Twenty-Sixth
Annual Report
2009-10

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

Board of Directors

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

Audit Committee

R.C. Misra	Chairman
Jagmohan N. Kejriwal	
Autar Krishna	

Investors' Grievance Commiteee

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

Chief Executive Officer

Rakesh Bhartia

Company Secretary

Lalit Kumar Sharma

Auditors

Lodha & Co.	Chartered Accountants

Bankers

State Bank of India

State Bank of Patiala

Axis Bank Limited

Punjab National Bank

Union Bank of India

IDBI Bank Ltd.

Exim Bank

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

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 Twenty Sixth Annual General Meeting of the members of India Glycols Limited will be held on Saturday the 21st day August, 2010 at 12.30 P.M. at the Registered Office of the Company at A-1, Industrial Area, Bazpur Road, Kashipur, District Udham Singh Nagar, Uttarakhand to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date, the Reports of Directors and Auditors thereon.
2. To consider declaration of dividend on equity shares.
3. To appoint a Director in place of Shri M.K. Rao, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Smt. Jayshree Bhartia, who retires by rotation and being eligible, offers herself for reappointment.
5. To appoint a Director in place of Shri Jagmohan N Kejriwal, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Statutory Auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

7. 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 Sections 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modification(s) or re-enactment thereof), the Memorandum and Articles of Association of the Company and the regulations/guidelines prescribed by the Securities and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which expression shall also include an ESOP Compensation Committee which the Board may constitute to exercise its powers, including the powers, conferred by this resolution), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company or its subsidiaries, including any Directors of the Company, whether whole time or otherwise, options exercisable into equity shares being not more than 13,94,000 (Thirteen Lacs Ninety Four Thousand) equity shares of Rs.10/- (Ten) each of the Company not exceeding 5% of the subscribed and paid up equity share capital after issue of shares under a Scheme titled "Employee Stock Option Plan 2010" (hereinafter referred to as the "**ESOP 2010**"), in one or more tranches, and on such terms and conditions as may be fixed or determined by the ESOP Compensation Committee in accordance with the provisions of the law and guidelines issued by the relevant Authority, each option granted being exercisable for one (1) equity share of the Company."

"RESOLVED FURTHER THAT the ESOP Compensation Committee be and is hereby authorised to issue and allot equity shares upon exercise of such options from time to time in accordance with the ESOP 2010 and such equity shares shall rank *pari-passu* in all respects with the existing equity shares of the Company."

"RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid allottees under the ESOP 2010 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- (Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the ESOP Compensation Committee be and is hereby authorized to determine the form and terms of the issue, the issue price and all other terms and matters connected therewith, make modifications, changes, variations, alterations or revisions in the ESOP 2010 including to withdraw, suspend or revive the ESOP 2010 from time to time, as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the issue and to do all such acts, deeds, matters and things as it may deem necessary or desirable for such purpose in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and any other Regulations in force for the time being."

By order of the Board

Place : Noida, U.P.
Date : 4th May, 2010

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.

2. The Register of Members and Share Transfer books of the Company will remain closed from 10th August, 2010 to 21st august, 2010 (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 110 020, before the book closure, shall be included in the members register as on the date of the Annual General Meeting.

3. If the dividend on equity shares, as recommended by the Directors, is declared at the meeting, the payment of such dividend will be made to those members of the Company whose name appear on the Register of Members of the Company as on the date of the Annual General Meeting. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

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. The Company provides the facility of remittance of dividend through Electronic Clearing Services (ECS) to the Shareholders residing in the following cities:

   Agra, Ahmadabad, Amritsar, Bangalore, Bhubaneswar, Bhopal, Chandigarh, Chennai, Coimbatore, Delhi, Guwahati, Hyderabad, Indore, Jaipur, Kanpur, Kochi, Kolhapur, Kolkata, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Nagpur, Patna, Panaji, Pune, Rajkot, Surat, Vadodara, Vidisha and Thiruvananthapuram.

   Shareholders holding shares in physical form and wish to avail of the ECS facility may authorise the Company with their ECS mandate in the prescribed form, available at our Head Office at Plot No. 2B Sector 126 Distt Gautam Budh Nagar Noida -201304 Uttar Pradesh or at Registrar and share transfer agent M/s. MCS Limited, F-65, Okhla Industrial Area Phase-I, New Delhi 110 020.

7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 dividend for the financial year ended 31st March, 2003, which remain unclaimed/unpaid for a period of 7 years from the date such dividend first become due for payment, will be transferred on 2nd November, 2010 to the Investors Education and Protection Fund established by the Central Government. It has been noticed that some shareholders have not encashed the dividend warrant(s) so far for financial year ended 31st March, 2003 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. Shareholders are requested to note that no claim shall lie against the said fund or the Company in respect of said unclaimed and unpaid dividend, if transferred to the Investors Education and Protection Fund on due dates.

8. MEMBERS ARE REQUESTED TO:

A Immediately notify any change of address to their depository participants (DPs) in respect of their holding in Electronic Form and to the Company in respect of their holding in physical form.

B Send their queries, if any, atleast 15 days in advance of the meeting at the Company's Head Office at Plot No. 2B, 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.

9. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 with respect to items of Special Business is appended hereto, and forms part of this Notice.

10. Shri M.K. Rao, Smt. Jayshree Bhartia and Shri Jagmohan N. Kejriwal Directors due to retire by rotation and are eligible for reappointment at this Annual General Meeting. Brief resumes of the said Directors are as under:

Name	Shri M.K.Rao	Smt. Jayshree Bhartia	Shri Jagmohan N. Kejriwal
Age	53 Years	52 years	69 Years
Qualifications	B.Tech and M.Tech	B.A.	M.A (Eco).
Expertise in Specific functional Area	Mr. M.K. Rao is a Corporate Professional and holds B.Tech. (Chemical Engineering) from Andhra University College of Engineering and M.Tech. (Chemical Plant Design) from IIT, Madras. Mr. Rao is having an overall experience of 26 years of Plant operations, maintenance and projects execution	Company Director.	Industrialist
Date of appointment on the Board of the Company	01.05.2008	29.05.1999	28.09.2002
Name(s) of the other companies in which Directorships held (as per Sections 275 and 278 of the Companies Act, 1956)		1 Kashipur Holdings Ltd 2 IGL Finance 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)			1. India Glycols Ltd Member, Audit Committee. 2. India Glycols Ltd. Member, Investors' Grievance Committee

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 7

Human Resource is the key resource for the continuing growth and development of the Company. To motivate the employees and enable them to participate in the long-term growth and financial success of the Company, with a common objective of maximizing the shareholder's value, it is proposed to introduce the Employees Stock Option Scheme (**"ESOP"**), applicable to the permanent employees of the Company and all its subsidiaries, whether now or hereafter existing, as well as to all the Directors of the Company. The principal objectives of the scheme are to attract, retain and motivate the employees of our Company, encourage employees to align individual performance with Company's objectives, reward employee performance with ownership in proportion to their contribution and provide an incentive for employees to expand and improve the profits and prosperity of the Company.

Pursuant to the provisions of the Securities and Exchange Board of India (Employees' Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as the **"SEBI Guidelines"**), an ESOP Compensation Committee of the Board of Directors of the Company has been constituted for administration and superintendence of the ESOP.

The salient features of the ESOP 2010 are given hereunder:-

(a) The total number of options to be granted would not exceed 5% of the paid up equity share capital of the Company ;

(b) A permanent employee of the Company, including a Director, whether whole time or not, shall be entitled to participate in the ESOP Scheme 2010. Any Employee who is a Promoter or belongs to the Promoter Group or who is a Director who, either by himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent (10%) of the outstanding equity Shares of the Company, shall not be eligible for Grant of Options under this ESOP;

(c) The Compensation Committee shall decide the vesting period for the Options granted to each employee, so however that the minimum period over which the Options will vest will be one year. The Compensation Committee may also provide for vesting of the Options over 4 to 6 year period as they may deem fit;

(d) The maximum period within which the options shall be vested will be determined by the Compensation Committee subject to the maximum period over which the vesting takes place should not exceed 5 years;

(e) The exercise price shall be determined by the Compensation Committee and shall be fixed as a percentage of the market value of shares on the date of Grant. The Compensation Committee shall not fix the exercise price below 90% of the market price of shares on the date of grant of an option. The exercise price of the shares under this ESOP shall not be less than the face value of the shares as on the date of grant of an option;

(f) An employee can exercise his options on the vesting period of the option being completed. The employee shall make a written application for the exercise of such Options through an Exercise Application to the Compensation Committee;

(g) The Compensation Committee will determine the appraisal process for determining the eligibility of employees to the ESOP Scheme 2010 in consultation with the supervisor, manager or the team leader of the Eligible Employee;

(h) The maximum percentage of Options which can be issued to an employee in any one fiscal year cannot exceed 0.99% of the issued capital of the Company. The percentage may be increased with the approval of the shareholders of the Company in a general meeting;

(i) The Company shall conform to the accounting policies as set out in Schedule 1 of the SEBI ESOP Guidelines;

(j) The company shall use the valuation method for valuing its options as prescribed by the provisions of SEBI ESOP Guidelines;

(k) In case the company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The ESOP Compensation Committee shall, *inter alia*, formulate the detailed terms and conditions of the ESOP including:

(a) the quantum of option to be granted under an ESOP per employee and in aggregate;

(b) the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;

(c) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

(d) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

(e) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(f) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.

    In this regard, following shall be taken into consideration by the ESOP Compensation Committee:

    (i) the number and the price of ESOP shall be adjusted in a manner such that total value of the ESOP remains the same after the corporate action;

    (ii) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;

    (iii) The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.

(g) the grant, vest and exercise of option in case of employees who are on long leave; and

(h) the procedure for cashless exercise of options

    The ESOP Compensation Committee shall also frame suitable policies and systems to ensure that there is no violation of;

    (a) Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and

    (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee.

    The ESOP Compensation Committee shall have the authority in its discretion:

    i. to determine exercise price;

    ii. to select the employees to whom options may from time to time be granted hereunder;

    iii. to determine the number of shares to be covered by each such option granted hereunder;

    iv. to determine the vesting period and the exercise period.

    v. to approve forms of agreement for use under the ESOP 2010;

    vi. to determine the terms and conditions, not inconsistent with the terms of the plan, of any option granted hereunder;

    vii. to prescribe, amend and rescind rules and regulations relating to the ESOP 2010;

    viii. to construe and interpret the terms of the ESOP 2010 and options granted pursuant to the ESOP 2010; to determine the quantum of option to be granted per employee and in aggregate; and

    ix. to delegate such power and authorities to such person/s on such terms as the Compensation Committee may deem fit and approve.

As the ESOP 2010 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and as per clause 6 of the SEBI Guidelines.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the ESOP 2010.

The Board of Directors has recommended the proposed resolutions set out at the item No.7 for your approval by way of a Special Resolution.

By order of the Board

Place : Noida, U.P.
Date : 4th May, 2010

Lalit Kumar Sharma
Company Secretary

Directors' Report

To The Members

Your Directors are pleased to present Twenty Sixth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

Financial Results

(Rs. in lacs)

	Year ended 31.03.2010	Year ended 31.03.2009
Sales and other income	138499.40	116960.09
Profit/(loss) before depreciation, exceptional item and tax	7390.50	(3307.90)
Depreciation	5907.16	5673.45
Exceptional item	(1626.58)	4743.67
Profit/ (loss) before tax	3109.92	(13725.02)
Provision/(credit) for tax	1110.40	(4535.86)
Net profit/(loss)	1999.52	(9189.16)
Profit/(loss) brought forward	25698.40	35213.78
Profit available for appropriation	27697.92	26024.62
Which the directors have appropriated as follows:		
- Transfer to general reserve	100.00	0.00
- Proposed dividend	418.24	278.83
- Corporate dividend tax	71.08	47.39
Balance carried forward	27108.60	25698.40

Dividend

Your Directors are pleased to recommend a dividend of Rs.1.50 (Rupee One and paisa fifty only) per equity share. The outgo on dividend will be Rs.489.32 lacs including tax on dividend.

Performance

During the year under review, performance of the Company has shown significant improvement consequent to the improvement in the overall economic situation worldwide. The price of Glycols have started showing on upward trend and have since improved from a low of US$ 544 per MT to US$ 1005 per MT by last quarter of the year. However, the prices of feedstock like molasses and alcohol did not come down in line with international prices of crude oil. During the year under review, the performance was adversely affected as domestic prices of our feedstock viz. molasses and alcohol was high on account of poor availability of sugar cane, therefore, the Company had to depend upon imported Alcohol. Consequently, Company was forced to regulate its Glycols production and diversified toward production of high value Ethylene Oxide Derivatives (EODs), which could provide better margins as compared to Glycols.

Sales and other income for the year under review has been Rs.134555 Lacs compared to Rs.114125 Lacs last year and Rs.153868 lacs a year before. Profit before depreciation, exceptional item and tax for the year has been Rs.7390 Lacs as compared to Loss of Rs.3308 Lacs last year and Profit of Rs.30367 lacs a year before and net profit after tax for the year has been Rs.2000 Lacs.

Profitability has also improved on account of reduction in interest cost during the year. The borrowing cost of funds has reduced to Rs.3219 lacs as compared to Rs.7706 lacs last year. This has happened due to better financial management, recourse to low cost borrowings in form of Packing Credit in foreign exchange, Buyers' Credit and favorable exchange rate movement.

During the year, your Company produced 47864 MT of Glycols compared to 66327 MT last year. Ethylene Oxide Derivatives (EODs) production has increased to 97804 MT compared to 65196 MT last year. Company has commissioned two Stirred Reactor for enhancing the production capacity of Ethoxylates.

Company has produced 28844 KBL of Alcohol at its distilleries at Kashipur and Gorakhpur, which has supplemented ethanol, required for production of Glycols and Ethylene Oxide Derivatives (EOD) and has reduced the dependence on purchase of external alcohol. Company has also produced 44082 KBL of Potable Alcohol.

Company has set up a Turbo Generator of 12 MW capacity at Kashipur. This plant generates power by using high pressure steam. This has resulted in substantial power saving and reduced dependence on external power.

Company has installed two PET Bottle manufacturing machines at Gorakhpur to manufacture 100 lacs PET Bottles per month for the Potable Alcohol plant at Gorakhpur.

Marketing

The Company is the largest manufacturer of Bio-MEG in the world made out of agriculture reserves i.e. Molasses and Ethanol. Bio-MEG has an application, apart from other products, in PET bottles used for packaging of beverage products. Sale of Glycols has been 43677 MT compared to 63159 MT last year. The sale of Ethylene Oxide Derivatives (EODs) has been 97254 MT compared to 63908 MT last year.

Exports

During the year under review, your Company has achieved total export turnover of Rs.41068 lacs as compared to Rs.23562 lacs last year. Your Company expects reasonable growth in the overall export sales in the current year. Company has been granted `One Star Export House' status by Government of India, Office of the Jt. Director General of Foreign Trade.

Natural gum

During the year, your Company achieved total sales of Rs.2624 lacs of the Natural Gum products out of which the export turnover was Rs.2584 lacs compared to total sales of Rs. 1604 lacs last year out of which the export turnover was Rs.1514 lacs. Company is diversifying into the field of Guar Gum derivatives used for Oil Field Industry and Textile Industry. The Company is modifying its existing Guar Gum Plant to produce value added derivatives for Oil Field Industry, specialty derivatives for food & paper industry and Textile Industry.

Ethyl alcohol (potable) & extra natural alohol

During the year, there has been substantial growth in the Ethyl Alcohol (Potable) segment. Your Company registered total sales of Rs.38707 lacs compared to Rs. 26845 lacs last year. Efforts are being made to further increase the sales of Ethyl Alcohol (Potable). Company has most modern & largest captive distillery in Asia 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. During the year, IMFL brands of the Company have been approved for Supply to Defence forces Canteens (CSD). The Segment contributes around 29% in the total revenues of the Company.

Ennature bio-pharma division (100% export oriented undertaking)

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. It has also set up a Supercritical Fluid Extraction facility (SCFE) at Dehradun, which will be cGMP compliant and in the process of being cGMP and HACCP. The unit is Kosher certified and approved by India Food & Drug Authorities (FDA). SCFE at Dehradun has started on trial production of the plant and is in process of stabilizing and developing various Phytopharmaceuticals and Nutraceuticals products. The unit has received accreditation from the Indian Spices Board and has been enrolled as members of Pharmexcil and Shellac Export Promotion Council. This 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. Since this will be a 100% EOU, this diversification will provide tax benefit also.

Industrial gases

The Company has also set up an Industrial Gases division producing Oxygen, Nitrogen and Argon with an overall capacity of 13460 NM^3/h. During the year under review, Company produced 55095402 NM^3 of Oxygen and 16119619 NM^3 of Nitrogen. Both Oxygen and Nitrogen were successfully marketed and also used for own requirement. Industrial gases division also produced 1449028 NM^3 of Argon.

The Industrial Gases division has diversified to produce food and industrial grade liquid Carbon Di-oxide (CO_2) at Kashipur Plant having capacities of 160 MT/day each, to meet growing domestic market. Company has produced 30394 MT of Carbon Di-oxide (CO_2). During the year, Industrial Gases segment registered total sales of Rs.2330 lacs compared to Rs.1607 lacs last year.

RAB (concentrated sugarcane juice)

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

Expansion / modernisation / diversification plans

The Company is actively pursuing growth opportunities and looking at areas to reduce its cost of production. The Company is evaluating plans to further expand its Ethoxylates capacity to improve its product mix and also considering the setting up of a Power Plant to reduce its dependence on external power. In addition, the Company is actively pursuing expansion opportunities for its business other than Chemicals.

Finance

During the year under review, Company has raised Rupee Term Loans of Rs.245 Crores to part finance the project cost of ongoing capital expenditure. The Company has repaid total loans of Rs.204.03 Crores, out of which Company repaid Rupee Term Loan of Rs.122.52 Crores and Foreign Currency Loans of US$ 13.29 million and JPY 276.25 million equivalents to Rs.81.51 crores.

The Company has been regular in meeting its obligations towards payment of principal/interest to Financial Institutions/Banks/Debentureholders/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 is having controlling stake in Shakumbari Sugar & Allied Industries Limited (SSAIL), which operates a sugar manufacturing plant in the state of Uttar Pradesh with a crushing capacity of 5500 tones per day (TCD) alongwith a modern distillery of 40 KL per day (KLPD) producing high quality rectified spirit, ethanol and country liquor and an internal bagasse fired co-generation plant of 11.4 MW catering to the captive power needs of the sugar and distillery units.

The Company has completed first phase of expansion plan and the capacity of sugar manufacturing plant has been enhanced from 3200 TCD to 5500 TCD and co-generation plant capacity has been enhanced from 3 MW to 10.4 MW of power generation. In the second phase of expansion plan, the capacity of sugar manufacturing plant will be enhanced from 5500 TCD to 7500 TCD, the distillery's capacity would be expanded to 85 KLPD from the present 40 KLPD for making ethanol from molasses/ sugarcane juice and co-generation plant capacity will be enhanced from 10.4 MW to 25.5 MW of power generation out of which approximately 15.5 MW power generation will be used to cater the captive power need of expanded sugar and distillery units, the surplus power of approximately 10 MW will be sold to grid.

Your Company has also established a subsidiary in Singapore to augment its activities in South Eastern region & help the marketing of products from Supercritical Fluid Extraction facility at Dehradun to large buyers in US & Europe.

As required under Section 212 of the Companies Act, 1956, the Audited statement of accounts, alongwith the report of the Board of Directors and the Auditors' Report thereon, of the subsidiary Company viz. IGL Finance Limited, IGLCHEM International Pte. Ltd. and Shakumbari Sugar and Allied Industries Ltd., for the year ended 31st March, 2010, are annexed.

Fixed deposit

The amount of Fixed Deposit held as on 31st March, 2010 was Rs.1133.40 lacs. There are no overdue deposits except for unclaimed deposits amounting to Rs. 390.60 lacs.

Directors

Shri M.K. Rao, Smt. Jayshree Bhartia and Shri Jagmohan N. Kejriwal, Directors of the Company, retiring by rotation and being eligible, offer themselves for reappointment. Your Directors recommend the reappointment of retiring Directors 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended

31st March, 2010 and of the profit and loss of the Company for that period;

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

Management discussion and analysis

A separate report is appended herewith.

Corporate governance

The Board of Directors supports the broad principles of Corporate Governance. The report on Corporate Governance as stipulated in clause 49, as amended, of the listing agreement with the stock exchanges for the year ended 31st March, 2010 and Auditor's Certificate on Corporate Governance are appended herewith.

Auditors

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

Environment, energy conservation, technology absorption, etc.

Your Company has taken various measures for energy conservation at its chemical plant, such as installation of Extraction / Back pressure steam turbine capacity 8.64 MW, use of MP steam instead of HP steam in all three new evaporator trim reboilers of MEG resulting in increased power generation from Extraction/Backpressure turbine, Utilized hot condensate in GEA and GE to generate LP steam, Utilized steam condensate to generate flash steam in Guar Gum unit, MEG return condensate for Rab boiler deaerator resulting in increase heat recovery from MEG DM water preheater, LP Steam saving in T-320 by utilization of steam generated from MEG column condenser, OSBL Alcohol preheating by utilization of heat of recycle water, Reducing the RFO consumption in MEG heater by maximizing the bio gas in heater, and Preheating of 12 MW turbine Condensate with Dehydration Steam Condensate (Exchanger is to be replaced with new exchanger) Process condensate of evaporator plant is used as a dilution in fermentation house water resulting in raw water and energy saving.

