.83	28,269.86
ii) Chain Starters	12,196.12	10,621.87
iii) Special Denatured Spirit	50,256.38	47,778.28
iv) Guar split, Guar Seeds, etc.	28,585.51	50,392.72
v) Production Chemicals & Others	10,980.49	13,402.57
vi) Cane	2,678.22	10,456.98
vii) Packing Material	11,836.45	11,792.34
Total	155,861.00	172,714.62

22. PURCHASE OF STOCK IN TRADE

	(₹ in Lacs)	
	2013-14	2012-13
Chemical and Oil Products	51,030.79	56,172.71
	51,030.79	56,172.71

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

	(₹ in Lacs)	
	2013-14	2012-13
CLOSING STOCK		
Finished Goods		
- Glycols	2,586.72	1,564.80
- E.O. Derivatives	7,414.56	4,789.98
- Ethyl Alcohol (Potable)	423.87	423.00
- Guar Gum Powder and derivatives	1,232.94	777.50
- Guar Churi	0.26	0.18
- Industrial Gases	12.25	31.83
- Sugar	3,003.32	9,204.74
- Bagasse	19.99	141.45
- Anhydrous Alcohol and Rectified Sprit	44.97	16.78
- Bio compost & Press mud	8.93	21.88
- Herbal Products	273.38	274.45
Total Finished Goods	15,021.19	17,246.59
Work-in-Process (Note @ below)	4,618.72	3,403.87
Residue Product	53.14	39.42
	19,693.05	20,689.88

Notes to Consolidated Financial Statements

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (Contd.)

	(₹ in Lacs)	
	2013-14	2012-13
LESS : OPENING STOCK		
Finished Goods		
- Glycols	1,564.80	2,685.15
- E.O. Derivatives	4,789.98	4,426.07
- Ethyl Alcohol (Potable)	423.00	522.75
- Guar Gum Powder and derivatives	777.50	515.55
- Guar Churi	0.18	0.13
- Industrial Gases	31.83	20.48
- Sugar	9,204.74	6,590.80
- Bagasse	141.45	148.53
- Anhydrous Alcohol and Rectified Sprit	16.78	17.45
- Bio compost & Press mud	21.88	21.46
- Herbal Products	274.45	340.94
Total Finished Goods	17,246.59	15,289.31
Work-in-Process (Note @ below)	3,403.87	2,750.67
Residue Product	39.42	6.09
	20,689.88	18,046.07
Less: Differential Excise Duty provided on Stocks.	35.26	16.35
	1,032.09	(2,627.46)

24. EMPLOYEE BENEFITS EXPENSE

	(₹ in Lacs)	
	2013-14	2012-13
Salaries, Wages, Allowances, etc.	7,265.20	7,642.73
Contribution to Provident and other Funds	606.11	555.42
Employees' Welfare and other Benefits	805.38	714.22
Total	8,676.69	8,912.37

25. FINANCE COSTS

	(₹ in Lacs)	
	2013-14	2012-13
Interest on Fixed Loans	8,753.22	10,445.25
Other Interest	5,059.20	4,459.55
Other Borrowing Cost		
Financial Charges	2,037.15	2,229.50
	15,849.57	17,134.30
Less: Interest Received on temporary deposits	815.30	2,125.14
	15,034.27	15,009.16

Notes to Consolidated Financial Statements

26. OTHER EXPENSES

(₹ in Lacs)