Energy conservation measures have also been taken at Distillery plant such as use of Centrifuge Decanter (4 nos) commissioned to reduce the T.S.S. in effluent feed, resulting in reduction of scaling frequency of evaporator calandria, use of process steam condensate of ENA plant as a boiler feed water thereby enhancing the steam condensate recovery and Installation of Economizer & Air pre heater in existing Boiler for recovery of energy from the flue gases.

Your Company has also taken environmental conservation measures by setting up a bio-composting facility to produce natural manure as a substitution to chemical fertilizers. Company is also working actively for reducing effluent generation at source by achieving zero discharge by way of adopting ferti-irrigation, bio-composting, Reverse Osmosis (RO), concentration followed by incineration to conserve the fossil fuel and other effective and competitive techniques. Company is also working actively on various projects efficiently, approaching and targeting towards Clean Development Mechanism (CDM) and reduction in GHG emissions.

The Company has installed distillery effluent Evaporators at Gorakhpur and the concentrated effluent is burnt in specially designed boiler the calorific value of concentrated effluent generates super heated steam which is utilized for power generation. In the same way, your company has installed distillery evaporator at Kashipur Plant alongwith Boiler and the same superheated steam produced will generate power in 9 MW back pressure Turbo generator. The power will be utilized for plant operation as essential power which is being generated by DG set and back pressure steam will be utilized for plant operation.

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

Human resources

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

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

Social responsibility

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.

The range of our activities begins in and around Kashipur (Uttarakhand) by organizing regular Medical camps (three days a week) so that villagers get medical assistance free of cost and also active participation in organizing blood donation camps, facilitating plantation of trees for better environment, facilitating in constructing roads, bridges, drains and installing street lamps and hand pumps for drinking water, which is benefiting near by areas. The Company also extends support to the victims of flood affected during Monsoon, distributing of blankets to poor during winter, promoting Sports and socio-cultural activities in the State of Uttarakhand, supporting the local administration in fighting and managing fire accidents and other disasters taking place in the close by areas of factory and other noble works in the surrounding area of factory.

Your Company is supporting a community school at Dwarka, New Delhi through Nirmal Bhartia Society for Education Promotion, and a charitable institution by making grants, School is now operational. The school is equipped with modern facilities and also has a good infrastructure. The school posses qualified and experienced faculties, which enable children to make a great future.

The Company has also sponsored a faculty position in Herbal Research & Development Institute, Centre of Aromatic Plants at Dehradun to promote the Herbal Development in the state of Uttarakhand.

Your Company extending educational and on-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 Directors constantly strive hard to serve the society by implementing such other policies which benefited people at large.

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 : 4th May, 2010 *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 2010.

Conservation of energy

(a) Energy Conservation Measures Taken.

1. Used MP steam instead of HP steam in all three new evaporator trim reboilers of MEG resulting in increased power generation from Extraction/Backpressure turbine.
2. Utilized hot condensate in GEA and GE to generate LP steam.
3. Provision of VFD in cooling tower fans (Phase-1 Completed)
4. Utilized steam condensate to generate flash steam in Guar Gum unit.
5. Process condensate of evaporator plant is used as a dilution in fermentation house water resulting in raw water and energy saving.

(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 capacity 8.64 MW.
2. Reducing the RFO consumption in MEG heater by maximizing the bio gas in heater.
3. Provision of VFD in cooling tower fans.(Phase-2).
4. Using dry vacuum pumps in GE-1 to save energy.
5. Installation of 2nd Sloped fired boiler which will increase utilization of concentrated slops for steam generation and reduce the rice husk consumption.
6. Installation of Reboiler in ENA plant analyzer column to reduce the effluent.
7. Installation of VFD in spent wash recycles pumps to save the power.
8. Installation of 12 MW STG set to sell the surplus power to UPCL.
9. 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:
I. Saving of Coal by	
Max. Biogas utilization in Boilers	Up to 46.73 MT/day
Preheating of Boiler Feed Water	Up to 45.63 MT/day
Operation of Evaporator reflux Preheater	Up to 1.7 MT/day
Installation of Boiler feed water preheater in MEG Process Heaters	Up to 4.0 MT/day
Preheating of 12 MW turbine condensate with Dehydration Steam Condensate	Up to 10.5 MT/day
II. Saving of Power by	
Operation of TG Set at Optimum load (Kashipur)	91217.0 MWH of Power Generated during the Year (Last year 85291.66 MWH)
Operation of TG Set at Optimum load (Gorakhpur)	10214.0 MWH of Power Generated during the year (Last year 9204.0 MWH)
III. Saving of Fuel (RFO) by	
Utilization of waste gas/ Biogas in the Process Heater	Up to 10.62 MT/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, 2010	Year ending March, 2009
A.	Power and fuel consumption				
	KASHIPUR PLANT				
	i)	Electricity			
	a)	Purchased Unit	1000 KWH	111495.5	111418.5
		Total Amount	Rs Lacs	4106.8	4400.25
		Rate per unit	Rs /KWH	3.68	3.95
	b)	Own Generation through DG Sets	1000 KWH	10197.9	11887.35
		Units per Kg/Liter of Diesel Oil/HPS	KWH/Kg	4.41	5.90
		Cost/Unit	Rs/KWH	5.89	5.73
	ii)	Coal			
		Quantity	MT	344049.0	300792.0
		Total Cost	Rs.Lacs	10387.8	8415.6
		Average Rate	Rs/MT	3019.3	2797.8
	iii)	Fuel Oil (LDO/RFO)			
		Quantity	MT	4111.87	3705.41
		Total Cost	Rs. Lacs	1066.3	1133.81
		Average Rate	Rs/MT	25933.17	31338.08
	iv)	Others/internal generation			
	a)	From Back Pressure Turbine			
		Quantity	1000 KWH	32652.72	30466.98
		Total Cost	Rs. Lacs	Nil	Nil
		Average Rate	Rs/KWH	Nil	Nil
	b)	From Extraction, Back Pressure & Condensing Turbine			
		Quantity	1000 KWH	58564.29	54824.68
		Total Cost	Rs. Lacs	1376.26	1261.28
		Average Rate	Rs/KWH	2.35	2.30
		Total (a +b)	1000 KWH	91217.01	85291.66
GORAKHPUR PLANT					
	i)	Electricity			
	a)	Purchased Unit	1000 KWH	2835.8	2804.1
		Total Amount	Rs Lacs	164.55	166.06
		Rate per unit	Rs/KWH	5.80	5.73
	b)	Own Generation through DG sets	1000 KWH	62.75	30.373
		Units per kg/Liter of Diesel Oil/HPS	KWH/Kg	7.62	3.57
		Cost per unit	Rs/KWH	12.14	11.76
	ii)	Others/internal generation			
		(From Back Pressure Turbine)			
		Quantity	1000 KWH	10214.0	9204.0
		Total Cost	Rs.Lacs	Nil	Nil
		Average Rate	Rs/KWH	Nil	Nil
B.	Consumption per unit of production				
	KASHIPUR PLANT				
	Electricity		MWH/MT	1.116	1.272
	Fuel Oil (LDO/RFO)		MT/MT	0.022	0.023
	Coal		MT/MT	1.879	1.893
	GORAKHPUR PLANT				
	Electricity		MWH/MT	0.463	0.411

TECHNOLOGY ABSORPTION
Form – B

(Form of disclosure of particulars with respect to Absorption and Research and Development)

A. Research and Development

1. Specific areas in which R&D is carried out by the company

Chemical Plant

- Development of New Generation "Green" surfactants.
- Development of binders for ore beneficiation.
- Development of biodegradable and user friendly surfactants for textile processing.
- Speciality Additives for Continuous Processing (Textiles).
- PEG free environment friendly High mole Ethoxylates.
- Water retention aid for use in desert and hilly areas.
- 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 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 holds cleaning and personal care surfactants.

Ennature bio-pharma plant:

- Stabilized the process techniques for Extraction and enrichment of the Herbal products using supercritical fluid CO_2 extraction technology.
- Products stabilized are:

Product	Source Raw Material	Content
Policosanol	Sugar Cane Press-Mud	60-65%
Lutein ester	Marigold Flower Meal	40-90%
Ginger oleoresin	Ginger Roots	25-55%
Decaffinated tea	Green Tea	Caffeine <0.3%
Nigella sativa (Kalongi) oil	Nigella sativa seeds	Total oil
Tulsi Oleoresin	Tulsi	Ursolic acid
Astaxanthin	Bio Algae mass	Astaxanthin 10%
Lycopene	Tomato skin peel	Lycopene 10%

- stabilized the process techniques for Extraction and enrichment of the Herbal products using aqueous and solvent extraction technology.
- Products stabilized are:

Product	Source Raw Material	Content
Colchicine	Gloriosa seeds	>96% (USP)
Thiocolchicoside	Gloriosa seeds	>98% (FP)
Artemisinin	Artemisia leaves	>98%
10-DAB	Taxus leaves	>98%
Rosemary Extract	Rosemary leaves	>20%
Coffee Beans	Coffee seeds	>45%
Instant Green Tea	Green tea	>45%
Refined Policosanol	SCF-CO_2 Crude Policosanol	>50%

- Tabersonine has been extracted from Voacanga seeds using Solvent technology. The process technology has been developed up to 98% assay material. Waiting for market response.

DISTILLERY PLANT:

- Use of condensate from Evaporator to fermentation.
- Development of slop fired Cheema boiler for maximum utilization of slop & working hours

2. Benefits derived as a Result of above R&D

Chemical plant:

- 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.

Ennature bio-pharma plant:

- A very economic cost saving technology for the extraction and isolation of Colchicine & Thiocolchicoside from Glorisa superb seed has been developed.
- Some of very promising & potential products like Tabersonine etc. are developed where only few competitors are in the field.

Distillery plant:

- Reduction of effluent generation per KL of alcohol production.
- Reduction of raw water consumption per KL of alcohol production.
- Reduction of rice husk consumption per MT of steam generation.
- Reduction of electricity consumption per KL of alcohol production.

3. Future Plan of Action

Chemical plant:

- Substitute Glycol Ether Acetate for Pharama Application.
- Random / block copolymers for Fiber Finish applications.
- Emulsion Polymers for Coating Application.
- New delivery system for control release in crop protection.
- Modified polymeric surfactants for oil field and construction application.
- Speciality Chemicals for Technical Textiles.
- New Dispersant system for Agro, Textiles & Paper Application.
- Additives for Cement Strength Improver.
- In-situ amphoteric surfactants for textile and personal care application.
- Fluorocarbon based surfactants for flame retardant applications.
- Enzyme based formulations for textile and paper application.
- Upgradation of laboratories and instrument application labs.

Ennature bio-pharma plant:

- To further fine tune the SCF-CO_2 plant for better capacity utilization by further changes in CO_2 pumps
- Some of the very high and attractive value products like 5-HTP; Vinpocetin, Glabridin and Oxyresveratrol are in pipe line for R&D.
- To control the process related expenses and look for cost saving activities by developing better extraction, refining and recovery techniques, thereby further stabilize the processes.
- To develop more economic and cost saving technologies for the extraction and isolation of the herbal materials.

Distillery plant:

- Recycling of spent lees in fermentation/cooling tower.

4. Expenditure on R&D

Chemical Plant (Rs. in Lac)

		2009-10	2008-09
a.	Capital	---	---
b.	Recurring	193.64	157.41
c.	Total	193.64	157.41
d.	Total Expenditure as a Percentage of turn over	0.14	0.14

ENNATURE BIO-PHARMA PLANT:

a.	Capital	353.48
b.	Recurring	36.13
c.	Total	389.61
d.	Total Expenditure as a percentage of turn over	New projects, still under conclusion

B. Technology absorption and innovation

Chemical plant:

- 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.
- Developed new cost effective emulsifier for emulsion explosive.

Ennature bio-pharma plant:

- All the technologies are developed in-house.
- Developed environmental friendly process for manufacturing different herbal extracts, nutraceuticals, spices, oils and oleoresin

Distillery plant:

- To develop the strain which may sustain at higher percentage of alcohol in medium (> 12%) and to increase the fermentation efficiency up to 95%.

Information about imported technology (imported during the last 5 yrs reckoned from beginning of the financial year)

Technology imported	Year of import	Has technology been absorbed	If not fully absorbed, areas where this has not been taking place reasons thereof and future plan
MEG Debottlenecking	2007	YES	Completed in May'2008
Carbon Dioxide	2007	YES	Completed in May'2008
Super Critical Fluid Extraction	2007	YES	Completed in March'2008

Foreign exchange earning and outgo:

(i)	Activities relating to exports, initiative taken to exports, development of new export for products and services and export plans.	:	Total Export During - Rs.40106 Lacs during the year 2009-10
(ii)	Total Foreign Exchange used	:	Net earning of Rs.8616.44 lacs (Previous year net earning of Rs.7866 lacs)

For and on behalf of the Board

Place: Noida, U.P.
Date: 4th May, 2010

U.S. Bhartia
Chairman & Managing Director

Management Discussion and Analysis Report

Products

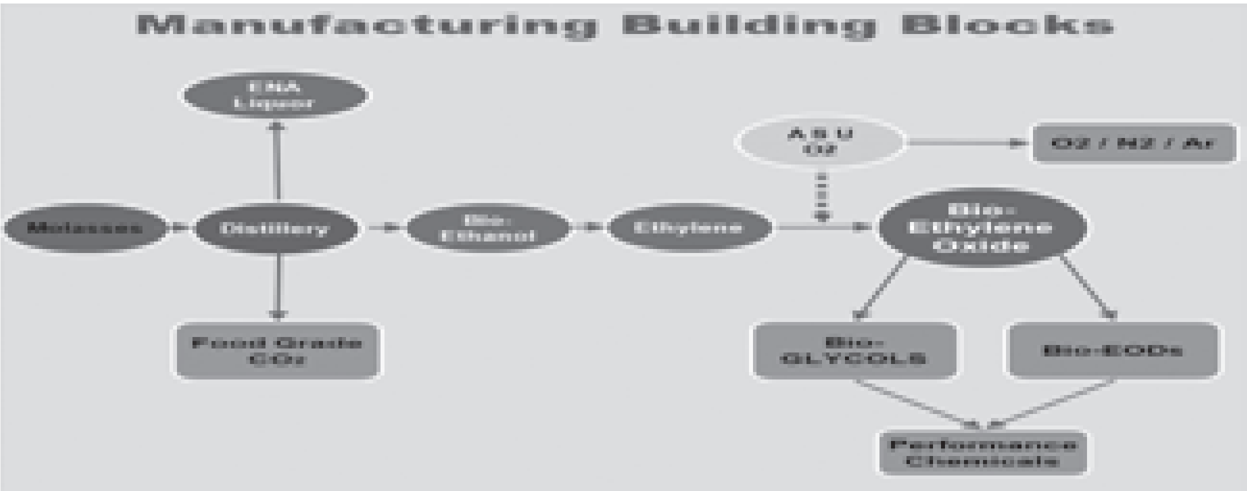
INDIA GLYCOLS LIMITED is one of the leading manufacturer of Glycols, Ethylene Oxide Derivatives, Ethyl Alcohol (Potable),

Natural Gum & Derivatives and Industrial Gases. Our belief in providing the desired products with the help of the best technology is reflected in our state-of-the-art integrated manufacturing facilities.

The manufacturing building blocks are represented :-

The segmentwise business share is indicated as follows :-

Segment	Sales Value 2009-10 (Rs. In Millions) (domestic + Exports)	% Share
A. Chemicals		
Glycols (MEG, DEG, TEG and Heavy Glycols)	2,323	17%
Ethylene Oxide Derivatives (EODs)	6,754	50%
B. Ethyl alcohol (potable)	3,871	29%
C. OTHERS	507	4%
TOTAL	13,455	100%



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

A. Chemical segments comprises :-

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

B. Ethyl Alcohol (Potable) and Extra Natural Alcohol

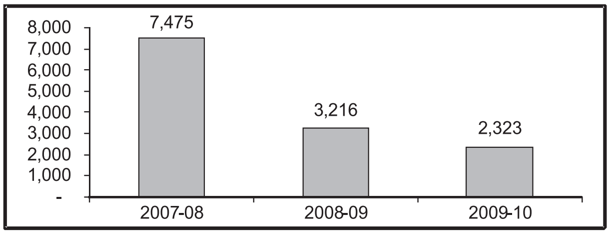
C. Others includes High Sulphur Alcohol, Hydro Choloric Acid, Natural Gum, Industrial Gases, Nutraceuticals and Herbal Extraction etc.

Glycols

Sales of Glycols (MEG, DEG, TEG and Heavy Glycols) has been reduced from 63159 MT to 43677 MT and in Sales Value from Rs.3216 million in FY 2008-09 to Rs. 2323 million in FY 2009-10. Sales volume of Glycols has been adversely affected mainly due to meltdown in the world economies, adversely affecting Glycols demand resulting in its surplus supply globally. However, the prices of feedstock like molasses and alcohol did not come down in line with international prices of crude oil.

The performance was adversely affected as domestic prices of our feedstock viz. molasses and alcohol was high on account of poor availability of sugar cane, therefore, the Company had to depend upon imported Alcohol. Consequently, Company was forced to regulate its Glycols production and diversified toward production of high value Ethylene Oxide Derivatives (EODs), which could provide better margins as compared to Glycols.

	2007-08	2008-09	2009-10
Sales Value (Rs. In Million)	7,475	3,216	2,323



Opportunities & challenges

There has been substantial increase in polyester manufacturing capacities in India due to major expansion undertaken at Reliance, Indo Rama, JBF and Garden Mills. Consequently, polyester industry is expected to grow at 11% during the financial year 2009-10. Overall demand of MEG in India is 1,400,000 MTPA as compared to supply of 750,000 MTPA and the balance shortfall is being met by imports.

Despite the recessionary trend in the international markets, there is high demand of MEG in India due to increased capacity of polyester production and low input prices. The viability of manufacture MEG from alcohol would improve once sugarcane crop is better and improved demand of petrochemical products will result in firming up of Crude, Ethylene and Glycols prices in the international markets, as is being noticed in the recent months. Meanwhile, we are promoting our Glycols as BIO/GREEN MEG to potential customers interested in meeting their objective of using environment friendly chemicals made from natural renewable resources. We are hopeful to convert this concept further into a good business opportunity in the coming years.

In terms of challenges, there is a capacity creation in Saudi Arabia and Iran, which may result in short term excess availability of MEG in the world market during the year 2010-11. However, increase in demand of petrochemicals post recovery period has resulted in higher Ethylene prices. This has helped in stabilising price of MEG at around $ 900 per MT. Large availability of PTA and MEG at competitive prices will result in price competitiveness of polyester compared to cotton resulting in its higher growth in the subsequent years.

Company, in its long term strategy, is shifting from commodity to niche markets and speciality products and would divert EO molecule for MEG and EO Derivative/ Speciality products which will give us a much better returns. Our market share for EODs and Speciality products have gone up from 40% to 61% over the previous year sales. Moreover, the niche markets of BIO MEG in the packaged water, automobile, personal care & cosmetics are going to give us better margins.

Ethylene oxide derivatives (EODs)

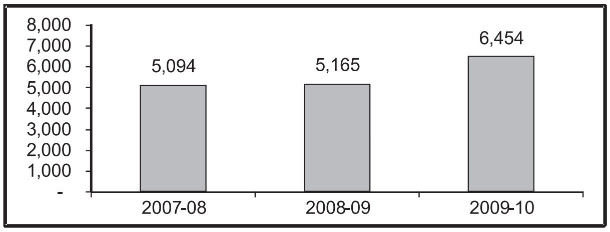
The EO Derivatives business has registered higher sales of 97254 MT from 63908 MT during previous year and in Sales Value Rs. 6754 million as compared to Rs 5165 million in 2008-09. This has happened mainly due to increased availability of EODs as new capacities have been commissioned during the year. This segment accounted for 74% of company's total net revenues of Chemical business and is highest contributor at 50% of the total revenue of the Company.

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

The company aims to increase its business by developing new products and applications especially in areas of Textile Chemicals, Oil field Chemicals, Paper Chemicals, Home Care & Personal Care applications.

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

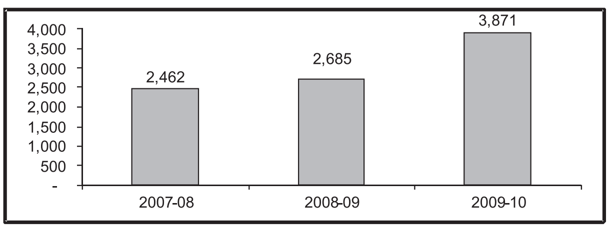
	2007-08	2008-09	2009-10
Sales Value (Rs. In Million)	5,094	5,165	6,454



Ethyl alcohol (potable) and extra natural alcohol

In the Ethyl Alcohol (Potable) and Extra natural Alcohol segment, Company registered total sales of Rs.3871 million compared to Rs.2685 million last year and Rs. 2462 million a year before. Efforts are being made to further increase sales in the segment.