	2013-14		2012-13	
Stores and spares Consumed		6,513.98		7,858.90
Power and Fuel		34,825.95		35,097.90
Repairs and Maintenance				
- Buildings		535.54		476.02
- Plant and Machinery		2,684.63		2,056.90
- Others		541.36		451.23
Rent		157.56		145.52
Rates and Taxes		1,453.23		1,396.83
Travelling and Conveyance		970.07		935.64
Insurance (Net of recovery from customers Nil, Previous Year ₹ 0.71 Lacs)		501.15		411.30
Directors' sitting Fee		12.80		12.80
Commission to Non Executive Director		-		10.50
Donation		121.12		138.05
Commission to Selling agents		1,020.47		902.90
Freight forwarding and others (Net of recovery from customers / provision written back ₹ 903.81 Lacs, Previous Year ₹ 857.99 Lacs)		6,428.44		8,950.80
Exchange Fluctuation loss (Net of gain ₹ 0.82 Lacs, Previous Year ₹ 1,652.91 Lacs).		0.87		6,505.29
Commodity Derivative Loss		7.94		-
Bad debts written off	14.29		7.53	
Less : Provision for doubtful debts written back	0.89	13.40	4.08	3.45
Loss on Sale / Discard of Fixed Assets		123.56		106.38
Debts/ Advances written off		24.16		5.76
Provision for diminution in value of Current Investments		0.20		-
Amortisation of Foreign Currency Monetary Item Transaction Difference		1,832.88		2,009.64
Wealth Tax		9.86		11.46
Printing & Stationery, Postage, Telephone, security, legal and professional and other Miscellaneous Expenses		3,103.87		2,672.01
		60,883.04		70,159.28

Notes to Consolidated Financial Statements

27. Accounting Policies and other notes to the accounts of the financial statements of the Company and its subsidiaries are set out in their respective financial statements.

28. (A) Contingent Liabilities not provided for (As certified by the Management):

(i) In Respect of :

(₹ in Lacs)

Particulars	As on 31.03.2014	As on 31.03.2013
Central Excise/ State Excise	19,636.68	11,013.09
Customs	860.10	261.93
Service Tax	66.46	69.02
Sales Tax	2,901.01	3,321.92
Other matters	2,021.94	2,012.26
Total	25,486.19	16,678.22

(ii) Claims against the Company not acknowledged as debts ₹ 116.79 Lacs (Previous Year: ₹ 96.73 Lacs)

(iii) Bills discounted with Banks ₹ 5,258.74 Lacs (Previous Year: ₹ 15,826.08 Lacs).

(iv) Recovery Charges claimed by S.D.M. Behat towards payment of cane dues ₹ 66.82 Lacs (Previous Year ₹ 66.82 Lacs) including the interest on cane dues ₹ 46.89 Lacs (Previous Year ₹ 46.89 Lacs).

(v) Pending final disposal by the Appellate Tribunal (CESTAT), Central Excise, the Company has not reversed in the books of account CENVAT credit taken, in respect of certain inputs and capital goods and godown rent for ₹ 15.21 Lacs (Previous Year ₹ 15.21 Lacs) initially disallowed by authorities, however, the same has been reversed in the Excise records and the same is included in CENVAT receivables.

(B) Custom duty saved on import of raw material under Advance License pending fulfillment of export obligation is amounting to ₹ 1,935.70 Lacs (Previous Year ₹ 774.17 Lacs).

The management is of the view that considering the past export performance and future prospects there is certainty that pending export obligation under advance licenses, will be fulfilled before expiry of the respective advance licenses. Accordingly and on "Going Concern Concept" basis there is no need to make any provision for custom duty saved.

29. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 3,137.82 Lacs, (Previous Year ₹ 2,267.00 Lacs) are ₹ 8,690.40 Lacs (Previous Year ₹ 12,090.67 Lacs).

30. During previous financial year, Company had issued and allotted 3079000 nos. fully paid up equity shares of ₹ 10 each at the rate of ₹ 138.56 (including premium of ₹ 128.56 per share) on preferential basis in term of the resolution passed in Annual General Meeting held on 15th September, 2012. The total receipt against this issue of ₹ 4,266.26 Lacs have been fully utilized for the purpose as stated in the resolution.

31. In the earlier years, the State Government of Uttar Pradesh (UP) had imposed a levy of license fee on transfer of alcohol from the distillery to the chemical plant. The levy was challenged by the Company in the Hon'ble Supreme Court and on October 18, 2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, Company had filed an application for refund of amount paid of ₹ 507.05 Lacs (Previous Year ₹ 507.05 Lacs) (shown as recoverable under the head Short Term Loans and Advances) with State Government of Uttarakhand, which is still pending for refund of the amount.