	2007-08	2008-09	2009-10
Sales Value (Rs. In Million)	2,462	2,685	3,871

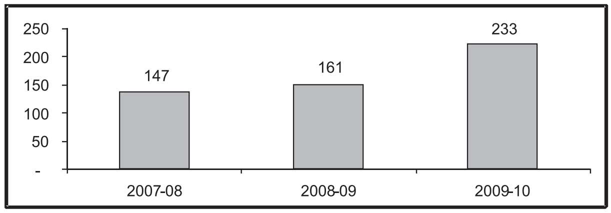


Industrial gases

Company produced 55095402 NM^3 of Oxygen and 16119619 NM^3 of Nitrogen during the year. Both Oxygen and Nitrogen were successfully marketed and also used for own requirement of MEG Plant. Industrial gases division also produced 1449028 NM^3 of Argon and 30394 MT of Carbon Di-oxide, which were marketed at remunerative prices.

Under the Industrial Gases division, Company registered total sales of Rs.233 million compared to Rs.161 million last year and Rs. 147 million a year before.

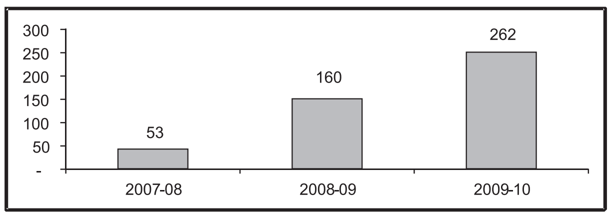
	2007-08	2008-09	2009-10
Sales Value (Rs. In Million)	147	161	233



Natural gum

During the year under review, Company produced 4159 MT of Natural Gum and achieved total sales of Rs.262 million out of which the export turnover was Rs.258 million compared to total sales of Rs. 160 million last year out of which the export turnover was Rs.151 million.

	2007-08	2008-09	2009-10
Sales Value (Rs. In Million)	53	160	262



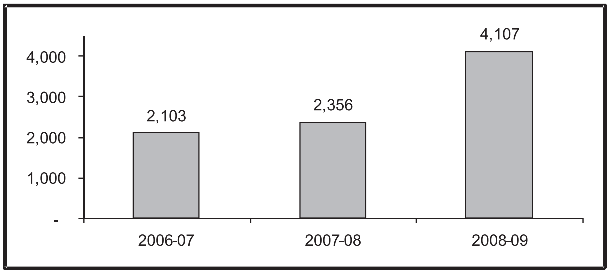
Exports

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 has achieved a growth of more than 74% in turnover from Rs.2356 million in 2008-09 to Rs.4107 million in 2009-10. The products exported are Ethylene Oxide Derivatives, which with increased capacities would result in higher export values. The future thrust would also be in the area of marketing Bio-MEG to niche markets for achieving better contribution.

Company has registered growth in EXPORTS despite slow down in the international markets. We expect to increase our exports in the coming year by focussing on Bio-MEG and Ethylene Oxide Derivatives.

	2007-08	2008-09	2009-10
Exports Sales Value (Rs. In Million)	2,103	2,356	4,107



The major export markets are South East Asia, Middle East and China as we have logistic advantage in these region. The Company exports to more than 35 countries worldwide and the thrust for exports would be to other regions in Europe, USA & Latin America.

Financial review

During the year under review, performance of the Company has shown significant improvement consequent to the improvement in the overall economic situation worldwide. The price of Glycols have started showing on upward trend and have since improved from a low of US$ 544 per MT to US$ 1005 per MT by last quarter of the year. However, the prices of feedstock like molasses and alcohol did not come down in line with international prices of crude oil. During the year under review, the performance was adversely affected as domestic prices of our feedstock viz. molasses and alcohol was high on account of poor availability of sugar cane, therefore, the Company had to depend upon imported Alcohol. Consequently, Company was forced to regulate its Glycols production and diversified toward production of high value Ethylene Oxide Derivatives (EODs), which could provide better margins as compared to Glycols.

Sales and other income for the year under review has been Rs.134555 Lacs compared to Rs.114125 Lacs last year and Rs.153868 lacs a year before. Profit before depreciation, exceptional item and tax for the year has been Rs.7390 Lacs as compared to Loss of Rs.3308 Lacs last year and Profit of Rs.30367 lacs a year before and net profit after tax for the year has been Rs.2000 Lacs.

Profitability has also improved on account of reduction in interest cost during the year. The borrowing cost of funds has reduced to Rs.3219 lacs as compared to Rs.7706 lacs last year. This has happened due to better financial management, recourse to low cost borrowings in form of Packing Credit in foreign exchange, Buyers' Credit and favorable exchange rate movement.

During the year under review, Company has raised Rupee Term Loans of Rs.2450 million to part finance the project cost of ongoing capital expenditure. The Company has repaid total loans of Rs.2040 million, out of which Company repaid Rupee Term Loan of Rs.1225 million and Foreign Currency Loans of US$ 13.29 million and JPY 276.25 million equivalents to Rs.815 million.

During the year under review, the gross fixed assets have been increased to Rs.12204 million from Rs.10861 million in 2008-09.

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

SAFETY, HEALTH, ENVIRONMENT & MANAGEMENT SYSTEMS

SAFETY

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

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

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

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

HEALTH

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

ENVIRONMENT

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

To make the system more Eco-friendly, company has set up controlled land application, which is giving good results. The response from farmers has been very encouraging. Company has also set up a bio-composting facility to produce natural manure with highly encouraging results of using this in substitution to chemical fertilizers. Towards improvement of the environment company has developed a green belt all around its factory by growing approx. 70,000 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 way of adopting controlled land application, bio-composting, RO, concentration followed by incineration to conserve the fossil fuel and other effective and competitive techniques.

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

MANAGEMENT SYSTEMS

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) and Food Safety Management System (ISO 22000:2005). Integrated Management System has been accredited by M/s DNV, a renowned certification agency.

LEAN MANAGEMENT

Company is adopting a systematic approach to identifying and eliminating waste (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, workplace organization, visual controls, effective plant layout, and quality at the source, batch reduction, teams, customer demand-based manufacturing, point-of-use storage, quick changeover, cellular manufacturing, Takt time, process improvements, Kaizen, world class manufacturing, synchronous manufacturing, and inventory management.

RESEARCH & DEVELOPMENT CENTRE (R&D)

Innovation has been the key driver of the business in the Company, facilitating value addition to the customers via new products and new processes. Innovation strategy of IGL has always been architectured in line with the vision and mission of the organization i.e. to establish the company as a "solution provider". The state-of-the-art R & D Centre at Kashipur is equipped with most modern and advanced instruments and a pool of highly experienced and dedicated scientists. These scientists are continuously engaged in developing next generation environment friendly products and in turn creating high growth opportunities for the business. Needless to mention that our ability to respond rapidly and flexibly has made us preferred partner with most of the important customers.

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

The R & D Centre is duly recognized by the Department of Science & Technology(DST), Government of India allowing us to participate in research programs of national interest.

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

1. Textile Processing (Fiber & Fabric processing)

Development of Cost-effective next generation Spin Finishes, Biodegradable and user friendly Scouring Agents, Enzyme base Products for desizing & Bio-scouring, New ultralow foaming mercerizing agent and Insitu-Zwitterionic Softener.

2. Crop-Protection Business

Development of Water Retention Aid for Desert Gardening, Emulsifier for newly introduced combo pesticide formulation, Wetting and dispersing agent for powder pesticide formulation, Emulsifier for suspension concentrate, Emulsifier for "Emulsion in Water (EW)" formulation and Biodegradable Surfactants for WDG.

3. Oil & Gas Industry

Development of Low temperature & low doge demulsifier for crude oil, Drilling fluid additive, Low dosage Biocides, Green Demulsifiers for Crude oil, Cost effective Scale Inhibitors and Corrosion inhibitors for refinery.

4. Fertilizer & Cement industry

Development of Anti-caking agent (oil soluble) for DAP / NPK fertilizer, Strength improver for Cement, Import Substitute of Ceramic Tile Printing and Nonionic Oil / Water Soluble Defoamer for phosphatic fertilizer.

5. Emulsion Polymerization & Paint Industry

Development of Specialty surfactant for pigment dispersion, Biodegradable emulsifier for emulsion polymerization and Defoamer for paint formulation.

6. Paper Industry

Development of Dry strength resin, Deinking chemicals for recycle paper (floatation process), Defoamer for paper machine and Low dosage cost effective cooking aid.

7. Automobile industry

Development of Lubricant additives and Engine Coolant with Hybrid Technology.

8. Detergent / Personal care Industry

Development of Biodegradable nonionic surfactant for house-hold cleaning & personal care and Surfactant for acid thickener.

9. Mining / Ore Industry

Development of cost effective binder for ore beneficiation.

10. Low PEG Ethoxylates

Development of Low PEG content Environment Friendly higher mole Ethoxylates.

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 operation of the products at customers' end, further more the life cycle analysis and biodegradability is ensured.

RISK AND CONCERNS

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

The Company has also set up a RAB Unit at Kashipur to supplement the feedstock requirement of the Company and thereby reducing the dependence on availability of raw material from external sources.

The Company has launched various incentives plans for the cane growers and for development of cane growing area, result of which has been shown as upward growth of cane growing areas in Uttarakhand (as per Government statistics).

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

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

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 Harbal Extraction, Industrial Gases and Natural Gum to minimise 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 loan transactions which are of long term nature.

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 followup 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 Department of Company 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 amendment in the Companies Act, 1956 and Listing Agreement with Stock Exchanges. Most of the provisions of the Corporate Governance code prescribed by the Companies Act and the Listing Agreement have been complied with and balance will be complied within the prescribed period.

Board of Directors

a) Composition of the Board

As on 31st March, 2010 the Board of Directors comprised of Eight Directors out of which Six are Non-Executive Directors, one Managing Director and one Executive Director. Out of the Eight Directors Company has Four Independent Directors.

b) Number of Board Meetings

During the year ended 31st March, 2010, Four Board Meetings were held on 20th June, 30th July, 26th October, 2009 and 25th January, 2010.

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	5
Smt. Jayshree Bhartia	Promoter Director	4	2	No	2
Shri Pradip Kumar Khaitan	Non-Independent Director	4	4	No	13
Shri Autar Krishna	Independent Director	4	3	No	7
Shri Ravi Jhunjhunwala**	Independent Director	2	0	NA	9
Shri Jagmohan N. Kejriwal	Independent Director	4	3	No	Nil
Shri R.C. Misra	Independent Director	4	4	Yes	Nil
Shri M.K. Rao	Executive Director	4	4	Yes	Nil

NOTE: 1. 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

** Appointed as a Director w.e.f. 26.10.2009

2. Shri K.N. Memani has resigned from the Board of Directors w.e.f. 12.06.2009.

d) Disclosures

(i) The details of related party transaction with the Company as required by Accounting Standard (AS-18) on Related Party Transactions have been given in note no. 16 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.

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

(iii) Following Non-executive directors are holding equity shares of the company as per following details.

Name of Director	No of Shares
Smt. Jayshree Bhartia	383518
Shri R.C. Misra	500
Shri Autar Krishna	1000

e) Remuneration of Directors, sitting fees etc. for the year 2009-10

During the year under review, in view of the inadequate profits of the Company, the shareholders at their meeting held on 24.04.2009 had approved, subject to the approval by the Central Government, the remuneration payable to Chairman and Managing Director w.e.f. 01-04-2008 in excess of the limit specified under Schedule XIII of the Companies Act, 1956. The application is pending for approval with the Central Government. During the year under review, pending approval of the Central Government, the Company has paid salary and perquisites of Rs. 65,98,882/- to Shri U.S. Bhartia, Chairman and Managing Director.

Shri. M.K. Rao, Executive Director was paid salary and perquisites of Rs.40,95,304/-. Besides this, the Executive Director was 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, 2010

Name of director	Commission (Rs.)	Sitting Fee (Rs.)
Smt. Jayshree Bhartia	Nil	1,40,000
Shri Autar Krishna	Nil	1,50,000
Shri Pradip Kumar Khaitan	Nil	80,,000
Shri Jagmohan N Kejriwal	Nil	1,80,000
Shri R.C. Misra	Nil	3,10,000

During the year, payments of Rs. 1817467/- (Eighteen Lakhs Seventeen Thousand Four Hundred Sixty Seven only) were made to Khaitan & Co., 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. All Board members and senior management personnel have affirmed compliance with the code for the year 2009-10, declaration by CMD/CEO to this effect is enclosed with this report.

Committees of the Board

a) Audit Committee

(i) Terms of Reference

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Audit Committee reviews report of the internal 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, 2010, 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	3

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.

b) Investors' Grievance Committee

i) Terms of Reference

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

ii) Composition

As on 31st March, 2010 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	3

iv) Investors' complaints received and resolved during the year

During the year under review, Company had received 45 Investors' Complaints upto 31st March, 2010 Company had redressed 45 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, 2010, 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 15 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	15
Smt Jayshree Bhartia	Member	14
Shri Jagmohan N Kejriwal	Member	0
Shri R.C. Misra	Member	10

d) Investment Committee

i) Terms of Reference

The Committee of Board of Directors is constituted to consider and approve Corporate Loans and Investment and invest surplus funds from time to time in marketable securities.

ii) Composition

As on 31st March, 2010, the Committee comprises of three Directors, namely, Shri U.S. Bhartia, Shri R.C.Misra and Shri Pradip Kumar Khaitan.

iii) Attendance record of the Investment Committee

The Committee met two 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	2
Shri R.C. Misra	Member	2
Shri Pradip Kumar Khaitan	Member	0

e) Committee for Borrowing

i) Terms of Reference

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

ii) Composition

As on 31st March, 2010, the Committee comprises Shri U.S. Bhartia, Chairman and Managing Director and two non-executive Independent Directors namely Shri R.C.Misra and Shri Autar Krishna.

iii) Meetings of Borrowing Committee

No meeting of Borrowing Committee has been held during the year.

f) Appointment and Remuneration Committee

i) Terms of Reference

The Committee has been constituted to consider and review Remuneration of Managing Director, Executive Director , Chief Executive Officer, Chief Financial Officer, Company Secretary and other functional heads.

ii) Composition

As on 31st March, 2010, the Committee comprises three non-executive Directors namely, Shri R.C. Misra, Shri Pradip Kumar Khaitan and Shri Jagmohan N. Kejriwal.

iii) Attendance record of the Remuneration Committee

No meeting of Remuneration Committee has been held during the year.

g) 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, 2010, 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 Audited Financial Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are published in accordance with the guidelines of Stock Exchanges and are posted on the Web-site of the Company.

b) Investor Grievances

As mentioned earlier, the Company has constituted a 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) General Body Meetings

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

Financial Year	Date	Time	Venue
2008-09	17.08.2009	12.30 P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S.Nagar, Uttarakhand
2007-08	14.08.2008	12.30P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S.Nagar, Uttarakhand
2006-07	25.08.2007	12.30P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S.Nagar, Uttarakhand

No Special Resolution was passed at the AGM held on 25.08.2007. Special Resolutions under section 81 (1A) were passed at the AGM(s) held on 14.08.2008 and 17.08.2009.

e) Postal Ballot

During the year ended 31st March, 2010, there has been no ordinary or special resolution passed by the Company's Shareholders through postal ballot.

Additional shareholders information

a) Annual General Meeting

Date	:	21st August, 2010
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 2010-11, the tentative dates for approval of unaudited financial results will be by August 14, 2010 for the first quarter, by 14th November, 2010 for half-yearly, 14th February, 2011 for third quarter for Unaudited Results and by 14th May / 31st May, 2011 for approval of Unaudited 4th Quarter/Audited Results (2010-11).

c) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 10th August, 2010 to 21st August, 2010 (Both days inclusive)

d) Dividend Payment Date:

26th August, 2010

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, 2010 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 Limited for the financial year ended 31.03.2010 has been paid.

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

NSDL - INE 560A01015

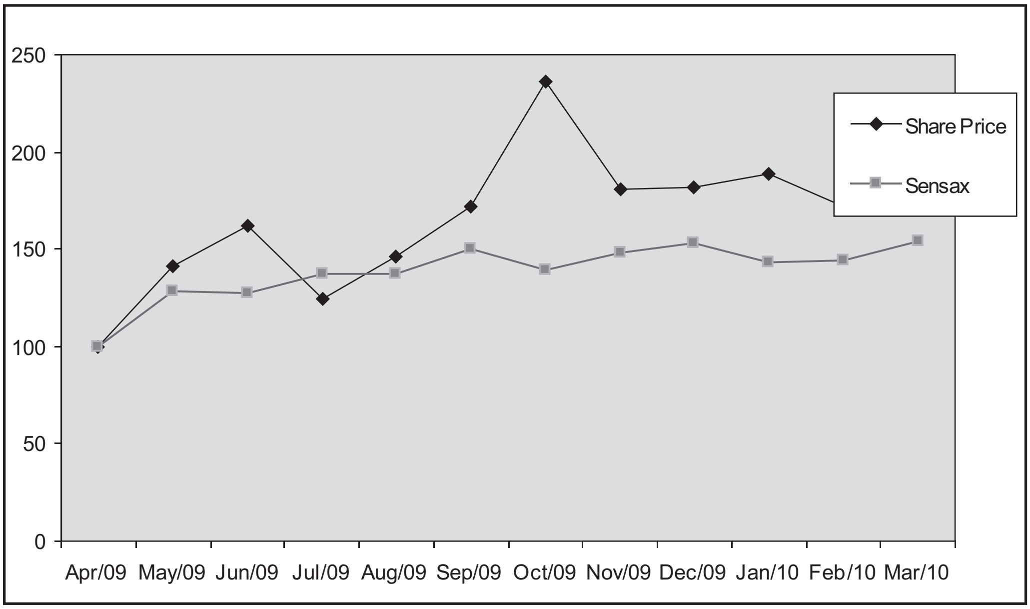
CDSL - INE 560A01015

f) Stock Data

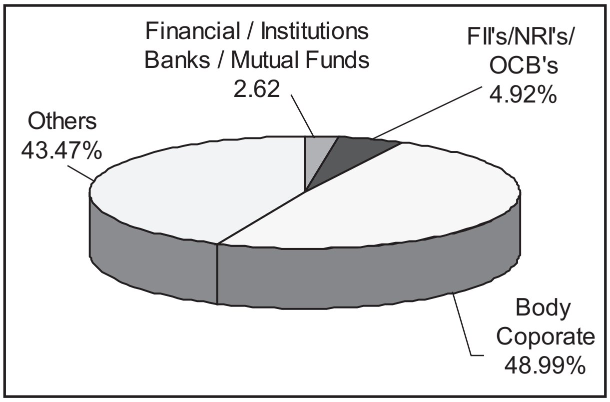
High/Low of market price of the Company's equity shares traded on the Bombay Exchange Mumbai Ltd. during the financial year ended 31st March, 2010 was as follows:

Month	High	Low	Sensex
April, 2009	72.90	44.85	11,403.25
May, 2009	102.95	57.00	14,625.25
June, 2009	118.00	71.65	14,493.84
July, 2009	91.00	66.25	15,670.31
August, 2009	106.80	82.70	15,666.64
September, 2009	125.55	97.50	17,126.84
October, 2009	172.40	102.60	15,896.28
November, 2009	132.15	107.15	16,926.22
December, 2009	132.50	118.40	17,464.81
January, 2010	137.80	112.00	16,357.96
February, 2010	125.60	105.80	16,429.55
March, 2010	133.40	118.80	17,527.77

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



(h) Distribution of shareholding as on 31st March, 2010



i) Shares held in physical and dematerialised form

As on 31st March, 2010, 45.75% of shares were held in dematerialised form and 54.25% in physical form.

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

Nil

k) Plant Locations

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

2) E-1, Sector-15, Gorakhpur Industrial Development Area, Gorakhpur, Uttar Pradesh.

3) Plot No. 3 & 4 Pharma City, Selaqui, Dehradun, Uttarakhand

l) Address for correspondence

India Glycols Limited, 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

ECS facility for payment of dividend is presently available at Agra, Ahmedabad, Amritsar, Bangaluru, Bhubaneswar, Bhopal, Chandigarh, Chennai, Coimbatore, Delhi, Guwahati, Hyderabad, Indore, Jaipur, Kanpur, Kochi, Kolhapur, Kolkata, Lucknow, Ludhiana, Madurai, Mangaluru, Mumbai, Nagpur, Patna, Panaji, Pune, Rajkot, Surat, Vadodara, Vidisha and Thiruvananthapuram. Shareholders can obtain ECS application form from Head Office at 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.

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 2009-10 pursuant to the requirement of the Clause 49 of the Listing Agreement as amended.

for India Glycols Limited

Place : Noida, U.P.

Date : 4th May, 2010

U.S. Bhartia

Chairman and Managing Director

Auditor's 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, 2010,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, 2010, 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

Camp : Noida, UP

Date : 4th May, 2010

Partner

Membership. No. 85155

Auditors' Report

To
The Members of
INDIA GLYCOLS LIMITED

We have audited the attached Balance Sheet of INDIA GLYCOLS LIMITED as at 31st March, 2010, the Profit and Loss Account and the also Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") as amended by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ("The Act"), we enclose in the Annexure a statement on the matters specified in the paragraphs 4 & 5 of the said Order.