32. In the earlier years, the State Government of Uttarakhand had levied Export Pass Fee on ENA/RS export outside India. The matter is finally disposed of by Hon'ble High Court of Uttarakhand vide its Order dated 9th January, 2012 and has declared the levy of said fee as unsustainable and irrecoverable. Subsequently, on June 8, 2012, vide Uttarakhand Excise (Amendment) Act, 2012, Uttarakhand Government retrospectively revived old notification relating to imposition of export fee on ENA and RS. The Company filed Writ Petition challenging the above said notification and vide order dated September 12, 2012 the Hon'ble High Court of Uttarakhand has granted stay and restrained State from imposing export fee. Amount of ₹ 106.15 Lacs (Previous Year ₹106.15 Lacs) paid under protest is shown as recoverable from State Govt. of Uttarakhand, in the books of account.

Notes to Consolidated Financial Statements

33. The Company has challenged the legality and the validity of the financial derivative transaction dated January 15, 2008 entered into with Standard Chartered Bank, New Delhi (SCB), which is the subject matter of civil suit (Original suit) pending before the Hon'ble High Court of Delhi (High Court) at New Delhi. Provision made in earlier year had been written back in the books of accounts in the year 2011-12 in view of the favorable opinion of the legal consultant and the fact that DRT and DRAT did not entertain application of the SCB and pending final decision of the High Court same has been considered under contingent liability.
34. In accordance with Companies (Accounting Standards) Amendment Rules 2009 as amended by Companies (Accounting Standards) (Second Amendment) Rules 2011, the Company continued its policy, as exercised in financial year 2008-09, the option of adjusting exchange differences arising on reporting of long term foreign currency monetary items related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets and other long term monetary item in the "Foreign Currency Monetary Item Translation Difference" to be amortised over the period of loan. Accordingly: (a) Exchange differences (gain)/ loss relating to long-term monetary items, in so far related to acquisition of depreciable capital assets, arising during the year amounting to ₹ 936.50 Lacs (Previous Year ₹ 378.92 Lacs) (net of depreciation ₹ 25.60 Lacs, (Previous Year ₹ 40.97 Lacs) adjusted to the cost of fixed assets, and (b) relating to other long-term monetary items arising during the year amounting to ₹ 1,206.62 Lacs (Previous Year ₹ 824.43 Lacs) (Net of amortization of ₹ 655.34 Lacs, (Previous Year ₹ 636.14 Lacs) are adjusted to "Foreign Currency Monetary Item Translation Difference".
35. (i) Catalyst is charged to the Profit & Loss Account as consumable (Stores & Spares) based on technically assessed useful life (1 to 3 Years).
- (ii) Specialized Computer Software is amortised over its useful life of 6 years on SLM basis.
36. SSAIL is in the process of updating the fixed assets records and physical verification of certain Fixed Assets is in progress. In view of the adequate security arrangements, management is of the view that there will not be any material discrepancies between book and physical stock of fixed assets on completion of physical verification.
37. In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, in view of the management with respect to SSAIL, no impairment loss on its Fixed Assets/ Cash Generating Units (CGU) is considered necessary at this stage, as its expected recoverable value is more than its carrying value.
38. In respect of a subsidiary company (SSAIL), balances of certain debtors, creditors, other liabilities, loans and advances (including capital advance) and provisions are in process of confirmation and/or reconciliation. Management is confident that on final recoverability/ confirmation of these, there will not be any material adjustment.
39. **Related Parties Disclosure** (As identified by the management):
- (i) Relationships:
- A. Key Management Personnel & their Relatives
- U. S. Bhartia (Chairman and Managing Director)
 - M. K. Rao (Executive Director)
 - Pragya Bhartia
- B. Enterprises over which Key Management Personnel have significant influence:
- Ajay Commercial Co. (P) Ltd.
 - J. B. Commercial Co. (P) Ltd.
 - Kashipur Holdings Limited
 - Polylink Polymers (India) Ltd.
 - Hindustan Wires Limited
 - SupreetVyapaar (P) Ltd.
 - Mayur Barter (P) Ltd.
 - Facit Commosales (P) Ltd.
 - J. Boseck & Co. (P) Ltd.