2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

   e) As per explanations and information given to us, none of the directors of the Company is disqualified from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f) Attention is invited to;

      (i) Note no. 9 of schedule 'L' regarding investment made in subsidiaries amounting to Rs.3854.91 lacs, where in the opinion of management no provision for diminution is necessary considering the long term nature and the intrinsic value of the assets of subsidiary companies as stated in the said note.

      (ii) Note no. 1 (B) of schedule 'L' regarding pending export obligation against custom duty saved on raw material consumed, under advance license as stated in the said note.

      In our opinion and to the best of our information and according to the explanations given to us, the said statements of account read together with notes thereon, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010;

      (ii) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Lodha & Co.,
Chartered Accountants

(N. K. Lodha)
Partner
M. No.: - 85155
Firm Registration No: 301051E

Date : 04.05.2010
Camp : 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, 2010)

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 according to the regular programme of physical verification once in every three years, in phased manner, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.

(c) As per the records and information & 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 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 has been maintaining proper records of inventory except in certain cases where records for receipts and issue of inventory are, as explained, in process of compilation /updation. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

iii. The Company has neither granted nor taken during the year any loans, secured or unsecured to and from companies, firms or other parties listed in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4 (iii) (b) to (d) and (f) & (g) of the Order are not applicable to the Company.

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 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 adequate internal control system which needs to be further strengthened 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 (read with note no.13 of schedule L). 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 Rs. 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. In our opinion, 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 generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax (except some delay), 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, 2010 for a period of more than six months except Service Tax amounting to Rs.4,48,392/- and TDS Rs1,050/- (since paid).

(b) According to the records and information and explanations given to us, there are no dues in respect of Income Tax, Service Tax, Custom Duty and Wealth Tax, that have not been deposited with the appropriate authorities on account of any dispute and dues in respect of Sales Tax, Excise Duty 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:-

Name of the Statue	Nature of Dues	Amount (Rs. In Lacs)	Period	Forum where dispute is pending
Custom Act	Custom duty	11.42	1992-93	High Court - Uttaranchal
		221.93	2004-05, 2009-10	Commissioner of Custom
Central Excise Act	Excise Duty	0.94	1996-97,	CESTAT
		79.07	2007-2008	CESTAT
		42.73	2006-07	CESTAT
		91.93	2006-10	Commissioner of custom.
Finance Act 1994	Service Tax	10.18	2005-08	Asstt. Commissioner
		3.60	2009-10	Commissioner (Appeal)
		72.60	2004-07	Additional Director, Delhi Zone, Directorate, Director General of Central Excise of Intelligence

This is to be read with note no.1 of schedule L

x. The Company does not have accumulated losses at the end of financial year and in the current financial year Company has not incurred cash losses, however Company had incurred cash loss in the immediate preceding financial year.

xi. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial 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 (a Subsidiary Company) amounting to Rs.22,513 lacs as stated in note no.1 (iii) of schedule 'L'. The terms and conditions on which the Company has given guarantees for loans taken by others from banks are not, prima facie, prejudicial to the interest of the Company. As explained to us, the Company has not given any guarantee for loans taken by others from financial institution.

xvi. According to the information and explanations given to us, term loans have been applied for the purposes for which they were obtained.

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 as at close of the year.

xviii. According to the information and explanation given to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Act.

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 debentures during the year.

xx. The Company has not raised any money through a public issue during the year.

xxi. As per information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of the audit.

For Lodha & Co.,
Chartered Accountants

(N. K. Lodha)
Partner
M. No.: - 85155
Firm Registration No: 301051E

Date : 04.05.2010
Camp : Noida, UP

Balance Sheet as at 31st March, 2010

(Rs.in lacs)

	Schedule	As at 31.03.2010		As at 31.03.2009	
SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	A	2788.25		2788.25	
b) Reserves and Surplus	B	36600.45	39388.70	35090.25	37878.50
2. Loan Funds	C				
Secured Loans		109656.62		77763.88	
Unsecured Loans		3542.49	113199.11	14368.89	92132.77
3. Deferred tax liability (net)			4692.64		3582.24
TOTAL			157280.45		133593.51
APPLICATION OF FUNDS					
1. Fixed Assets	D				
Gross Block		122042.55		108605.43	
Less: Depreciation		41829.97		36079.12	
Net Block		80212.58		72526.31	
Capital work-in-progress		32251.53	112464.11	33992.84	106519.15
(Including advances and pre-operative expenses)					
2. Investments	E		4119.11		1301.23
3. Current Assets, Loans and Advances	F				
Inventories		29570.79		21519.19	
Sundry Debtors		11596.11		6934.04	
Cash and Bank Balances		4411.32		3821.47	
Loans & Advances		16853.37		16898.51	
		62431.59		49173.21	
Less: Current Liabilities and Provisions	G				
Current liabilities		16985.18		18706.13	
Provisions		4782.25		4855.24	
		21767.43		23561.37	
Net Current Assets			40664.16		25611.84
4. Foreign Currency Monetary Item Translation Difference			33.07		161.29
TOTAL			157280.45		133593.51
Notes to the Accounts	L				

Schedules referred herein above form integral part of the Balance Sheet

As per our report of even date

For **Lodha & Co.**
Chartered Accountants

N.K. Lodha
Partner
M.No. 85155
Camp : Noida, UP
Dated : 4th May, 2010

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

Place : Noida, UP
Dated : 4th May, 2010

M.K. Rao
Executive Director

Anand Singhal
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

Jayshree Bhartia
Pradip Kumar Khaitan
R. C. Misra
Ravi Jhunjhunwala
Autar Krishna
Jagmohan N. Kejriwal
Directors

Profit and Loss Account for the year ended 31st March, 2010

(Rs. in lacs)

	Schedule	Current year	Previous year
INCOME			
Sales	H	**134554.63**	114125.16
Less: Excise Duty recovered on Sales		**23631.25**	17889.15
Net Sales		**110923.38**	96236.01
Other Income	H	**3944.77**	2834.93
Increase/ (Decrease) in Stocks	I	**4945.24**	685.76
		119813.39	99756.70
EXPENDITURE			
Manufacturing & Other Expenses	J	109204.35	95358.97
Finance Charges (net)	K	3218.54	7705.63
		112422.89	103064.60
Profit / (Loss) before Depreciation, Exceptional Item and Tax		7390.50	(3307.90)
Depreciation	D	5907.16	5673.45
Profit / (Loss) before Exceptional item & Tax		1483.34	(8981.35)
Less: Exceptional item (refer Note no. 12 of Sch -L)		(1626.58)	4743.67
Profit after Exceptional item		3109.92	(13725.02)
Profit / (Loss) Before Tax		3109.92	(13725.02)
Provision for tax			
- Current tax		492.43	-
- Deferred tax Charged / (Credit)		1110.40	(4946.89)
- Tax for earlier years		-	284.41
- Fringe Benefit Tax		-	126.62
- Minimum Alternate Tax Credit entitlement		(492.43)	-
Net profit / (loss) for the year		1999.52	(9189.16)
Balance brought forward		25698.40	35213.78
Balance available for Appropriation		27697.92	26024.62
Transfer to General Reserve		100.00	-
Proposed Dividend		418.24	278.83
Corporate Dividend Tax		71.08	47.39
Balance carried forward		**27108.60**	**25698.40**
Earning per share basic/ diluted		7.17	(32.96)
Notes to the Accounts	L		

Schedules referred herein above form an integral part of the Profit & Loss Account
As per our report of even date

For Lodha & Co.
Chartered Accountants

N.K. Lodha
Partner
M.No. 85155
Camp : Noida, UP
Dated : 4th May, 2010

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

Place : Noida, UP
Dated : 4th May, 2010

M.K. Rao
Executive Director

Anand Singhal
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

Jayshree Bhartia
Pradip Kumar Khaitan
R. C. Misra
Ravi Jhunjhunwala
Autar Krishna
Jagmohan N. Kejriwal
Directors

Schedules forming part of the Balance Sheet

(Rs.in lacs)

	As at 31.03.2010	As at 31.03.2009
Schedule A SHARE CAPITAL		
A. Authorised		
30000000 (P.Y. 30000000) Equity Shares of Rs. 10 each	3000.00	3000.00
B. Issued, Subscribed and Paid up		
27882500 (P.Y.27882500) Equity Shares of Rs.10 each fully paid up	2788.25	2788.25
	2788.25	2788.25

	As at 01.04.2009	Additions	Deductions	As at 31.03.2010
Schedule B RESERVES AND SURPLUS				
Capital Reserve	463.25	-	-	463.25
General Reserve	8728.60	100.00	-	8828.60
Reserve for Contingencies	200.00	-	-	200.00
Surplus in Profit & Loss Account	25698.40	1999.52	589.32	27108.60
	35090.25	2099.52	589.32	36600.45
	(45,480.18)	(400.00)	(10,789.93)	(35,090.25)

	As at 31.03.2010	As at 31.03.2009
Schedule C LOAN FUNDS		
Secured Loans		
Rupee Term Loans		
Banks (Note 3)	40925.17	37567.82
Others (Note 3)	16.56	7.04
FOREIGN CURRENCY TERM LOANS		
Banks	11927.52	15527.59
BUYER'S IMPORT CREDIT - BANK	25538.66	-
WORKING CAPITAL LOANS FROM BANKS	31248.71	24661.43
(Including working capital demand loan Rs.3759.04 lacs previous year Rs.6613.87 lacs)	109656.62	77763.88
UNSECURED LOANS		
Fixed Deposits	742.80	1187.48
Buyer's Import Credit - Bank	-	8805.45
From Subsidiary Company	-	1200.00
Short Term Rupee Loan - Bank	2500.00	2500.00
Foreign Currency Term Loan - Bank	299.69	675.96
	3542.49	14368.89

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

Schedules forming part of the Balance Sheet

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

3 Rupee Term Loans include loans from Banks of Rs.NIL (Previous year Rs. 9.36 Lacs)and from others of Rs.16.56 Lacs (Previous year Rs. 7.04 Lacs) secured by hypothecation of Motor Vehicles purchased there under.

Schedule D FIXED ASSETS

(Rs. in lacs)

	GROSSBLOCK				DEPRECIATION				NETBLOCK	
Description	As at 01.04.2009	Addition/ Adjustment	Deduction/ Adjustment	As at 31.03.2010	Upto 01.04.2009	For the year	Deduction/ Adjustment	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	1271.77	-	-	1271.77	-	-	-	-	1271.77	1271.77
Leasehold Land	1125.26	285.71	-	1410.97	85.26	16.64	-	101.90	1309.07	1040.00
Buildings	3803.01	6424.44	-	10227.45	770.62	164.58	-	935.20	9292.25	3032.39
Plant & Machinery	99244.91	5391.10	2.25	104633.76	33834.16	5374.93	0.58	39208.51	65425.25	65410.75
Furniture & Fixtures	1612.16	1394.98	128.00	2879.14	854.35	192.52	101.94	944.93	1934.21	757.81
Vehicles (*)	944.02	53.68	106.26	891.44	268.65	83.89	53.79	298.75	592.69	675.37
Intangible Assets										
-Specialised										
Computer software	604.30	123.72	-	728.02	266.08	74.60	-	340.68	387.34	338.22
Total	**108605.43**	**13673.63**	**236.51**	**122042.55**	**36079.12**	**5907.16**	**156.31**	**41829.97**	**80212.58**	**72526.31**
Previous Year	102200.29	10143.99	3738.85	108605.43	32531.99	5631.79	2084.66	36079.12		
Capital Work-in-progress									32251.53	33992.84
									112464.11	106519.15

Capital Work in progress {include advance and preoperative expenses (refer note no.15 of Sch-L)}

Depreciation Nil (previous year 4.12 Lacs) on Dehradun assets transferred to Pre-operative expenses.

Depreciation Nil (previous year Rs.-45.78 Lacs) on account of AS-11 Exchange fluctuation gain for 2007-08 addition adjusted with General Reserve.

(*) Gross Block includes Rs.20.73 Lacs (previous year Rs. 74.59 Lacs) Secured by hypothecation against loan

Schedules forming part of the Balance Sheet

(Rs.in lacs)

		Nominal Value	As at 31.03.2010	As at 31.03.2009
Schedule E	**INVESTMENTS**			
LONG TERM INVESTMENTS (at cost, net of provision for diminution)				
Unquoted, fully paid up (Subsidiary Companies)				
Non-trade - Wholly owned				
1000000*	(P.Y. 5000000) Equity Shares of IGL Finance Ltd.	Rs.10.00	75.00	75.00
100000	Equity Shares of IGL CHEM International. PTE Ltd.,Singapore	SGD 1.00	27.41	27.41
Non-trade				
34112100*	(P.Y. 31724200) Equity Shares of Shakumbari Sugar & Allied Industries Ltd.	Rs.10.00	2827.50	1002.50
10000000	10% Cumulative Redeemable Preference Shares of Shakumbari Sugar & Allied Industries Ltd.	Rs.10.00	1000.00	-
			3929.91	1104.91
* Refer note no. 8 & 9 of schedule L				
Quoted, fully paid up (Others)				
211360	Equity Shares of IDBI Bank Ltd	Rs.10.00	105.00	105.00
34000	Equity Shares of Axis Bank Ltd.	Rs.10.00	7.14	7.14
2500	Equity Shares of ICICI Bank Ltd.	Rs.10.00	1.97	1.97
			114.11	114.11
CURRENT INVESTMENT				
Unquoted, fully paid up				
668518	UTI Bonds Fund - Dividend Plan	Rs.10.00	75.09	82.21
			75.09	82.21
			4119.11	1301.23
Agregated value of quoted investment			114.11	114.11
Market value of quoted investments			667.48	319.52

Note: The Company has earmarked 668518 UTI Bonds Funds amounting to Rs. 75.09 Lacs & balance amount with bank as Fixed Deposits (Previous Year 668518 UTI Bonds Funds amounting to Rs. 82.21 Lacs) in compliance with the provisions of Rule 3A of the Companies (Acceptance of Deposits) Rules,1975.

Schedules forming part of the Balance Sheet

(Rs.in lacs)

		As at 31.03.2010		As at 31.03.2009
Schedule F CURRENT ASSETS, LOANS AND ADVANCES				
A. CURRENT ASSETS:				
Inventories (As taken, valued and certified by the management)				
Stores and spare parts (Including in transit Rs. 28.62 lacs, previous year Rs. 349.04 lacs)		10368.19		10154.50
Raw Materials (Including in transit Rs 720.29 Lacs, previous year Rs. 200.41 lacs)		8168.74		5821.23
Finished Goods* (Including in transit Rs. 1887.58 lacs, previous year 620.24 lacs)		5391.39		4068.17
Stock-in-process #		5571.78		1334.04
Residue Product		7.66		77.38
Scrap		3.43		3.01
Loose Tools		59.60		60.86
		29570.79		**21519.19**
* Include stock of Rs 147.84 lacs of trial production (P.Y.Rs 55.15 lacs).				
# Include stock of Rs 328.95 lacs of trial production (P.Y. Nil).				
Sundry Debtors				
(Unsecured, Considered Good unless stated otherwise)				
Over six months		262.28		151.52
Others		11333.83		6782.52
		11596.11		6934.04
Over six months doubtful		89.74		299.21
		11685.85		7233.25
Less: Provision		89.74		299.21
		11596.11		**6934.04**
Cash and Bank Balances				
Cash on hand		53.19		128.03
Cheques on hand (incl. Remittances in transit)		28.21		24.40
Balance with Scheduled Banks				
- On Current Accounts		283.87		1140.28
- On Margin Money Accounts (In Fixed Deposits)		3340.46		303.80
- In Fixed Deposit Accounts		600.00		2111.00
- On Dividend Accounts		105.59		113.96
		4411.32		**3821.47**
B. LOANS AND ADVANCES				
(Unsecured, Considered Good unless stated otherwise)				
Inter Corporate Deposit		275.00		75.00
Advances recoverable in cash or in kind or for value to be received	4822.71		4923.47	
Doubtful advances / loans	124.61		124.61	
	4947.32		5048.08	
Less : Provision for doubtful advances / loans	124.61	4822.71	124.61	4923.47
Export Incentive receivable		1297.08		365.38
Balance with Excise Authorities		3968.50		3229.92
Deposits with Government Departments & Others#		1242.26		883.58
MAT credit receivable		1318.13		825.70
Advance Income Tax/ Tax deducted at source		3929.69		6595.46
		16853.37		**16898.51**

includes Fixed Deposit with bank pledged with Government Authorities of Rs. 30.56 lacs (Previous year Rs. 26.26 lacs)

Schedules forming part of the Balance Sheet

(Rs.in lacs)

	As at 31.03.2010	As at 31.03.2009
Schedule G CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors - Micro , Small and Medium Enterprises @	-	0.09
- Others	11090.42	9556.17
Other Liabilities	4211.79	7732.47
Advance from customers	645.52	334.12
Interest accrued but not due on loans	434.05	475.09
Investor education & protection fund shall be credited by		
the following amounts when due:		
(i) Unclaimed Dividends	105.59	113.96
(ii) Unclaimed matured deposits	390.60	385.91
(iii) Unclaimed interest on above (ii)	107.21	108.32
	16985.18	18706.13
B. PROVISIONS		
Income Tax	3841.80	3922.64
Fringe Benefit Tax (Net)	165.53	165.53
Wealth Tax	3.12	2.58
Proposed Dividend	418.24	278.83
Corporate Dividend Tax	71.08	47.39
Retirement benefits	282.48	438.27
	4782.25	4855.24
	21767.43	23561.37

@ Refer note no.13 of Schedule-L

Schedules forming part of the Profit and Loss Account

(Rs.in lacs)

	Current Year	Previous Year
Schedule H SALES AND OTHER INCOME		
SALES (Including Excise Duty)		
Ethylene Glycol	22000.12	28769.89
Di-ethylene Glycol	750.09	2723.50
Heavy Glycol	475.37	662.57
E.O. Derivatives	67538.26	51646.60
Guar Gum Powder and derivatives	2624.26	1603.67
Ethyl Alcohol (Potable)	38707.17	26845.53
Industrial Gases	2330.27	1607.09
Others	86.00	124.79
Sale of traded goods	43.09	141.52
	134554.63	114125.16

Schedules forming part of the Profit and Loss Account

(Rs.in lacs)

	Current Year	Previous Year
Schedule H SALES AND OTHER INCOME (*Contd.*)		
OTHER INCOME		
Dividend on Investment	10.05	13.02
Rent	66.11	56.09
(Tax Deducted at source Rs 11.95 Lacs ; Previous year Rs 12.69 Lacs)		
Miscellaneous Income	1933.37	1685.29
Provision no longer required written back	597.21	-
Exchange fluctuation gain (Net of Loss Rs. 605.47 Lacs)	465.95	-
Sundry balances written back	0.01	0.94
Provision for doubtful debts/Advances written back	99.81	-
Prior period Income (Net of expenses Rs.11.64 lacs, Prevoius. year Nil)	45.38	-
Profit on sale of Current investment	-	3.91
Export Incentive receivable	692.07	567.79
Profit on sale of Fixed Assets	34.81	507.89
	3944.77	2834.93
	138499.40	116960.09

	Current Year	Previous Year
Schedule I INCREASE/ (DECREASE) IN STOCKS		
Closing Stock		
Finished Goods		
- Ethylene Glycol	777.34	409.57
- Di-Ethylene Glycol	144.88	217.87
- Heavy Glycol	189.00	111.93
- E.O. Derivatives	3058.79	2703.25
- Ethyl Alcohol (Potable)	866.32	485.31
- Guar Gum Powder and derivatives	198.87	67.25
- Guar Churi	0.07	0.03
- Industrial Gases	8.28	17.81
Total Finished Goods	5243.55	4013.02
Stock-in-Process	5242.83	1334.04
Residue Product	7.66	77.38
	10494.04	5424.44
LESS : OPENING STOCK		
Finished Goods		
- Ethylene Glycol	409.57	302.19
- Di-Ethylene Glycol	217.87	9.67
- Heavy Glycol	111.93	26.37
- E.O. Derivatives	2703.25	1626.61
- Ethyl Alcohol (Potable)	485.31	396.96
- Guar Gum Powder and derivatives	67.25	82.46
- Guar Churi	0.03	0.03
- Industrial Gases	17.81	17.05
Total Finished Goods	4013.02	2461.34
Stock-in-Process	1334.04	1919.31
Residue Product	77.38	352.36
	5424.44	4733.01
Less: Differencial Excise Duty provided on Stocks.	124.37	5.67
INCREASE/ (DECREASE)	4945.24	685.76

Schedules forming part of the Profit and Loss Account

(Rs.in lacs)

Schedule J MANUFACTURING AND OTHER EXPENSES

	Current Year		Previous Year	
Raw Materials consumed		66459.92		54039.90
Stores and spare parts consumed		10356.92		8856.12
Power and Fuel		18238.45		16272.45
Cost of Traded Goods		43.34		129.60
Salaries, Wages, Allowances, etc.		3643.57		3684.47
Contribution to Provident and other Funds		266.07		242.87
Staff Welfare Expenses		362.08		293.04
Repairs and Maintenance				
- Buildings	249.89		188.85	
- Plant & Machinery	1005.46		1195.01	
- Others	131.08	1386.43	70.88	1454.74
Rent		86.72		141.56
Rates and Taxes		836.21		1010.65
Travelling and Conveyance		1127.84		1208.56
Insurance		249.34		239.80
(Net of recovery from customers Rs.2.78 Lacs, Previous year Rs. 19.43 Lacs)				
Directors' Fee		8.60		10.40
Exchange Fluctuation loss (P.Y. Net of gain Rs 1889.61 lacs)		-		1374.45
Miscellaneous Expenses		1384.05		1318.47
Donation		10.90		358.94
Commission to Selling agents		317.61		347.58
Freight forwarding and others (Net of recovered from customers Rs.964.75 lacs, Previous year Rs.617.98 lacs)		4340.00		3630.12
Bad debts written off	109.66			-
Less : Provision for doubtful debts written back	109.66	-		-
Provision for doubtful debts and advances (Net)		-		264.73
Loss on Sale / Discard of Fixed Assets		33.80		228.98
Commodity Derivative Loss		-		10.01
Provision for diminution in value of Current Investments		7.12		-
Prior period expenses (Net)		-		175.99
(Net of income Rs. nil, Previous year Rs. 13.21 lacs)				
Amortisation of Foreign Currency Monetary Item Transaction Difference		42.26		63.11
Wealth Tax (Net)		3.12		2.43
		109204.35		**95358.97**

(Rs.in lacs)

Schedule K FINANCE CHARGES

	Current Year	Previous Year
Interest on Fixed Loans	3722.20	2370.51
Other Interest	1682.10	2172.02
(Include Rs. 15.77 lacs (previous year Rs. Nil, charge in Income Tax Assessment Orders)		
Financial Charges	1124.54	868.05
	6528.84	5410.58
Exchange fluctuation (gain) / loss - Loans	(2790.95)	2467.00
	3737.89	7877.58
Less: Interest Received (*)		
(Tax Deducted at source Rs 22.89 Lacs, Previous year Rs. 29.68 Lacs)	519.35	171.95
	3218.54	**7705.63**

[(*) Include on deposit Rs. 226.82 lacs, Previous year Rs. 121.78 Lacs and Interest on Income Tax refund Rs 233.18 lacs, previous year Rs.nil and other Rs.59.35 lacs, Previous year Rs.50.17 lacs]

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS

I. ACCOUNTING POLICIES

A. Fixed Assets and Depreciation

(a) (i) All tangible fixed assets are stated at their historical cost less accumulated depreciation. Depreciation on fixed assets, except on leasehold land and 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 are 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.

B. Expenditure During Construction

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

C. Investments

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

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

D. Valuation of Inventories

Inventories are valued 'at lower of cost 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.

E. Foreign Exchange & Derivative Transactions

a) Foreign currency transactions are recorded at the rate of exchange prevailing at the date of transaction. Foreign Currency Assets and Liabilities are converted at the exchange rates prevailing at the year end except those covered under firm commitment which are stated at contracted rate. Exchange difference is charged to the revenue account 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 where as gains are recognised only on settlement. The premium on derivative contract is expensed out over the terms of contract.

F. Management of Raw Material (Guar Gum) Prices

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

G. 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 Profit and Loss Account 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.

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS

(c) Other short term absences are provided based on past experience of leave availed.
Actuarial gain/losses, if any, are immediately recognised in the Profit and Loss Account.

H. Government Grants

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

I. Borrowing Cost

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

J. Provision For Current Tax And Deferred Tax

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

Deferred Tax resulting from all timing differences between book profit and profit as per Income Tax Act, 1961 is accounted for, at the enacted / substantially enacted rate of Tax, to the extent that the timing differences are expected to crystallise. Deferred tax assets are recognised only to the extent that there is 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.

II. NOTES

1) (A) Contingent Liabilities not provided for (As Certified by the Management):-

(i) In respect of :- *(Rs. In lacs)*

Particulars	As on 31.03.2010	As on 31.03.2009
Income Tax Matters	-	138.57
Central Excise/ State Excise	743.48	145.37
Customs	233.35	53.02
Service Tax & Others	164.85	365.15

(ii) Claims against the Company not acknowledge as debts amounting to Rs.320.31 lacs (previous Year Rs. Nil).

(iii) Bills discounted with Banks Rs.2757.09 Lacs (Previous Year: Rs.477.33 Lacs).

(iv) Corporate Guarantee to banks for loans availed by Shakumbari Sugar & Allied Industries Limited (a subsidiary company) amounting to Rs.22,513 Lacs. (Previous Year Rs.31,878 Lacs)

(B) Customs duty saved amounting to Rs.295.92 Lacs on Raw Material consumed (Previous Year Rs. NIL), imported under advance Licence, pending fulfilment of export obligation and to that extent profit is stated higher.

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

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 licences. Company has been advised that considering this and "Going Concern Concept" basis, there is no need make any provision for customs duty saved.

2) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 1368.52 Lacs (Previous Year Rs. 4058.40 Lacs)) are Rs.1789.73 Lacs (Previous Year: Rs.6532.38 Lacs).

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

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

- No interest or interest is below Section 372A of the Companies Act Rs.154.58 Lacs (Previous Year Rs.184.74 Lacs) Maximum Balance outstanding during the year Rs. 236.45 Lacs (Previous Year Rs.282.96 Lacs).
- Repayment schedule is beyond seven years or no repayment schedule Rs.108.69 Lacs (Previous Year Rs.104.69 Lacs). Maximum Balance outstanding during the year Rs.130.24 Lacs (Previous Year Rs.122.00 Lacs).

5) Employees Benefits:

a) Defined Contribution Plan:

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

(Rs in lacs)

Employer's Contribution to Provident Fund	266.74 (234.79)
Employer's Contribution to Superannuation Fund	- (0.51)

b) Defined Benefit Plan:

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

I. Reconciliation of opening and closing balance of Defined Benefit Obligation *(Rs in lacs)*

	Gratuity	Leave Encashment (Unfunded)
Present Value of Obligation at the beginning of the year	840.51 (690.81)	271.92 (181.00)
Current Service Cost	88.40 (88.47)	42.15 (66.38)
Interest Cost	60.52 (55.26)	19.58 (14.48)
Actuarial (gain)/ loss on obligations	(-72.63) (53.42)	(-28.42) (22.82)
Benefit Paid	(-59.84) (-47.45)	(22.75) (12.76)
Present Value of Obligation as at the end of the year	856.96 (840.51)	282.48 (271.92)

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

II. Reconciliation of opening and closing balance of fair value of plan assets *(Rs in lacs)*

	Gratuity
Fair value of plan assets at the beginning of the year	674.68 (600.23)
Expected Return on Plan Assets	35.22 (42.32)
Contributions	165.84 (90.58)
Actuarial gain/ (loss) on Plan assets	49.56 (-11.00)
Benefit Paid	(59.84) (-47.45)
Fair value of plan assets at the end of the year	865.46 (674.68)
Leave encashment is unfunded.	

III. Reconciliation of fair value of assets and obligation

(Rs. in lacs)

	Gratuity	Leave Encashment (Unfunded)
Fair value of plan assets as at 31st March 2010	865.46 (674.68)	- (-)
Present Value of Obligation as at 31st March 2010	856.96 (840.51)	282.47 (-271.92)
Funded Status [surplus/(Deficit)]	8.50 (-165.83)	(282.48) (-271.92)
Net Assets/(Liability) Recognized in Balance Sheet	8.50 (-165.83)	(282.48) (-271.92)

IV. Expenses recognized during the period

(Rs. in lacs)

	Gratuity	Leave Encashment (Unfunded)
Current Service Cost	88.40 (88.47)	42.15 (66.38)
Interest Cost	60.52 (55.26)	19.58 (14.48)
Expected Return on Plan Assets	(35.22) (-42.32)	- (-)
Actuarial (gain)/ loss	(-122.19) (64.42)	(-28.42) (22.82)
Net Expenses Recognized	(-8.50) (165.83)	33.31 (103.68)

Figures in Bracket represent previous year figures.

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

V. Investment Detail

All Investments are made with Trust.

VI. Actuarial / Demographic assumptions:-

(Rs in lacs)

	Gratuity	Leave Encashment (Unfunded)
Mortality Table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)
Discount rate (Per annum)	8.00% (7.20%)	8.00% (7.20%)
Expected Return on Plan Assets (Per annum)	9.00% (5.22%)	N.A. (NA)
Rate of escalation in salary (per annum)	7.00% (7.00%)	7.00% (7.00%)
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.

6) In the earlier years, the State Government of Uttar Pradesh (UP) had imposed a levy of licence 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 18th October, 2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, Company has filed an application for refund of amount paid Rs.507.05 lacs (shown as recoverable under the head Loans & Advances) with State Government of Uttarakhand.

7) In the earlier years, the State Government of Uttarakhand had levied Export Pass Fee on ENA/RS export outside India. On the application of the Company the Hon'ble High Court of Uttarakhand vide its Order dated 13th November, 2007 has granted stay on charging of Export Pass Fees till further Order. An amount of Rs.44.53 Lacs paid in earlier years is shown as recoverable from State Govt. of Uttarakhand in the books of account.

8) Company has investment in a Subsidiary Company, viz, M/s IGL Finance Limited amounting to Rs.75.00 Lacs (net of provision for diminution of Rs.425.00 Lacs). During the year, Hon'ble High Court of Nainital vide its order dated 11th May, 2009 has approved reduction in its paid-up Equity Share capital. With such reduction, par and fully paid up value of equity share of Rs.10 each was reduced to Rs.2 each and 5 (five) fully paid up equity shares of Rs.2 each have been consolidated into 1(one) equity share of Rs.10 each fully paid up.

9) (i) Company has investment of Rs.2827.50 Lacs and Rs.1000.00 Lacs in equity share capital and 10% cumulative redeemable preference share capital respectively in its Subsidiary Company Shakumbari Sugar and Allied Industries Limited (SSAIL) where book value is lower than carrying cost. During the year the

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

Hon'ble High Court of Allahabad vide its order dated 24th July,2009 has approved the reduction in its paid-up Equity share capital. With such reduction in par and fully paid up value of equity share of Rs.10 each reduced to Rs.5 each, 2 (two) fully paid up equity shares of Rs 5 each have been consolidated into 1 (one) equity share of Rs.10 each fully paid up.

(ii) Company has an investment of Rs.27.41Lacs in equity shares of subsidiary IGL Chem International PTE. LTD. (IGL CIP) where book value is negative / lower.

Considering the long term in nature and intrinsic value of the investee assets no provision at this stage is considered necessary by the management for investment in above stated subsidiaries namely SSAIL and IGL CIP.

10) The Company has challenged the legality and the validity of the financial derivative transaction dated 15th January 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 at New Delhi. Accordingly, of the total provision considered in books on prudence basis of Rs.1923.98 Lacs (Previous year Rs.4169.56 Lacs) excluding interest, if any, made against the said financial transaction dated 15th January 2008 is disputed and is subject to the final outcome of the aforesaid court proceedings.

11) In accordance with Companies (Accounting Standards) Amendment Rules, 2009, the Company continued its policy, as exercised in previous year, 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". Accordingly: (a) Exchange differences relating to long-term monetary items, in so far related to acquisition of depreciable capital assets, arising during the financial year 2009-10 amounting to Rs.1042.85 Lacs (Gain) (Previous year Rs.3900.43 Lacs (Loss)) (net of depreciation Rs.(89.10) Lacs) (Previous year Rs 188.28 Lacs.) are adjusted to the cost of fixed assets, and (b) relating to other long-term monetary items arising during the year amounting to Rs.47.58 Lacs (Gain) (Previous year Rs.267.26 Lacs (Loss) [Net of amortization Rs (38.38) Lacs (Previous year Rs 63.11 Lacs)] are adjusted to "Foreign Currency Monetary Item Translation Difference".

12) Exceptional items represent exchange (gain) / loss of Rs.(1626.58) Lacs (net) (Previous year Rs.4743.67 Lacs (net)) on reinstatement of outstanding foreign exchange contracts.

13) As required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed:

(Rs. in lac)

Sr.No	Particular	2009-10	2008-09
a)	i) Principal amount remaining unpaid at the end of the accounting year	-	0.09
	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 regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

14) (i) Catalyst is charged to the Profit & Loss Account 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.

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

15) Capital work-in-progress includes machinery under installation, buildings under construction, construction/ erection material in hand, technical know-how fees, advances paid for plant & machinery and other assets and also includes the following pre-operative expenses:

(Rs. in lac)

	2009-10	2008-09
Amount brought forward from previous year	3530.72	701.82
Raw Material & Chemical Consumed	1033.04	40.86
Salaries, wages and allowances, etc.	217.63	314.16
Contribution to Provident and other Funds	15.90	27.31
Staff welfare expenses	21.26	18.73
Legal & Professional charges	34.71	2.45
Rent	-	7.83
Repair and Maintenance	47.08	11.22
Travelling and Conveyance	187.89	89.84
Interest on Fixed Loans	2612.08	1901.82
Exchange Fluctuation (net)	(101.98)	471.48
Process Engineering & Technical assistance	-	2.54
Power and Fuel	217.29	46.33
Rates and Taxes	23.36	71.74
Depreciation	-	4.12
Miscellaneous Expenses	71.33	129.14
	7910.31	3841.39
Less:		
Sales:	485.48	0.00
Miscellaneous Income	0.95	5.08
Finished goods as at 31.03.2010	147.84	55.15
W.I.P as at 31.03.2010	328.95	-
	6947.09	3781.16
Less : Transferred/Capitalised during the year	2188.98	250.44
Balance carried forward	4758.11	3530.72

16) Related Parties Disclosure:
(As identified by the management)

(i) Relationships:

A. Subsidiary Companies
- IGL Finance Limited
- Shakumbari Sugar and Allied Industries Limited
- IGL CHEM International Pte. Ltd.

B. Key Management Personnel & their Relatives
- U. S. Bhartia
- M. K. Rao
- 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

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

(ii) Detail of Transactions with related parties: *(Rs. in lacs)*

	Subsidiary Companies	Key management Personnel & their relative	Enterprises referred in (i) C above
Purchases of Material	1170.08 (1288.51)	- (-)	0.25 (-)
Sale of Material	1472.38 (512.19)	- (-)	269.37 (188.81)
Sale of Fixed Assets	- (43.65)	- (-)	- (-)
Purchase of Fixed Assets	57.96 (-)	- (-)	- (-)
Rent Paid	- (-)	- (-)	20.81 (43.06)
ICD Given	7039.00 (10788.28)	- (-)	- (-)
ICD Received Back	4214.00 (10788.28)	- (-)	- (-)
Investment in Equity & Preference Share Capital	2825.00 (-)	- (-)	- (-)
ICD Received	- (6311.72)	- (-)	- (-)
ICD Paid Back	1200.00 (5111.72)	- (-)	- (-)
Advance Given	- (61.54)	- (-)	- (-)
Advance Received Back	- (61.54)	- (-)	- (-)
Deposits repaid	- (-)	- (-)	100** (816.04)
Deposits Accepted	- (-)	- (-)	- (716.04)
Interest Income	129.70 (70.57)	- (-)	- (-)
Interest Expense	5.61 (43.44)	- (7.63)	3.81** (26.04)
Salaries	- (-)	4.51 (3.51)	- (-)
Managerial Remuneration	- (-)	106.94 (67.18)	- (-)
Outstanding Balances as at year end	- (1200)	- (-)	189.20 (199.60)
Loans & Advance Deposits payable (Including interest)	- (-)	- (447.91)	- (100.38)
Balance Payable	56.77 (21.83)	- (-)	- (4.69)
Balance Recoverable(incl Intt.)	192.16 (175.87)	- (-)	43.25 (0.60)
Corporate Guarantee#			

Figures in bracket represent previous year figures.
Refer the note no 1(iii)
** Deposit and interest repaid to Kashipur Holdings Limited.

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

17) Earnings per share (EPS):

	2009-10	2008-09
Net profit/(loss) for the year attributable to equity shareholders (Rs. in Lac)	1999.52	(9189.16)
Weighted average number of equity shares outstanding	27882500	27882500
Basic and diluted earnings per share (face value of Rs. 10 each) (Rs.)	7.17	(32.96)

18) Deferred Tax Liabilities & Assets are attributable to the following items -

(Rs. in Lac)

	As on 31.03.2010	As on 31.03.2009
Deferred Tax Liabilities :-		
Accelerated depreciation	11477.11	10664.59
Deferred Tax Assets :-		
Amount covered U/S 43B	117.96	144.70
Provision for doubtful debts	72.86	144.06
Unabsorbed Depreciation	2795.60	2673.91
Business Loss	2209.40	2257.73
Others	1588.65	1861.95
	6784.47	7082.35
Deferred Tax Liabilities (Net)	4692.64	3582.24

19) Revenue expenditure on Research & Development of Rs.193.64 Lacs (Previous year: Rs.157.41 Lacs) incurred during the year has been charged to profit and loss account.

20) (a) 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.

(b) (i) Loans and advances include Rs. Nil receivable from Shakumbari Sugar and Allied Industries Limited (Subsidiary Company) (maximum balance outstanding during the year Rs 2400 lacs).

(ii) Debtors include Rs. 192.16 lacs receivable from IGL Chem International Pte Ltd. (Subsidiary Company) (maximum balance outstanding during the year Rs 445.94 lacs).

21) Foreign exchange gain (net of Loss Rs.784.38 Lacs) amounting to Rs 3579.23 Lacs(previous year loss {net of gain Rs.1353 lacs} amounting to Rs.1802 Lacs) has been included in the respective heads of accounts in the Profit Loss Account. This has no impact on Profit / Loss for the year.

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

22) Segment Information:

A. Information about Business Segments (Primary Segments):

		Business Segments		Others	Unallocable	Total
		Chemicals	Liquor			
A	REVENUE					
1	Gross Sales (External)	93209.89	38718.00	2626.74	--	134554.63
		(85655.91)	(26865.58)	(1603.67)	(-)	(114125.16)
2	Other Income	816.62	789.14	176.25	2162.76	3944.77
		(1721.33)	(451.94)	(80.74)	(580.92)	(2834.93)
3	Total Revenue	94026.51	39507.14	2802.99	2162.76	138499.40
		(87050.35)	(27317.53)	(1648.29)	(580.92)	(116960.09)
B	RESULTS					
1	Segment Result (PBIT)	4287.96	2039.31	-494.21	495.40	6328.46
		(232.95)	(2236.18)	(-266.77)	(-8221.75)	(-6019.39)
2	Interest Expense (Net)					3218.54
						(7705.63)
3	Profit Before Tax					3109.92
						(-13725.02)
4a	Provision for Current Tax					-
						(-)
4b	Deferred Tax					1110.40
						(-4946.89)
4c	Taxation provision of earlier year					-
						(284.41)
4d	Fringe Benefit Tax					-
						(126.62)
5	Profit after Tax					1999.52
						(-9189.16)
C	Other Information:					
1	Segment Assets	128215.74	10653.32	13393.08	26785.74	179047.88
		(117055.85)	(9205.57)	(10409.67)	(20483.79)	(157154.88)
2	Segment Liabilities	13436.63	1258.85	899.15	124064.55	139659.18
		(15898.63)	(1012.62)	(1008.85)	(101356.28)	(119276.38)
3	Capital Expenditure	7195.40	423.55	1409.77	2903.62	11932.34
		(13421.83)	(546.02)	(5951.53)	(9521.79)	(29441.17)
4	Depreciation and Amortisation expenses	5200.93	208.04	215.44	282.76	5907.17
		(5231.38)	(208.04)	(104.00)	(130.03)	(5673.45)

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

Information about Geographical Segments (Secondary Segments):

		Domestic	Overseas	Total
1	Gross Sales (External)	93486.61	41068.02	134554.63
		(90563.53)	(23198.63)	(113762.16)
2	Segment Assets	147000.26	5261.89	152262.15
		(134960.32)	(1710.77)	(136671.09)

Notes:

Primary Segment reporting (by business segment)

Segments have been identified in line with Accounting Standard on 'Segment Reporting' (AS-17), taking into account the organisational structure as well as the differential risks and returns of these segments. The company has identified three segments i.e. business chemical, liquor and others which includes guar gum, software development and Ennature Bio-pharma and reported accordingly.

Secondary Segment reporting (by geographical segment-customer location)

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

Reportable segments

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

Segment Composition

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

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

'Others' primarily include Guar Gum, Software development and Ennature Bio-pharma.