Notes to Consolidated Financial Statements

(ii) Detail of Transactions with related parties:

(₹ in Lacs)

Related Party Transaction Summary	Significant Influence		Key Managerial Personnel				Relative of KMP	
			CMD		ED			
	2014	2013	2014	2013	2014	2013	2014	2013
Purchase Of Services	38.41	48.70						
Sale of Material	293.76	225.19						
Security Deposit Given			280.00	-				
Capital Advances Given	1,000.00	-						
Investment in preference shares	490.00	-						
Redemption of preference shares	490.00	-						
ICD Received	2,870.50	2,010.24						
ICD Paid Back	4,013.50	5,916.50						
Interest Expense	717.26	968.48						
Rent Paid	25.68	25.08	24.00	-				
Salary							27.29	27.29
Managerial Remuneration			295.83	873.34	69.08	62.81		
Balance Outstanding								
Payable								
ICD Payable	7,035.15	8,184.58						
Others	8.92	2.24						
Receivable								
Capital Advances	1,000.00	-						
Security Deposit	480.00	480.00	280.00	-				
Others	4.64	4.64						

Disclosure in respect of Material Related Party transactions during the year:

- a) Sales of Material are to:
 - Hindustan Wires Limited. ₹ 293.76 Lacs (Previous Year ₹ 225.19 Lacs).
- b) Interest Expense includes to:
 - Kashipur Holding Limited ₹ 549.78 Lacs (Previous Year ₹ 669.60 Lacs).
 - SupreetVyapaar (P) Ltd. ₹ 39.45 Lacs (Previous Year ₹ 82.21 Lacs).
 - Mayur Barter (P) Ltd. ₹ 93.59 Lacs (Previous Year ₹ 161.74 Lacs).
- c) Capital advances given:
 - Hindustan Wires Limited ₹ 1,000.00 Lacs (Previous year ₹ Nil)
- d) Inter Corporate Deposit received includes from:
 - Kashipur Holding Limited ₹ 2,530.00 Lacs (Previous Year ₹ 1,738.24 Lacs).
 - Mayur Barter ₹ 300.00 Lacs (Previous Year ₹ Nil).
- e) Inter Corporate Deposit paid back includes to:
 - Kashipur Holding Limited ₹ 2,045.00 Lacs (Previous Year ₹ 4,040.00 Lacs).
 - Mayur Barter (P) Ltd. ₹ 820.00 Lacs (Previous Year ₹ 1,113.00 Lacs).
 - SupreetVyapaar (P) Ltd. ₹ 547.00 Lacs (Previous Year ₹ 350.00 Lacs).
- f) Inter Corporate Deposit Payable (including interest) includes:
 - Kashipur Holding Limited ₹ 5,849.90 Lacs (Previous Year ₹ 5,381.03 Lacs).
 - Mayur Barter (P) Ltd. ₹ 788.61 Lacs (Previous Year ₹ 1,298.43 Lacs).
- g) Capital advances receivable:
 - Hindustan Wires Limited ₹ 1,000.00 Lacs (Previous year ₹ Nil)

Notes to Consolidated Financial Statements

40. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the Subsidiaries & Joint Venture has been included below:

Name of the Subsidiary/ Joint Venture	Shakumbari Sugar & Allied Industries Limited	IGL Chem International PTE. LTD.	IGL Finance Limited	Kashipur Infrastructure and Freight Terminal Private Limited
	(₹ in Lacs)	(USD in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Capital	6,067.71	0.79	150.00	0.50
Reserves (net of debit balance of Profit and Loss Account)	(15,857.49)	(0.69)	(63.21)	(2.25)
Total Assets	16,464.62	9.13	14,811.44	2,126.26
Total Liabilities	16,464.62	9.13	14,811.44	2,126.26
Investments (Net of Provision for Diminution if any)	-	-	290.00	-
Revenue from Operations (Net)	10,701.10	67.99	396.34	-
Profit / (loss) before tax	(3,725.66)	(0.23)	(266.39)	(0.38)
Provision for Taxation	-	0.03	-	-
Profit / (loss) after Taxation	(3,725.66)	(0.20)	(266.39)	(0.38)
Proposed Dividend	-	-	-	-

41. a) The Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 4th April 2013 have declared M/s. Shakumbari Sugar & Allied Industries Ltd. (SSAIL) as a sick industrial company in term of Sec 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985. Further, BIFR has appointed IDBI as the Operating Agency (OA) with directions to prepare a revival scheme for the company. Accordingly SSAIL has filed Draft Rehabilitation Scheme with the BIFR on 11th January 2014, considering this and also continuous financial support from the Holding company, the management has prepared Financial Statements of SSAIL on Going Concern basis despite the negative net worth on the balance sheet date.
- b) As stated above and in view of financial tightness SSAIL could not pay on time and made default in repayment of:
- Principal :- Central Bank of India ₹ 742.11 Lacs (Apr-13 to Mar-14), Axis Bank ₹ 177.90 Lacs (Jan-14 to Mar-14) & IDBI Bank ₹ 208.33 Lacs (Jan-14 to Mar-14)
 - Interest :- Central Bank of India ₹ 5.41 Lacs (Apr-13 to Mar-14), Axis Bank ₹ 40.57 Lacs (Feb-14 to Mar-14) & IDBI Bank ₹ 53.95 Lacs (Feb-14 to Mar-14)
42. Exceptional item includes:
- Loss on account exchange rate differences amounting to ₹ 10,803.19 lacs (net of gain of ₹ 11,336.93 Lacs) for year ended 31st March 2014, on payment, settlement as well as reinstatement of short term foreign currency borrowings and other monetary assets / liabilities, and
 - Provision made, against amount receivable from an overseas debtor, on account of special discount due to steep fall in the natural gum prices and quality issues amounting to ₹ 8,369.43 Lacs, pending final reconciliation and necessary approval from Reserve Bank of India. The same has been included in other payables under "Other Current liabilities".

Notes to Consolidated Financial Statements

43. In compliance with Accounting Standard 27 on “Financial Reporting of Interest in Joint Venture”, the details of company’s share in its joint venture in the respective head of Financial Statement are as under:

Particulars	Amount (₹ in Lacs)	
	31.03.2014	31.03.2013
Liabilities		
Long term Liabilities	500.00	-
Other Long-term liabilities	52.91	14.11
Other current liabilities	1,575.09	708.63
Assets		
Tangible assets	761.27	1.77
Intangible assets	0.10	0.13
Capital work-in-progress	1,035.72	354.48
Intangible assets under development*	50.00	50.00
Long-term loans and advances	236.40	246.74
Other non-current assets	14.00	15.75
Cash and cash equivalents	21.55	49.40
Short-term loans and advances	7.22	3.10
Expenses		
Rates and taxes	0.02	1.67
Miscellaneous expenses	0.36	-