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

24) Additional Information:

Rs.in lacs

A. a) Payment to Auditors

	{(*) Exclusive of applicable service tax}	2009-10	2008-09
i)	As Auditors (*)	7.00	7.00
ii)	In other capacity in respect of		
	a) For Tax Audit	1.00	1.00
	b) Out of Pocket Expenses	-	0.61
	c) Certification	2.00	1.91
		10.00	**10.52**
b)	Cost Auditors (*)		
i)	Audit Fees	0.40	0.40
ii)	Out of Pocket Expenses	0.04	0.17
		0.44	**0.57**

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

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

Rs. in lacs

		2009-10	2008-09
i)	Salaries	90.29	49.88
ii)	Contribution to Provident and other Funds	9.47	4.62
iii)	Perquisite value of other benefits	7.18	12.68
	Sub total	106.94	67.18
iv)	Commission to CMD	-	-
	Total	**106.94**	**67.18**

Note:

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

(b) Shareholders at their meeting held on 24th April, 2009 had approved revision in the remuneration of CMD w.e.f 1st April, 2008. Pending approval of the Central Govt., remuneration of CMD is provided based on Schedule XIII of the Companies Act,1956 and additional amount, (in terms of the resolution passed by the shareholders) if any, will be accounted for on receipt of the approval.

(c) In the absence of profit as per section 198 no commission is provided to CMD.

C. Capacities and Production (Qty.in MT)

Products	Licensed* Capacity	Installed Capacity* 2009-10	Installed Capacity* 2008-09	Production # 2009-10	Production # 2008-09
KASHIPUR					
Ethylene Glycol	N.A. @	86,500	86,500	43077	57,577
Ethylene Oxide	N.A. @	24,000	24,000	-	-
Di-ethylene Glycol	N.A. @	6,100	6,100	4272	7,783
Heavy Glycol	N.A. @	400	400	516	964
E.O. Derivatives	N.A. @	@@26,000	@@26,000	97803**	65196**
Guar Gum Powder & Derivatives	N.A. @	12,000	12,000	4159	2,255
Ethyl Alcohol (Potable) Qty. in (KBL)	N.A. @	18,000	18,000	4524	4,142
Industrial Gases Division Qty in NM3	N.A. @	NM3/Hr	NM3/Hr	NM3	NM3
Oxygen		10400	10400	55095402##	50148619##
Nitrogen		2828	2828	16119619##	15406578##
Argon		232	232	1449028##	1246469##
CO2 (Qty in MT)	N.A. @	160 (MT/day)	80 (MT/day)	28688	15226
GORAKHPUR					
Ethyl Alcohol {Qty. in KBL}					
	N.A. @	99000	99000	28162	29129
CO2(Qty in MT)	N.A. @	Nil	80 (MT/day)	1706***	2754***
Ennature Bio-Pharma (Qty in Kgs)	N.A. @	Under Installation	-	5511	40

Notes:

@@ Standard Capacity

** Net of captive consumption.

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

Production as received in bonded tank farm.

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

*** Including CO2 received from Kashipur 354MT (Previous year 967MT) net of transit loss 6MT (Previous year 5MT)

Net of Evaporation loss.

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

D. (a) Stocks and Sales (Qty. in MT)

Products	Stocks			Sales	
	As at 31.03.10	As at 31.03.09	As at 31.03.08	2009-10	2008-09
KASHIPUR					
Ethylene Glycol	1401^	662^	810^	42338##	57725##
Di-ethylene Glycol	276	487	24	4483@@	7320@@
Heavy Glycol	168^^	210^^	64^^	558**	818**
EO Derivatives	4878&	4329&	3041&	97254	63908
Guar Gum Powder & Derivatives	325$	116$	163$	3950#	2302#
Ethyl Alcohol (Potable) Qty. in (KBL)	119	103	74	4508	4113
Industrial Gases Division Qty in NM3					
Oxygen	74477	297278	399533	55318203+	50250874+
Nitrogen	44841	33670	48415	16108448++	15421323++
Argon	7027	35474	4230	1477475	1215225
CO2 (MT)	62	24	-	28650***	15202***
GORAKHPUR					
Ethyl Alcohol {Qty. in KBL}	922	108	1929	27348$$	30950$$
CO2 (MT)	-	83	-	1789	2671
Ennature Bio-Pharma (Qty in Kgs)	4878	40	-	673$$$	-

Notes:

Includes 712 MT captively consumed in Ethylene Oxide derivatives (Previous year: 784 MT) and 2 MT transferred to Dehradun Plant (Previous year 12 MT)

@@ Includes 2984 MT Captively consumed in Ethylene Oxide derivatives (Previous year 1912 MT)

** Includes 6 MT captively consumed in Ethylene Oxide derivatives (Previous year 8MT)

$ Includes 223 MT Stock in Transit/Port (Previous year 60 MT)

& Includes 1817 MT Stock in Transit/Port (Previous year 819 MT)

^ Includes 828 MT Stock in Transit/Port (Previous year NIL MT)

^^ Includes Nil MT Stock in Transit/Port (Previous year 106 MT)

+ Includes 44393639 NM3 captively consumed. (Previous year 43564070 NM3)

Include 70 MT captively consumed. (Previous year 4 MT)

++ Include 15448360 NM3 Captively consumed. (Previous year 14407931 NM3) and nil NM3 transferred to Dehradun Plant (Previous year 3952 NM3)

$$ Include 16466 KBL transferred to Kashipur Plant for Captive Consumption (Previous year 17245 KBL) and 6128 KBL captively consumed (Previous year 2645 KBL).

*** Includes 5241 MT captively consumed (Previous year 1075 Mt) and 298 MT transferred to Dehradun Plant (Previous year 96) and 360 MT transferred to Gorakhpur plant (Previous Year 972)

$$$ Include 116Kg captively consumed (Previous year NIL)

(b) Detail of Traded Goods

Product	UM	Opening	Purchase	Sale	Closing
Resin	MT	-	66	66	-
		(-)	-	-	(-)

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

E. Consumption of Raw Materials

	2009-10		2008-09	
	Qnty. (MT)	Value (Rs in lacs)	Qnty. (MT)	Value (Rs in lacs)
Molasses	304758	14786.74	414404	17828.04
Chain Starters	7594	5705.42	14348	7760.47
Special Denatured Spirit*	160480	36168.87	87782	21637.69
Production Chemicals & Others	-	10831.93	-	6854.56
		67492.96		54080.76

* Qnty in KBL

Including trial run consumption.

F. C.I.F. Value of Imports

(Rs in lacs)

	2009-10	2008-09
1. Capital Goods	2975.96	5059.69
2. Stores & Spares	32.50	316.53
3. Raw Materials	27578.82	7240.69
4. Traded Goods	43.34	-

G. Earning in Foreign currency

(Rs in lacs)

	2009-10	2008-09
1. FOB Value of Exports – Goods	40106.09	22384.58

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

a) Outstanding at the year end (as certified by the management) as follows:

Nature of Instruments	2009-10	2009-10	2009-10	2008-09	2008-09
	Amount (Equivalent US$ MLN)	Amount (Equivalent EURO MLN)	Amount (Equivalent Rs. in Cr.)	Amount (Equivalent US$ MLN)	Amount Equivalent Rs. in Cr.)
Forward Contracts	37.81	0.35	171.90	11.00	55.72
Foreign currency options	36.67	-	164.65	50.69	256.75
Packing Credit Net of Export debtors	45.20	-	202.96	5.38	27.35
Open foreign exchange exposures :-					
Loans	26.66	-	119.69	53.71	272.03
Payable	1.16	-	5.21	0.13	0.66

b) The Company uses derivative instruments for hedging possible losses and exchange fluctuation loss is Rs 670.02 lacs net off gain Rs. 1223.67 (previous year Rs 6108.01 Lacs) which is inclusive of Rs NIL provision for mark to market loss on account of all outstanding financial transactions as on 31st March 2010.

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 an amount of Rs 416.67 Lacs included in (b) (Previous year 4743.28) on outstanding contracts to the profit & loss account (read with note no. 12 herein above)

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS *(Contd.)*

I. Consumption of Imported and Indigenous Raw Materials, Stores and Spare:

	2009-10		2008-09	
a) Consumption of Stores and Spares Parts	(Rs.in Lacs)	%age	(Rs.in Lacs)	%age
Imported	909.96	8.79	1209.40	13.66
Indigenous	9446.96	91.21	7646.72	86.34
	10356.92	100.00	8856.12	100.00
b) Raw Materials Consumed (#)				
Imported	40126.82	59.45	8303.77	15.35
Indigenous	27366.14	40.55	45776.99	84.65
	67492.96	100.00	54080.76	100.00

Including trial run consumption.

J. Expenditure in Foreign Currency (as remitted)

(Rs.in lacs)

	2009-10	2008-09
a) Travelling and other matters	180.16	190.96
b) Interest	574.28	1399.30
c) Process Engineering & Technical Assistance	37.11	59.58
d) Commission & Others	62.18	77.00

K. Remittance in Foreign Currency on Dividend Account

	2009-10	2008-09
Amount of Dividend Remitted*	Rs. 5.30 Lacs	Rs. 21.31Lacs
Year to which the Dividend relates	Year ended 31st March 2009	Year ended 31st March 2008
No. of Equity Shares held by Non-resident shareholders	530500	532800

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

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

Signature to Schedules A to L
As per our report of even date

For Lodha & Co.
Chartered Accountants

N.K. Lodha
Partner
M.No. 85155
Camp : Noida, UP
Dated : 4th May, 2010

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

Place : Noida, UP
Dated : 4th May, 2010

M.K. Rao
Executive Director

Anand Singhal
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

Jayshree Bhartia
Pradip Kumar Khaitan
R. C. Misra
Ravi Jhunjhunwala
Autar Krishna
Jagmohan N. Kejriwal
Directors

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No. 009097 State Code 20

Balance Sheet Date 31 03 2010

Date Month Year

II Capital Raised During the Year *(Amount in Rs. Thousand)*

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

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

Total Liabilities	Total Assets
15728045	15728045
Sources of Fund	
Paid-up Capital	Reserve and Surplus (Including Deferred Tax)
278825	4129309
Secured Loans	Unsecured Loans
10965662	354249
Application of Funds	
Net Fixed Assets	Investments*
11246411	41911
Net Current assets	Misc. Expenditure
4066416	3307
Accumulated Losses	
NIL	

IV Performance of Company *(Amount in Rs. Thousand)*

Turnover & Other Income	Total Expenditure
13849940	13538948
Profit/Loss Before Tax	Profit/Loss After Tax
+ 310992	+ 199952

Please tick Appropriate Box + for Profit - for Loss

Earning per Share in Rs.	Dividend Rate (%)
7.17	15

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

Item Code No. (ITC Code) 29.05

Product Description MONO-ETHYLENE-GLYCOL

Item Code No. (ITC Code) 34.02

Product Description ETHYLE OXIDE CONDENSATES DERIVATIVES

Cash Flow Statement for the year ended 31st March, 2010

(Rs.in lacs)

		Schedule	For the Year 2009-2010		For the Year 2008-2009	
A	CASH FLOW FROM OPERATING ACTIVITIES					
	Net Profit Before Tax			3109.92		(13725.02)
	Adjustments For:					
	Depreciation		5907.16		5673.45	
	(Profit)/Loss On Sale Of Assets		(1.01)		(278.91)	
	(Profit)/Loss On Sale Of Current Investments		0.00		(3.91)	
	Unrealised Foreign Exchange Fluctuation		(1618.69)		5380.67	
	Realised Fx Loss On Other Assets Adj Against FCTR				(61.20)	
	Rent		(66.11)		(56.09)	
	Amortisation Of Foreign Curr. Monetary Item Transaction Diff.		42.26		63.11	
	Provision For Diminution In Value Of Current Investment		7.12		0.00	
	Bad Debts & Provision For Doubtful Debts & Advances		(99.81)		264.73	
	Provision No Longer Required Written Back		(597.21)		0.00	
	Interest / Finance Expense		3737.89		5200.79	
	Interest/Dividend Income		(529.40)	6782.20	(184.97)	15997.67
	Operating Profit Before Working Capital Changes			9892.12		2272.65
	Adjustments For:					
	(Increase)/Decrease In Trade & Other Receivables		(6484.03)		152.35	
	(Increase)/Decrease In Inventories		(8051.60)		(111.08)	
	Increase / (Decrease) In Trade Payables		(1738.31)	(16273.94)	(897.33)	(856.06)
	Cash Generated From Operations			(6381.82)		1416.59
	Income Tax Paid (Net)		2092.50		(817.64)	
	Net cash from operating activities			**(4289.32)**		**598.95**
B	cash flow from investing activities					
	Purchase of Fixed Assets		(11370.80)		(25459.30)	
	Sale of Fixed Assets		81.21		1887.97	
	Interest / Dividend received		459.57		249.06	
	Sale of Current Investment		0.00		78.46	
	ICDS given		(200.00)		0.00	
	Amount invested in current investment		0.00		(82.21)	
	Rental income		66.11		56.09	
	Investments in shares of subsidiaries		(2825.00)		0.00	
	Net cash used in investing activities			**(13788.91)**		**(23269.93)**
C	Cash Flow From Financing Activities					
	Proceeds from Govt subsidy		19.60		180.40	
	Proceeds from Borrowings		35492.81		48272.50	
	Repayment of Borrowings		(9665.93)		(15224.33)	
	Interest/other Borrowing Cost		(6843.81)		(6910.47)	
	Dividends Paid (including CDT)		(334.59)		(1298.18)	
	Net Cash Outflow From Financing Activities			**18668.08**		**25019.92**
	Net Increase/ (Decrease) in Cash & Cash Equivalents [A+B+C]			**589.85**		**2348.94**
	Cash & Cash Equivalent Being Cash & Bank Balances (Opening balance)			3821.47		1472.53
	Cash & Cash Equivalent Being Cash & Bank Balances (Closing Balance)			4411.32		3821.47

Note :
(1) Previous Year's Figures Have Been Regrouped Wherever Considered Necessary.
(2) Cash and Cash Equivalent Being Cash and Bank Balances as per Schedule 'F'

As per our report of even date

For **Lodha & Co.**
Chartered Accountants

N.K. Lodha
Partner
M.No. 85155
Camp : Noida, UP
Dated : 4th May, 2010

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

Place : Noida, UP
Dated : 4th May, 2010

M.K. Rao
Executive Director

Anand Singhal
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

Jayshree Bhartia
Pradip Kumar Khaitan
R. C. Misra
Ravi Jhunjhunwala
Autar Krishna
Jagmohan N. Kejriwal
Directors

Section 212

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	IGLChem International Pte Ltd.
2. Financial Year of the Company ended on	31.3.2010	31.03.2010	31.03.2010
3. Holding Company's Interest :			
(a) Number of Equity Shares Fully Paid	1000000	34112100	100000
(b) Extent of holding	100%	98.37%	100%
(c) Number of Preference Shares fully paid	-	1000000	-
(c) Extent of holding	-	100%	-
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:			
(a) Dealt with in the accounts of Holding Company	Nil	Nil	Nil
(b) Not dealt with in the accounts of Holding Company	(0.28) Rs. in Lacs	(1379.01) Rs. in Lacs	(0.82) SGD in Lacs
(ii) For the previous financial years of the Subsidiary since It became the Holding Company's Subsidiary	(414.40) Rs. in Lacs	(1543.77) Rs. in Lacs	(3.30) SGD in Lacs
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			

Consolidated Auditors' Report

To
The Board of Directors of
INDIA GLYCOLS LIMITED on the Consolidated Financial Statements of India Glycols Limited and its Subsidiaries.

1. We have examined the attached Consolidated Balance Sheet of India Glycols Limited (the Company), and its subsidiaries as at 31st March 2010 and the Consolidated Profit and Loss Account and also the Consolidated cash flow statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement Presentation. We believe that our audit provide a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary company M/s. IGL Finance Limited and IGL CHEM INTERNATIONAL PTE LIMITED, SINGAPORE, whose financial statements reflect total assets of Rs.215.14 lacs as at 31st March 2010 and the total revenue of Rs.1630.60 lacs for the year ended as on that date and considered for the purposes of consolidation. 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 have audited the financial statements of one subsidiary company viz. Shakumbari Sugar & Allied Industries Limited for the year ended 31st March 2010.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS-21) on "Consolidated Financial Statements", as issued by the Institute of Chartered Accountants of India, on the basis of the separate audited financial statements of India Glycols Limited, its subsidiaries companies included in the aforesaid consolidation and,
5. Without qualifying our opinion, we draw attention to note no.17 of schedule 'L' relating to accounting for cane purchase liability for the sugar season 2007-08 at Rs.110 per quintal instead of State Advised price of Rs.125 per quintal fixed by the Uttar Pradesh State Government, Pending completion of legal proceedings in the matter.
6. Attention is invited to:
   a. Note no.11 of schedule 'L' regarding investment made in subsidiaries amounting to Rs.3854.91 lacs, where in the opinion of management no provision for diminution is necessary considering the long term nature and the intrinsic value of the assets of subsidiary companies as stated in the said note.
   b. Note no.3 (B) of schedule 'L' regarding pending export obligation against custom duty saved on raw material consumed, under advance license, as stated in the said note.
7. Further attention is invited to:
   a. *Note no.27 of schedule 'L' regarding pending confirmation /reconciliation of balances of debtors, creditors, Loans & Advances (including capital advances), other liabilities and provision as stated in the said note.*
   b. Note no.18 of schedule 'L' regarding valuation of inventory of levy sugar based on the application filed by the Indian Sugar Mills Associations to the Central government and accounting of differential amount on sale of levy sugar during the year as stated in the said note and our inability to comment on the same;
8. *Subject to para 7*, on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statement of the company and its subsidiary included in the Consolidated Financial Statement, we are of the opinion that the said Consolidated Financial Statements and notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
   a) In the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of the Company and its Subsidiary as at 31st March 2010;
   b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its Subsidiary for the year ended on that date, and
   c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flow of the Company and its Subsidiary for the year then ended

For Lodha & Co.
Chartered Accountants

(N.K. Lodha)
Partner
M.N. -85155
Firm Registration No: 301051E

Camp : Noida, UP
Date : 4th May, 2010

Consolidated Balance Sheet as at 31st March, 2010

(Rs. in lacs)

	Schedule	As at 31.03.2010		As at 31.03.2009	
SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	A	2788.25		2788.25	
b) Reserves and Surplus	B	35754.09	38542.34	34432.09	37220.34
2. Loan Funds	C				
Secured Loans		127077.62		96502.12	
Unsecured Loans		3542.49	130620.11	16168.89	112671.01
3. Deferred tax liability (net)			4692.64		3582.24
4. Minority Interest			14.13		16.06
TOTAL			173869.22		153489.65
APPLICATION OF FUNDS					
1. Fixed Assets	D				
Gross Block		138808.61		123627.59	
Less: Depreciation		46602.90		40105.10	
Net Block		92205.71		83522.49	
Capital work-in-progress		37128.76	129334.47	38490.47	122012.96
(Including advances & pre-operative expenses)					
2. Investments	E		263.20		270.32
3. Current Assets, Loans and Advances	F				
Inventories		42786.13		26668.70	
Sundry Debtors		11674.43		6940.60	
Cash and Bank Balances		4855.65		4505.82	
Loans & Advances		18161.22		18066.21	
		77477.43		56181.33	
Less: Current Liabilities and Provisions	G				
Current liabilities		28374.47		20170.66	
Provisions		4864.48		4965.59	
		33238.95		25136.25	
Net Current Assets			44238.48		31045.08
4. Foreign Currency Monetary Item Translation Difference			33.07		161.29
TOTAL			173869.22		153489.65
Notes to the Accounts	L				

Schedules referred herein above form an integral part of the Balance Sheet

As per our report of even date

For **Lodha & Co.**
Chartered Accountants

N.K. Lodha
Partner
M.No. 85155
Camp : Noida, UP
Dated : 4th May, 2010

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

Place : Noida, UP
Dated : 4th May, 2010

M.K. Rao
Executive Director

Anand Singhal
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

Jayshree Bhartia
Pradip Kumar Khaitan
R. C. Misra
Ravi Jhunjhunwala
Autar Krishna
Jagmohan N. Kejriwal
Directors

Consolidated Profit and Loss Account for the year ended 31st March, 2010 *(Rs. in lacs)*

	Schedule	Current Year	Previous Year
INCOME			
Sales	H	143847.77	121566.72
Less: Excise Duty		24061.77	19077.10
Net Sales		119786.00	102489.62
Other Income	H	4037.37	2895.07
Increase/ (Decrease) in Stocks	I	8889.79	181.99
		132713.16	105566.68
EXPENDITURE			
Manufacturing & Other Expenses	J	121186.27	101003.26
Finance Charges (net)	K	4784.27	9026.25
		125970.54	110029.51
Profit / (loss) before Depreciation, Exceptional Item and Tax		6742.62	(4462.83)
Depreciation	D	6657.69	6235.02
Profit / (loss) before Tax & Exceptional item		84.93	(10697.85)
Less: Exceptional item		(1626.58)	4738.40
Profit / (loss) Before Tax		1711.51	(15436.25)
Provision for tax			
– Current tax		492.43	0.06
– Deferred tax Charged / (Credit)		1110.40	(4946.89)
– Tax for earlier years		-	284.41
– Fringe Benefit Tax		-	134.33
– Minimum Alternate Tax Credit entitlement		(492.43)	-
Net profit / (loss) for the year		601.11	(10908.16)
Balance brought forward		24043.51	35223.08
Balance available for Appropriation		24644.62	24314.92
Transfer to General Reserve		100.00	-
Transfer to molasses reserve fund		0.91	0.61
Transfer to Minority Interest		(1.93)	(55.44)
Recognition of Goodwill on Consolidation		(2176.50)	
Proposed Dividend		418.24	278.83
Corporate Dividend Tax		71.08	47.39
Balance carried forward		26232.82	24043.51
Earning / (loss) per share basic/ diluted		2.16	(39.12)
Notes to the Accounts	L		

Schedules referred herein above form an integral part of the Profit and Loss Account

As per our report of even date

For **Lodha & Co.**
Chartered Accountants

N.K. Lodha
Partner
M.No. 85155
Camp : Noida, UP
Dated : 4th May, 2010

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

Place : Noida, UP
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M.K. Rao
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Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

Jayshree Bhartia
Pradip Kumar Khaitan
R. C. Misra
Ravi Jhunjhunwala
Autar Krishna
Jagmohan N. Kejriwal
Directors

Schedules forming part of the Consolidated Balance Sheet

(Rs. in lacs)

	As at 31.03.2010	As at 31.03.2009
Schedule A SHARE CAPITAL		
A. Authorised		
30000000 (P.Y. 30000000) Equity Shares of Rs. 10 each	3000.00	3000.00
B. Issued, Subscribed and Paid up		
27882500 (P.Y.27882500) Equity Shares of Rs.10 each fully paid up	2788.25	2788.25
	2788.25	2788.25

(Rs. in lacs)

	As at 31.03.2009	Additions	Deductions	As at 31.03.2010
Schedule B RESERVES AND SURPLUS				
Capital Reserve	463.44		0.11	463.33
Capital Reserve on consolidation	984.20		984.20	0.00
Foreign Curreny Translation Reserve	10.57	16.09	-	26.66
Statutory Reserve	0.30	0.00	-	0.30
General Reserve	8728.60	100.00	-	8828.60
Reserve for Contingencies	200.00	-	-	200.00
Surplus in Profit & Loss Account	24043.51	601.11	(1,588.20)	26232.82
Molasses Reserve Fund	1.47	0.91		2.38
	34432.09	718.11	-603.89	35754.09
	(28922.54)	(23864.38)	(6310.44)	(46476.48)

*Deduction represent adjustment against Goodwill arising on Consolidation.

(Rs. in lacs)

	As at 31.03.2010	As at 31.03.2009
Schedule C LOAN FUNDS		
Secured Loans		
Rupee Term Loans		
Financial Institutions		
Banks (Note 3) #	52138.89	51808.31
Others (Note 3)	16.56	7.04
Foreign Currency Term Loans		
Banks	11927.52	15527.59
Buyer's Import Credit - Bank	26950.32	-
Sugar Development Fund	310.00	
Working Capital Loans from Banks	35734.33	29159.18
(Including working capital demand loan Rs.3759.04 lacs previous year Rs.6613.87 lacs)		
	127077.62	96502.12
Unsecured Loans		
Fixed Deposits	742.80	1187.48
Buyer's Import Credit - Bank	-	8805.45
Short Term Rupee Loan - Bank	2500.00	5,500.00
Foreign Currency Term Loan - Bank	299.69	675.96
	3542.49	16168.89

Notes:

1. The Term Loans/ Debentures ranking pari passu, inter-se, are secured / to be secured by mortgage of all immovable properties of the Company both present and future and hypothecation of all movable properties of the Company (save and except book debts) including movable machinery, machinery spares, tools and accessories, both present and future subject to prior charges created and / or to be created in favour of the bankers of the Company on stocks, book debts and other specified movable properties for working capital requirements / Buyers Credit.
2. Working Capital Loans from Banks are secured / to be secured by way of hypothecation of book debts and stocks including in-transit and second charge on all immovable properties of the Company. Buyers Credit facility is against non-fund based facility sanctioned to the Company.
3. Rupee Term Loans include loans from Banks of Rs.NIL (Previous year Rs. 9.36 Lacs)and from others of Rs.16.56 Lacs (Previous year Rs. 7.04 Lacs) secured by hypothecation of Motor Vehicles purchased there under.
4. Sugar Development Fund is secured by Bank Gurantee, which is further secured by corporate guarantees of India Glycols Ltd.(The Holding Company).
5. Sugar Development Fund is secured by Bank Gurantee, which is further secured by corporate guarantees of India Glycols Ltd.(The Holding Company).
6. Term Loans amounting to Rs. 1913.7 lacs, working capital facilities of Rs. 4485.62 lacs and Buyers Credit of Rs 1411.66 lacs of Subsidiary Company, Shakumbari Sugar and Allied Industries Ltd.is secured by Corporate guarantee of the India Glycols Ltd.

Schedules forming part of the Consolidated Balance Sheet

Schedule D FIXED ASSETS

(Rs. in lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description	As at 01.04.2009	Addition/ Adjustment	Deduction/ Adjustment	As at 31.03.2010	Upto 01.04.2009	For the year	Deduction/ Adjustment	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	1488.53	-	-	1488.53	-	-	-	-	1488.53	1488.53
Leasehold Land	1125.26	285.71	-	1410.97	85.26	16.64	-	101.90	1309.07	1040.00
Buildings	5845.80	6505.84	-	12351.64	1192.19	214.85	-	1407.04	10944.60	4653.61
Plant & Machinery	111725.41	5896.48	48.87	117573.02	37246.51	6055.32	4.16	43297.67	74275.35	74478.90
Furniture & Fixtures	1743.59	1396.49	128.00	3012.08	973.39	196.80	101.94	1068.25	1943.83	770.20
Vehicles (*)	1094.70	63.60	106.26	1052.04	341.67	99.48	53.79	387.36	664.68	753.03
Intangible Assets										
-Specialised Computer software	604.30	123.73	-	728.03	266.08	74.60	-	340.68	387.35	338.22
Goodwill (#)	-	1192.30	-	1192.30	-	-	-	-	1192.30	-
Total	123627.59	15464.15	283.13	138808.61	40105.10	6657.69	159.89	46602.90	92205.71	83522.49
Previous Year	99785.11	11653.31	479.14	110959.28	29231.64	6811.60	46.94	35996.30		
Capital Work-in-progress including advances									37128.76	38490.47
									129334.47	122012.96

- Capital Work in progress {include advance and preoperative expenses }
  Depreciation Nil (previous year 4.12 Lacs) on Dehradun assets transfer to Pre-operative expenses.
  Depreciation Nil (previous year Rs.-45.78 Lacs) on account of AS-11 Exchange fluctuation gain for 2007-08 addition adjusted with General Reserve.
  (Refer note no. 10 of Sch-L)

(*) Gross Block includes Rs.20.73 Lacs (previous year Rs. 74.59 Lacs) Secured by hypothecation against loan
(#) Reprents Goodwill (net) arising on Consolidation.

Schedule E INVESTMENTS

	Nominal Value	As at 31.03.2010	As at 31.03.2009
Long Term Investments (Non-trade) (at cost, net of provision for diminution)			
Unquoted, fully paid up (Subsidiary Companies)			
468000 15% Redemable Non-cumulative Preference Shares of Hindustan Wires Ltd.	Rs. 100	70.68	70.68
22000 15% Redemable Cumulative Preference Shares of Hindustan Wires Ltd.	Rs. 100	3.32	3.32
		74.00	74.00
Quoted, fully paid up (Others)			
211360 Equity Shares of IDBI Bank Ltd	Rs. 10	105.00	105.00
34000 Equity Shares of Axis Bank Ltd.	Rs. 10	7.14	7.14
2500 Equity Shares of ICICI Bank Ltd.	Rs. 10	1.97	1.97
		114.11	114.11
CURRENT INVESTMENT			
Unquoted, fully paid up			
668518 UTI Bonds Fund - Dividend Plan	Rs. 10	75.09	82.21
		75.09	82.21
		263.20	270.32
Agregated value of quoted investment		114.11	114.11
Market value of quoted investments		667.48	319.52

Note: The Company has earmarked 668518 UTI Bonds Funds amounting to Rs. 75.09 Lacs & balance amount with bank as Fixed Deposits (Previous Year 668518 UTI Bonds Funds amounting to Rs. 82.21 Lacs) in compliance with the provisions of Rule 3A of the Companies (Acceptance of Deposits) Rules,1975.

Schedules forming part of the Consolidated Balance Sheet

(Rs. in lacs)

Schedule F CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	As at 31.03.2009
A. CURRENT ASSETS:				
Inventories (As taken, valued and certified by the management)				
Stores and spares parts		10601.79		10559.59
(Including in transit Rs. 28.62 lacs, previous year Rs. 349.04 lacs)				
Raw Materials		8168.76		5816.17
(Including in transit Rs 720.29 Lacs, previous year Rs. 200.41 lacs)				
Finished Goods*		14024.84		8703.24
(Including in transit Rs. 1887.58 lacs, previous year 620.24 lacs)				
Stock of Traded Goods - Sugar @		4189.03		-
('@ in transit)				
Stock-in-process #		5731.02		1448.45
Residue Product		7.66		77.38
Scrap		3.43		3.01
Loose Tools		59.60		60.86
		42786.13		26668.70
* Include stock of Rs 147.84 lacs of trial production (P.Y.Rs 55.15 lacs).				
# Include stock of Rs 328.95 lacs of trial production (P.Y. Nil).				
Sundry Debtors				
(Unsecured, Considered Good unless stated otherwise)				
Over six months		271.47		152.59
Others		11402.96		6788.01
		11674.43		6940.60
Over six months doubtful		103.98		313.45
		11778.41		7254.05
Less: Provision		103.98		313.45
		11674.43		6940.60
Cash and Bank Balances				
Cash on hand		71.60		137.51
Cheques on hand (incl. Remittances in transit)		28.21		335.31
Balance with Scheduled Banks				
- On Current Accounts		359.24		1451.87
- On Margin Money Accounts (In Fixed Deposits)		3340.46		303.80
- In Fixed Deposit Accounts *		950.55		2163.37
- On Dividend Accounts		105.59		113.96
		4855.65		4505.82
*Out of above ,fixed deposits Rs. 314.06 lacs (P.Y. Rs. 18.30 lacs) pledged with bank against Bank guarantee and Rs. 18 lacs (Previous year Rs. 17 lacs) with Excise & other Government Authorities				
B. LOANS AND ADVANCES				
(Unsecured, Considered Good unless stated otherwise)				
Inter Corporate Deposit		275.00		75.00
Advances recoverable in cash or in kind				
or for value to be received	5152.79		5015.71	
Doubtful advances / loans	125.71		125.71	
	5278.50		5141.42	
Less : Provision for doubtful advances / loans	125.71	5152.79	125.71	5015.71
Export Incentive receivable		1297.08		365.38
Balance with Excise Authorities		4925.39		4264.25
Deposits with Government Departments & Others		1242.28		883.73
MAT credit receivable		1318.13		825.70
Advance Income Tax/ Tax deducted at source		3950.55		6636.44
		18161.22		**18066.21**

includes Fixed Deposit with bank pledged with Government Authorities of Rs. 30.56 lacs (Previous year Rs. 26.26 lacs)

Schedules forming part of the Consolidated Balance Sheet

(Rs. in lacs)

	As at 31.03.2010	As at 31.03.2009
Schedule G CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Acceptances	3330.52	-
Sundry Creditors - Micro, Small and Medium Enterprises @	-	0.09
- Others	17345.22	10397.73
Other Liabilities	4957.83	8335.90
Advance from customers	1692.20	343.52
Interest accrued but not due on loans	445.30	485.23
Investor education & protection fund shall be credited by the following amounts when due:		
(i) Unclaimed Dividends	105.59	113.96
(ii) Unclaimed matured deposits	390.60	385.91
(iii) Unclaimed interest on above (ii)	107.21	108.32
	28374.47	20170.66
B. PROVISIONS		
Income Tax	3845.19	3926.03
Fringe Benefit Tax (Net)	165.53	196.66
Wealth Tax	3.12	2.58
Proposed Dividend	418.24	278.83
Corporate Dividend Tax	71.08	47.39
Retirement benefits	361.32	514.10
	4864.48	4965.59
	33238.95	25136.25

Schedules forming part of the Consolidated Profit and Loss Account

(Rs.in lacs)

	Current Year	Previous Year
Schedule H SALES AND OTHER INCOME		
SALES (Including Excise Duty)		
Ethylene Glycol	22000.12	28769.89
Di-ethylene Glycol	750.09	2723.50
Heavy Glycol	475.37	662.57
E.O. Derivatives	66071.01	51165.97
Guar Gum Powder and derivatives	2624.26	1603.67
Ethyl Alcohol (Potable)	38707.25	27673.00
Industrial Alcohol	188.33	877.83
Industrial Gases	2330.27	1607.09
Sugar	7945.98	5454.61
Molasses	70.70	15.62
Others	86.00	124.79
Sale of traded goods	2598.39	888.18
	143847.77	121566.72

Schedules forming part of the Consolidated Profit and Loss Account *(Rs. in lacs)*

Schedule H SALES AND OTHER INCOME (*Contd.*)

	Current Year	Previous Year
OTHER INCOME		
Dividend on long term investment	10.05	13.02
Rent	66.11	56.09
(Tax Deducted at source Rs 11.95 Lacs ; Previous year Rs 12.69 Lacs)		
Miscellaneous Income	2019.96	1710.08
Provision no longer required written back	597.21	-
Exchange fluctuation gain (Net of Loss Rs. 605.47 Lacs)	465.95	-
Profit on sale of Current Investments	-	3.91
Liability no longer required written back	3.51	36.29
Provision for doubtful debts/Advances written back	99.81	
Prior period Income	46.72	
(Net of expenses Rs.11.64 lacs, Prevoius. year Nil)		
Export Incentive receivable	692.07	567.79
Profit on sale of Fixed Assets	35.98	507.89
	4037.37	2666.09
	147885.14	123869.81

Schedule I INCREASE/ (DECREASE) IN STOCKS

	Current Year	Previous Year
CLOSING STOCK		
Finished Goods		
– Ethylene Glycol	777.34	409.57
– Di-Ethylene Glycol	144.88	217.87
– Heavy Glycol	189.00	111.93
– E.O. Derivatives	3167.13	2749.45
– Ethyl Alcohol (Potable)	964.80	573.27
– Guar Gum Powder and derivatives	198.87	67.25
– Guar Churi	0.07	0.03
– Industrial Gases	8.28	17.81
– Sugar	7170.32	4037.78
– Molasses & Bagasse	1111.11	447.91
– Anhydrous Alcohol	131.52	2.62
– Bio Compost	13.70	12.60
Total Finished Goods	13877.02	8648.09
Stock-in-Process	5402.07	1448.44
Residue Product	7.66	77.38
	19286.75	10173.91
LESS : OPENING STOCK		
Finished Goods		
– Ethylene Glycol	409.57	302.19
– Di-Ethylene Glycol	217.87	9.67
– Heavy Glycol	111.93	26.37
– E.O. Derivatives	2749.45	1626.61
– Ethyl Alcohol (Potable)	573.27	514.77
– Guar Gum Powder and derivatives	67.25	82.46
– Guar Churi	0.03	0.03
– Industrial Gases	17.81	17.05
– Sugar	4037.78	4574.67
– Molasses & Bagasse	447.91	574.83
– Anhydrous Alcohol	2.62	24.12
– Bio Compost	12.60	7.88
Total Finished Goods	8648.09	7760.65
Stock-in-Process	1448.44	2010.87
Residue Product	77.38	352.36
	10173.91	10123.88
Less: Differencial Excise Duty provided on Stock.	223.05	(131.96)
INCREASE/ (DECREASE)	8889.79	181.99

Schedules forming part of the Consolidated Profit and Loss Account

(Rs.in lacs)

Schedule J MANUFACTURING AND OTHER EXPENSES	Current Year		Previous Year	
Raw Materials consumed		74335.50		57165.19
Stores and spare parts consumed		10654.11		9198.25
Power and Fuel		18394.27		16392.18
Cost of Traded Goods		2420.39		931.54
Salaries, Wages, Allowances, etc.		4239.66		4237.29
Contribution to Provident and other Funds		321.32		291.15
Staff Welfare Expenses		383.07		318.51
Repairs and Maintenance				
- Buildings	291.49		224.41	
- Plant & Machinery	1214.36		1395.27	
- Others	150.43	1656.28	96.16	1715.84
Rent		98.28		154.38
Rates and Taxes		839.94		1014.33
Traveiling and Conveyance		1164.35		1244.55
Insurance		261.46		252.13
(Net of recovery from customers Rs.2.78 Lacs, Previous year Rs. 19.43 Lacs)				
Directors' Fee		8.60		10.40
Exchange Fluctuation loss (P.Y. Net of gain Rs 1889.61 lacs)		0.00		1383.80
Miscellaneous Expenses		1605.19		1556.35
Farm Expenses (Net of realisation of agri products sale of Rs. 7.20 lacs) (Previous year, Rs 8.64 lacs)		1.03		1.64
Donation		10.90		358.94
Commission to Selling agents		345.53		379.03
Freight forwarding and others (Net of recovered from customers Rs.964.75 lacs, Previous year Rs.617.98 lacs)		4360.09		3644.42
Bad debts written off	109.66			0.45
Less : Provision for doubtful debts written back	109.66	-	-	
Provision for doubtful debts and advances		-		275.67
Loss on Sale / Discard of Fixed Assets		33.80		228.98
Commodity Derivative Loss		-		10.01
Provision for diminution in value of Current Investments		7.12		-
Prior period expenses (Net)		-		172.69
(Net of income Rs. nil, Previous year Rs. 16.51 lacs)				
Amortisation of Foreign Currency Monetary Item Transaction Difference		42.26		63.11
Wealth Tax (Net)		3.12		2.43
		121186.27		101003.26

(Rs.in lacs)

Schedule K FINANCE CHARGES	Current Year	Previous Year
Interest on Fixed Loans	4857.36	3288.19
Other Interest	2012.92	2476.67
Financial Charges	1142.02	905.62
	8012.30	6670.48
Exchange fluctuation (gain) / loss - Loans	(2830.03)	2467.00
	5182.27	9137.48
Less: Interest Received (*)		
(Tax Deducted at source Rs 22.89 Lacs, Previous year Rs. 29.68 Lacs)	398.00	111.23
	4784.27	9026.25

[(*) Include on deposit Rs. 226.82 lacs, Previous year Rs. 121.78 Lacs and Interest on Income Tax refund Rs 233.18 lacs, previous year Rs.nil and other Rs.59.35 lacs, Previous year Rs.50.17 lacs]

Schedules forming part of the Consolidated Accounts

Schedule L NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1) PRINCIPLES OF CONSOLIDATION

(i) The Consolidated Financial Statements (CFS) comprises the financial statements of India Glycols Limited (IGL) and its following subsidiaries as on 31st March, 2010.

Name of the Company	Country of Incorporation	% of Shareholding & Voting Power
Shakumbari Sugar & Allied Industries Limited (SSAIL)	India	98.37%
IGL Chem International PTE. LTD.	Singapore	100%
IGL Finance Limited	India	100%

(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 Goodwill or Capital Reserve as the case may be. Goodwill arise on consolidation is shown as Intangible Assets under the Fixed Assets and Capital Reserve on consolidation is shown under Reserve & Surplus.

(v) The policy adopted by SSAIL on Valuation of Inventories is enumerated below:-

(a) 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.

(b) Store and spares parts – At cost arrived at applying weighted average method.

(c) 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.

2) Accounting Policies and other notes on accounts of the financial statements of the Company and its subsidiaries are set out in there respective financial statements.

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

(i) In respect of:- *(Rs. in lacs)*

Particulars	As on 31.03.2010	As on 31.03.2009
Income Tax Matter	–	138.57
Central Excise/State Excise	743.48	145.37
Customs duty matters	233.35	53.02
Service Tax & Others	179.08	378.78

(ii) Claim against the Company not acknowledged as debt Rs.341.90 lacs (Previous Year: Rs.39.43 lacs).

(iii) Bills discounted with Banks Rs.2757.09 lacs (Previous Year: Rs.477.33 lacs).

(iv) Guarantees issued by Bank on behalf of Company Rs.2920.80 lacs (Previous year Rs.80.05 lacs).

(v) Recovery Charges claimed by S.D.M. Behat towards payment of cane dues Rs.66.82 lacs (P.Y. Rs.66.82 lacs) including the interest on cane dues Rs.46.89 lacs (Rs.46.89 lacs).

Schedules forming part of the Consolidated Accounts

Schedule L NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(vi) Pending final disposal by the Appellate Tribunal (CEGAT), Central Excise, the Company has not reversed in the books of account CENVAT credit taken, in respect of certain inputs and capital goods for Rs.7.92 lacs (Previous year Rs.34.97 lacs) initially disallowed by authorities and even reversed in the Excise records and the said amount is included in CENVAT receivables.

(B) Customs duty saved amounting to Rs.295.92 lacs on Raw Material consumed (Previous Year NIL), imported under advance Licence, pending fulfillment of export obligation and to that extent profit is stated higher.

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 licences. Company has been advised that considering this and "Going Concern Concept" basis, there is no need make any provision for customs duty saved.

4) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs.2714.68 lacs Previous Year Rs.7175.15 lacs) are Rs.8734.24 lacs (Previous Year : Rs.13681.07 lacs).