* Share in Railway License Fee

44. Segment Information:

A. Information about Business Segments (Primary Segments): (₹ in Lacs)

		Business Segments				Others		Unallocable		Total	
		Chemicals		Liquor		31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
		31.03.2014	31.03.2013	31.03.2014	31.03.2013						
A	REVENUE										
1	Gross Sales (External)	271,655.13	310,140.30	66,746.56	67,184.39	14,252.27	15,566.04	-	-	352,653.96	392,890.73
2	Other Income	977.12	611.88	99.76	913.76	652.12	396.30	2,345.69	1,345.91	4,074.69	3,267.85
3	Total Revenue	272,632.25	310,752.18	66,846.32	68,098.15	14,904.39	15,962.34	2,345.69	2,345.69	356,728.65	396,158.58
B	RESULTS										
1	Segment Result (PBIT)	2,100.72	37,404.56	1,760.80	3,428.42	(1,282.23)	(346.62)	(8,707.43)	(11,515.37)	(6,128.14)	28,970.99
2	Interest Expense (Net)									15,034.27	15,009.16
3	Profit Before Tax									(21,162.41)	13,961.83
4a	Provision for Current Tax (net of MAT credit)									-	1.08
4b	Deferred Tax									(5,024.79)	4,386.01
4c	Taxation provision of earlier year									(1.83)	21.87
5	Profit after Tax									(16,135.79)	9,552.87
C	Other Information:										
1	Segment Assets	216,973.25	203,440.87	17,173.44	14,599.92	31,521.36	38,647.19	58,617.35	55,095.63	324,285.93	311,783.61
2	Segment Liabilities	61,041.15	47,974.12	3,262.39	2,211.21	5,788.54	13,996.78	216,948.49	1,94,019.88	287,040.57	258,201.99
3	Capital Expenditure	9,988.07	16,642.16	1,105.45	307.81	1,486.26	1,602.57	1,357.13	699.29	13,936.91	19,251.83
4	Depreciation and Amortisation expenses	7,032.52	7,090.41	256.78	253.46	1,368.96	1,273.86	402.51	400.00	9,060.77	9,017.73

B. Information about Geographical Segments (Secondary Segments) (₹ in Lacs)

		Domestic		Overseas		Total	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
1	Gross Sales (External)	232,663.61	215,168.33	119,990.35	177,722.40	352,653.96	3,92,890.73
2	Segment Assets	240,793.12	242,143.22	24,875.46	14,544.76	265,668.58	2,56,687.98

Primary Segment reporting (by business segment)

Segments have been identified in line with Accounting Standard on ‘Segment Reporting’ (AS-17), taking into account the organisational structure as well as the differential risks and returns of these segments. The Company has identified three segments i.e. business Industrial chemical, Liquor and others which includes herbal products, rental and sugar and reported accordingly.

Secondary Segment reporting (by geographical segment-customer location)

In respect of secondary segment information, the Company has identified its geographical segment as (a) domestic and (b) overseas on the basis of location of customers.

Notes to Consolidated Financial Statements

Reportable segments

Reportable segments have been identified as per the quantitative criteria specified in 'Accounting Standard 17: Segment Reporting'.

Segment Composition

Industrial Chemicals Segment comprises Glycols, Specialty Chemicals, Natural Gum and other related goods etc. Liquor Segment comprises manufacture and sale of Ethyl Alcohol (Potable).

'Others' primarily includes Herbal Products, Rental and Sugar.

45. Earnings per share (EPS):

	2013-14	2012-13
Net profit for the year attributable to equity shareholders (₹ in Lacs)	(16,135.79)	9,552.87
Weighted average number of equity shares outstanding	30961500	29426218
Basic and diluted earnings per share (face value of ₹ 10 each) (₹)	(52.12)	32.46

46. Commodity and Foreign Exchange Derivatives and exposures (as certified by the management).

(a) Outstanding at the year- end as follows

Nature of Instruments	2013-14 Amount (FC in millions)	2013-14 Amount (₹ in Lacs)	2012-13 Amount (FC in millions)	2012-13 Amount (₹ in Lacs)
Open Forward Contracts - USD	28.35	17,985.08	-	-
Foreign currency options - USD	-	-	2.00	1,086.00
Packing Credit Net of Export debtors - USD	-	-	46.20	25,092.00
Open foreign exchange exposures:				
Loans - USD	50.66	30,358.40	58.01	31,503.07
Payable - USD	53.53	32,077.30	58.05	31,512.68
- EURO	0.03	22.81	0.01	5.04
- JPY	1.33	7.76	1.00	5.77
- CHF	0.01	2.96	0.01	2.50

(a) Exchange fluctuation loss of ₹ 0.87 Lacs (Previous Year loss of ₹ 6,505.29 Lacs), is net of gain of ₹ 0.82 Lacs (Previous Year gain of ₹ 1,652.91 Lacs). (Also refer notes 42).

(b) The Company uses derivative instruments for hedging possible losses and exchange fluctuation loss is ₹ 679.44 Lacs net off gain of ₹ 5,253.99 Lacs (Previous Year ₹ 1,746.57 Lacs net off gain of ₹ 618.13 Lacs) which is inclusive of loss of ₹ 343.04 Lacs (Previous Year gain of ₹ 60.83 Lacs) provision for mark to market gain/loss on account of all outstanding financial transactions as on 31st March 2014.

(c) Considering the principle of prudence and announcement made by The Institute of Chartered Accountants of India 'Accounting for Derivatives' in March, 2008, the Company has provided for an amount of ₹ 143.63 Lacs included in (c) (Previous Year ₹ 6.58 Lacs) on outstanding contracts to the Statement of Profit & Loss, on account of foreign exchange derivative instruments.

47. The subsidiary company, IGL Finance Limited, had invested funds for short term in commodity financing contracts offered by National Spot Exchange Limited (NSEL). NSEL has defaulted in settling the contracts on due dates. However, considering the present state of affairs, legal actions taken by the subsidiary company and also actions taken by the Government and other authorities, the management is confident of recovery of the entire dues from NSEL over the period of time. Accordingly, against total exposure of ₹ 14,503.44 Lacs, no provision has been considered necessary at this stage by the subsidiary company and hence treated as good and fully recoverable.

48. Previous Year's figures have been regrouped/ rearranged/ recast wherever considered necessary.

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 22nd May, 2014

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary



INDIA GLYCOLS LIMITED

CIN: L24111UR1983PLC009097

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

THIRTIETH 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

CIN: L24111UR1983PLC009097

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

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):		Email Id:	
Registered address:		Folio No./Client Id:	
		DP Id:	

I/We, being the member(s) of shares of the above named Company hereby appoint:

- 1) _____ of _____ having email id _____ or failing him
- 2) _____ of _____ having email id _____ or failing him
- 3) _____ of _____ having email id _____ or failing him

and whose signature (s) are appended below as my / our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company, to be held on Saturday, 20th September, 2014 at 12.30 p.m. at A-1, Industrial Area, Bazpur Road, Kashipur, District Udham Singh Nagar, Uttarakhand and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above proxy to note in the manner as indicated in the box below:

Resolution No.	RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS			
1 (a)	Adoption of Financial Statements for the year ended 31 st March, 2014		
(b)	Adoption of Consolidated Financial Statements for the year ended 31 st March, 2014		
2	Approval of final dividend on equity shares		
3	Re-appointment of Shri U. S. Bhartia who retires by rotation		
4	Appointment of Statutory Auditors and fixing of their remuneration.		
SPECIAL BUSINESS			
5	Approval of the Remuneration of Mr. U.S. Bhartia, Chairman and Managing Director		
6	Approval of the remuneration of the Non Executive Directors		
7	Approval of the remuneration of the Cost Auditor		
8	Approval of the Remuneration of Ms. Pragya Bhartia (related party) as President, Business Development of the Company		
9	Appointment of Mr. Pradip Kumar Khaitan as an Independent Director		
10	Appointment of Mr. R.C. Misra as an Independent Director		
11	Appointment of Mr. Jagmohan N Kejriwal as an Independent Director		
12	Appointment of Mr. Ravi Jhunjhunwala as an Independent Director		
13	Appointment of Mr. Jitender Balakrishnan as an Independent Director		
14	Alteration of Articles of Association of the Company		
15	Raising of funds by the Company by way of Issue of securities/shares		

Signed this day of2014.

.....
Signature of member

.....
Signature of proxy holder(s)

Affix revenue stamp of not less than ₹0.15

Notes:

1. **This form, in order to be effective, should be duly stamped, completed, signed, deposited at the registered office of the Company, not less than 48 hours before the meeting.**
2. **A proxy need not be a member of the Company.**
3. Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.
- **4. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