5) The Hon'ble High Court of Uttar Pradesh vide its order dated 24th July, 2009 had confirmed the resolution passed by the Shareholders of the SSAIL at their meeting held on 8th August, 2008 reducing the issued, subscribed and paid up share capital of the SSAIL pursuant to the provisions of Sections 100 to 103 of the Companies Act, 1956 and Article 10 of the Articles of Association of the Company;

(i) Equity share capital of Rs.3285.42 lacs comprising of 32,854,200 equity share of Rs.10/- each fully paid up of the SSAIL reduced to Rs.1642.71 lacs comprising of 32,854,200 equity share of Rs.5/- each fully paid up, by cancelling and writing off of 50% (Fifty percent) of the issued, subscribed and paid up share capital of the SSAIL, i.e. to the extent of Rs.1642.71 lacs in the manner as approved by the shareholders vide their aforesaid resolution, and the said amount has been set off against the debit balance appearing in the Profit & Loss Account of the SSAIL as at 31st March, 2008;

(ii) The securities premium account of the SSAIL as at 31st March 2008 has been also reduced from 1475.58 lacs to Rs.421.65 lacs by writing off Rs.1053.93 lacs there from; and the said amount has been set off against the debit balance appearing in the Profit & Loss Account of the SSAIL as at 31st March, 2008.

(iii) Every (2) two existing Equity share of the SSAIL of face value of Rs.5 each fully paid up, consolidated into 1(one) Equity Share having face of Rs.10 each fully paid up;

6) During the year SSAIL has issued and allotted 18,250,000 nos. fully paid up Equity Shares of Rs. 10/- each at par (total amounting to Rs.1825.00 lacs) and 10,000,000 nos. fully paid up 10% Cumulative Redeemable Preference Shares of Rs 10/- each at par (total amounting to Rs.1000.00 lacs) to the Holding Company M/s India Glycols Limited on preferential basis.

7) In the earlier years, the State Government of Uttar Pradesh (UP) had imposed a levy of license fee on transfer of alcohol from the distillery to the chemical plant. The levy was challenged by the Company in the Hon'ble Supreme Court and on 18th October, 2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, Company has filed an application for refund of amount paid of Rs.507.05 lacs (shown as recoverable under the head Loans & Advances) with State Government of Uttarakhand.

8) In the earlier years, the State Government of Uttarakhand had levied Export Pass Fee on ENA/RS export outside India. On the application of the Company the Hon'ble High Court of Uttarakhand vide its Order dated 13th November,2007 has granted stay on charging of Export Pass Fees till further Order. An amount of Rs.44.53 lacs paid in earlier years is shown as recoverable from State Govt. of Uttarakhand in the books of account.

9) Company has investment in a Subsidiary Company M/s IGL Finance Limited amounting to Rs.75.00 lacs (net of provision for diminution of Rs.425.00 lacs). During the year, Hon'ble High Court of Nainital vide its order dated 11th May, 2009 have approved reduction of its Paid up Equity Share capital. With such reduction in par and fully paid up value of equity share of Rs.10 each reduced to Rs.2 each and 5 (five) fully paid up equity shares of Rs.2 each have been consolidated into 1(one) equity share of Rs.10 each fully paid up.

Schedules forming part of the Consolidated Accounts

Schedule L NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10) (i) Company has investment of Rs.2827.50 lacs and Rs.1000.00 lacs in equity share capital and 10% cumulative redeemable preference share capital respectively in its Subsidiary Company Shakumbari Sugar and Allied Industries Limited (SSAIL) where book value is lower than carrying cost. (ii) Company has an investment of Rs.27.41 lacs in equity shares of subsidiary IGL Chem International PTE. LTD. (IGL CIP) where book value is negative.

Considering the long term in nature and intrinsic value of the investee assets no provision at this stage is considered necessary by the management.

11) The Company has challenged the legality and the validity of the financial derivative transaction dated 15th January 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 at New Delhi. Accordingly, of the total provision considered in books on prudence basis of Rs.1923.98 lacs (Previous year Rs.4169.56 lacs) excluding interest, if any, made against the said financial transaction dated 15th January 2008 is disputed and is subject to the final outcome of the aforesaid court proceedings.

12) Exceptional items represents exchange (gain) / loss of Rs. (1626.58) lacs (net) (Previous year Rs.4743.67 lacs (net)) on reinstatement of outstanding foreign exchange contracts.

13) (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.

14) For the season 2007-08, sugar cane purchase accounted for @Rs.110 per quintal whereas State advised Price (SAP) is Rs.125 per quintal the matter is subjudice and pending before Hon'ble Supreme Court which was paid in accordance with interim order passed by Hon'ble Supreme Court. Necessary adjustment in accounts arising out of difference between SAP of Rs.125/Qtl and Rs110/Qtl amounts to Rs.569.91 lacs which will be considered as & when the matter is finally decided.

15) (a) Inventory of levy sugar has been valued at a price of Rs.1675.92 per quintal based on the expected revision in the price application filed by the Indian sugar mills association (ISMA) on behalf of the sugar mills with the Ministry of Consumer Affairs, Food and Public Distribution, Government of India.

(b) Considering the point [15 a] above company has accounted for differential amount of Rs.94.70 lacs recoverable from the central Government on sales of levy sugar manufactured during the year.

16) SSAIL is in process of updating the fixed assets records and physical verification of certain Fixed Assets. 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.

17) Creditors (of SSAIL and guaranteed by the Company i.e. IGL) include short term agriculture loan to the Sugar cane farmers from the Central Bank of India amounting to Rs.5090.83 lacs (including interest accrued but not due on the same amounting to Rs.90.83 lacs).

18) Related Parties Disclosure:
(As identified by the management)

(i) Relationships:

A. Key Management Personnel
- U. S. Bhartia
- M. K. Rao
- Pragya Bhartia
- Mohan Sharma

B. Enterprises over which Key Management Personnel have significant influences:
- Ajay Commercial Co. (P) Ltd.
- J. B. Commercial Co. (P) Ltd.
- Kashipur Holdings Limited
- Polylink Polymers (India) Ltd.
- Hindustan Wires limited

Schedules forming part of the Consolidated Accounts

Schedule L NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(ii) Detail of Transactions with related parties: (*) *(Rs. in lacs)*

	Key management Personnel and their Relatives	Enterprises referred in (i) B above
Sale of Material	-	269.37
	(-)	(188.81)
Rent Paid	-	20.81
	(-)	(43.06)
Deposits repaid**	-	100.00
	(-)	(816.04)
Deposit Accepted	-	-
	(-)	(716.04)
Interest Expense**	-	3.81
	(7.63)	(26.04)
Salary	4.51	-
	(3.51)	(-)
Remuneration	125.49	-
	(79.42)	(-)
Outstanding Balances as at year end		
Loans & Advance	-	189.20
	(-)	(199.60)
Deposits payable (including Interest)	-	-
	(447.91)	(100.38)
Balance Payable	-	-
	(-)	(4.69)
Balance Recoverable	-	43.25
	(-)	(0.60)

Figures in Bracket represent previous year figures.
(*) Excluding Commission to Non Executive Directors
(**) Deposit and interest repaid to Kashipur Holding Company.

19) Earnings per share (EPS):

	2009-10	2008-09
Net profit for the year attributable to equity shareholders (Rs. in lac)	601.11	(10908.16)
Weighted average number of equity shares outstanding	27882500	27882500
Basic and diluted earnings per share (face value of Rs. 10 each) (Rs.)	2.16	(39.12)

20) (A) Deferred Liabilities & Assets are attributable to the following items -

(Rs.in lacs)

	As on 31.03.2010	As on 31.03.2009
Deferred Tax Liabilities :-		
Accelerated depreciation	11477.11	10664.59
Deferred Tax Assets :-		
Amount covered U/S 43 B	117.96	144.70
Provision for doubtful debts	72.86	144.06
Unabsorbed Depreciation	2795.60	2673.91
Business Loss	2209.40	2257.73
Others	1588.66	1861.95
	6784.47	7082.35
Deferred Tax Liabilities (Net)	**4692.64**	3582.24

Schedules forming part of the Consolidated Accounts

Schedule L NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(B) In case of Subsidiaries Company (SSAIL) no deferred tax assets (net) have been accounted for, as in the immediate future, cannot be quantified with a reasonable certainty in view of significant carry forward losses and present market scenario.

21) Balances of certain Debtors, Creditors, loans and advances (including capital advances), other liabilities and provisions are in process of confirmation and / or reconciliation. Management is confident on final recoverability/ confirmation of these, there will not be any material adjustment.

22) Segment Information:

A. Information about Business Segments (Primary Segments):

		Business Segments		Others	Unallocable	Total
		Chemicals	Liquor			
A	REVENUE					
	Gross Sales	91930.97	38718.08	13198.72	-	143847.77
		(87024.55)	(26794.47)	(7384.70)	(-)	(121203.72)
	Other Income	825.98	789.14	245.43	2,176.82	4,037.37
		(1723.04)	(451.94)	(132.79)	(358.32)	(2666.09)
	Total Revenue	92756.95	39507.22	13444.15	2176.82	147885.14
		(88747.59)	(27246.41)	(7517.49)	(358.32)	(123869.81)
	Segment Results (PBIT)	3951.00	2019.07	106.30	419.40	6495.78
		(20.64)	(2215.08)	(-359.08)	(-10753.64)	(-8877.00)
	Interest Exp	-	-	-	-	4784.27
						(6559.25)
	PBT	-	-	-	-	1711.51
						(-15436.25)
	Provision for Current Tax	-	-	-	-	492.43
	MAT Credit entitlement					(0.06)
						(492.43)
	Deferred Tax	-	-	-	-	1110.40
						(-4946.89)
	Taxation provision of earlier year	-	-	-	-	-
						(284.41)
	FBT	-	-	-	-	-
						(134.33)
	Wealth Tax	-	-	-	-	-
	PAT	-	-	-	-	601.11
						(-10908.16)
	Segment Assets	135537.56	11195.48	34757.25	25617.88	207108.17
		(119578.58)	(9864.17)	(26259.32)	(22923.83)	(178625.90)
	Segment Liability	13623.74	1336.65	12098.70	141506.74	168565.83
		(15910.55)	(1081.37)	(2458.26)	(121939.32)	(141389.50)
	Capital Expenditure	7896.66	423.55	1,674.90	4107.33	14102.44
		(17104.96)	(546.02)	(11484.21)	(9693.87)	(38829.06)
	Dep	5294.87	228.30	811.48	323.04	6657.69
		(5319.46)	(229.59)	(506.57)	(179.40)	(6235.02)

Schedules forming part of the Consolidated Accounts

Schedule L NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

B. Information about Geographical Segments (Secondary Segments):

				Domestic	Overseas	Total
1	Gross Sales (External)			101276.75 (97739.06)	42571.02 (23464.66)	143847.77 (121203.72)
2	Segment Assets			176070.49 (154057.78)	5391.60 (1644.29)	181490.29 (155702.07)

Notes:

Primary Segment reporting (by business segment)

Segments have been identified in line with Accounting Standard on 'Segment Reporting' (AS-17), taking into account the organisational structure as well as the differential risks and returns of these segments. The company has identified three segments i.e. business chemical, liquor and others which includes guar gum, Ennature Bio-pharma, sugar & software development and reported accordingly.

Secondary Segment reporting (by geographical segment-customer location)

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

Reportable segments

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

Segment Composition

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

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

'Others' primarily include Guar Gum, Ennature Bio-pharma, Software development & Sugar.

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

a) Outstanding at the year end:-

Nature of Instruments	2009-10 Amount (Equivalent US$ MLN)	2009-10 Amount (Equivalent EURO MLN)	2009-10 Amount (Equivalent Rs. in Cr.)	2008-09 Amount (Equivalent US$ MLN)	2008-09 Amount (Equivalent Rs. in Cr.)
Forward Contracts	37.81	0.35	171.90	11.00	55.72
Foreign currency options	36.67	-	164.65	50.69	256.75
Packing Credit Net of Export debtors	45.20	-	202.96	5.38	27.35
Open foreign exchange exposures :-					
Loans	26.66	-	119.69	53.71	272.03
Payable	1.16	-	5.21	0.13	0.66

b) The Company uses derivative instruments for hedging possible losses and exchange fluctuation loss is Rs.670.02 lacs net off gain (previous year Rs.6108.01 lacs) which is inclusive of Rs. NIL provision for mark to market loss on account of all outstanding financial transactions as on 31st March 2010.

Schedules forming part of the Consolidated Accounts

Schedule L NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 an amount of Rs 416.67 Lacs included in (b) (Previous year 4743.28 lacs) on outstanding contracts to the profit & loss account.

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

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

Signatures to Schedules A to L

As per our report of even date

For Lodha & Co.
Chartered Accountants

N.K. Lodha
Partner
M.No. 85155
Camp : Noida, UP
Dated : 4th May, 2010

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

Place : Noida, UP
Dated : 4th May, 2010

M.K. Rao
Executive Director

Anand Singhal
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

Jayshree Bhartia
Pradip Kumar Khaitan
R. C. Misra
Ravi Jhunjhunwala
Autar Krishna
Jagmohan N. Kejriwal
Directors

Consolidated Cash Flow Statement for the year ended 31st March, 2010 *(Rs.in lacs)*

		For the Year 2009-2010		For the Year 2008-2009	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit Before Tax		1711.51		(15436.25)
	Adjustments for:				
	Depreciation	6657.69		6235.02	
	(Profit)/Loss on Sale of Assets	(2.18)		(278.91)	
	Amortisation of Foreign Curr. Montary Item Transaction Diff	42.26		63.11	
	Effect of Ex.diff. on Translation of Foreign Currency Cash & Cash Equivalent	7.99		(4.07)	
	Foreign Exchange Fluctuation	(1618.68)		5380.67	
	Profit on Sale of Current Investment	0.00		(3.91)	
	Provision/(Recovery) In Diminution In the Value of Investments (Net)	7.12		0.00	
	Decrease in Capital Subsidy on Mhat Plant	(0.11)		0.00	
	Bad Debts W/off & Provision for Doubtful Debts & Advances	(99.81)		275.67	
	Rental Income	(66.11)		(57.17)	
	Provisions No Longer Required Written Back	(597.21)		0.00	
	Liabilities No Longer Required Written Back	(3.51)		(36.29)	
	Realised Fx Loss on Other Assets Adj Against FCTR	0.00		(61.20)	
	Interest Expense	5182.27		6428.74	
	Interest/Dividend Income	(408.05)	9101.67	(124.25)	17817.41
	Operating Profit Before Working Capital Changes		10813.18		2381.16
	Adjustments for:				
	(Increase)/Decrease in Trade & Other Receivables	(6912.39)		(343.72)	
	(Increase)/Decrease in Inventories	(16117.43)		360.09	
	Increase / (Decrease) in Trade Payables	8416.29	(14613.53)	(1217.10)	(1200.73)
	Cash Generated From Operations		(3800.35)		1180.43
	Direct Taxes Paid (Net)	2081.49		(836.95)	
	Net Cash From Operating Activities		(1718.86)		343.48
B	Cash Flow from Investing Activities				
	Purchase of Fixed Assets	(11934.48)		(34144.52)	
	Sale of Fixed Assets	125.42		1887.97	
	Purchase of Current Investment	0.00		(82.21)	
	Rental Income	66.11		57.17	
	Sale of Current Investment	0.00		78.46	
	Minority Interest	0.00		0.00	
	Interest / Dividend Received	334.55		197.80	
	Net Cash Used In Investing Activities		(11408.40)		(32005.33)
C	Cash Flow From Financing Activities				
	Proceeds from Govt Subsidy	19.60		180.40	
	Proceeds from Borrowings	34175.57		58536.96	
	Repayment of Borrowings	(11530.54)		(15375.79)	
	Interest/Other Borrowing Cost	(8861.10)		(8602.20)	
	Dividends Paid (Including CDT)	(334.59)		(1298.18)	
	Arrears of Allotment Money Received	0.00		0.00	
	Net Cash Outflow from Financing Activities		13468.94		33441.19
D	Changes in Currency Fluctuation Reserve & Capital Reserve Arising on Consolidation		16.14		7.61
E	Effect of Ex.differences on Translation of Foreign Curr. Cash & Cash Equivalents		(7.99)		4.07
	Net Increase/ (Decrease) in Cash & Cash Equivalents [A+B+C+D+E]		349.83		1791.02
	Cash & Cash Equivalent Being Cash & Bank Balances (Opening Balance)		4505.82		2714.80
	Cash & Cash Equivalent Being Cash & Bank Balances (Closing Balance)		4855.65		4505.82

Note :
(1) Previous Year's Figures Have Been Regrouped Wherever Considered Necessary.
(2) cash and cash equivalent being cash and bank balances as per schedule 'F'

As per our report of even date

For **Lodha & Co.**
Chartered Accountants

N.K. Lodha
Partner
M.No. 85155
Camp : Noida, UP
Dated : 4th May, 2010

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

Place : Noida, UP
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M.K. Rao
Executive Director

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Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

Jayshree Bhartia
Pradip Kumar Khaitan
R. C. Misra
Ravi Jhunjhunwala
Autar Krishna
Jagmohan N. Kejriwal
Directors

Directors' Report

To,
The Members
The Directors of the Company have pleasure in presenting their Sixteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March' 2010.

Financial Results

(Rs. in lacs)

Particulars	For the year ended 31.03.2010	For the year ended 30.09.2009
Total Turnover including other income	10276.43	8313.53
Profit/(Loss) before Depreciation, Interest and Tax	910.51	264.62
Interest & Other Financial Expenses	1576.42	1319.06
Depreciation	750.21	561.24
Prior period (income)/ expense adjustment	(1.34)	(3.3)
Fringe Benefit tax	0.00	7.71
Transferred to Molasses Reserve Fund	0.92	0.63
Net Profit/ (Loss)	(1417.04)	(1620.72)
Profit/ (Loss) brought forward from previous year	(4317.36)	(2696.64)
Set off pursuant to Capital Reduction Scheme	2696.64	0.00
Profit/ (Loss) carried to Balance Sheet	(3037.76)	(4317.36)

Operations Review

A - Sugar Unit

During the Accounting year 2009-10, the crushing for the season 2009-10 commenced on 30th November, 2009, total Cane crushed during the season was 35.81 Lacs quintals in comparison to 22.14 Lacs quintals crushed during the previous season. Total production for the current season was of 3.12 Lacs quintals of white marketable Crystal Sugar in comparison to 2.08 lacs quintals produced in previous season. The recovery of sugar for the current season was 8.75% in comparison to 8.70% of previous season. During the period under review 1.80 Lacs quintal molasses was produced as compared to 1.27 Lacs quintals.

During the period under review, the Company has registered sale of 2.88 Lacs quintals of sugar for Rs. 79.46 crores.

B- Distillery Unit

During the period under review, Distillery Unit produced 2076 KBL of Anhydrous Alcohol (Ethanol) as against 5836 KBL produced in previous year and produced 4778 KBL of Rectified Spirit as against 7611 KBL produced in the previous year. During the period under review, Distillery Unit has not produced ENA as against 78 KBL produced in previous year. During the period under review, Distillery Unit has produced 3406 KBL of SDS as against 957 KBL produced in previous year.

During the period under review, the Company has registered sale of 4799 KBL rectified spirit, 1533 KBL of Anhydrous Alcohol (Ethanol), 3406 KBL of SDS and 0.06 KBL of ENA for Rs 8000, Rs 1.90 crores, Rs.9.26 Crores respectively.

Expansion of Sugar Plant, Distillery and Co-Generation Plant

The Company operates a Sugar Plant with a crushing capacity of 5500 tones per day (TCD) alongwith a modern distillery of 40 KL per day (KLPD) producing high quality rectified spirit, ethanol and country liquor and an internal bagasse fired co-generation plant of 10.4 MW catering to the captive power needs of the sugar and distillery units.

The Company has completed first phase of expansion plan and the capacity of sugar manufacturing plant has been enhanced from 3200 TCD to 5500 TCD and co-generation plant capacity has been enhanced from 3 MW to 11.4 MW of power generation. In the second phase of expansion plan, the capacity of sugar manufacturing plant will be enhanced from 5500 TCD to 7500 TCD, the distillery's capacity would be expanded to 85 KLPD from the present 40 KLPD for making ethanol from molasses/sugarcane juice and co-generation plant capacity will be enhanced from 10.4 MW to 25.5 MW of power generation out of which approximately 15.5 MW power generation will be used to cater the captive power need of expanded sugar and distillery units, the surplus power of approximately 10 MW will be sold to grid.

The application for SDF loan has already been filed with the Ministry of Consumer Affairs, Food & Public Distribution and the same is under processing. On the recommendation of the Ministry, Company has revised the capacity of sugar manufacturing plant to 7500 TCD in place of 10000 TCD due to lesser Sugar Cane availability for Sugar plant Expansion and 85 KLPD in place of 240 KLPD as per the availability of own molasses to run the plant for 160 days. The Sub Committee & Standing committee of SDF has already approved the proposal of Sugar Expansion, Cogeneration and Ethanol. The disbursement of Sugar & Cogeneration is expected and for Ethanol the same will take about 2-3 months as the written sanction from SDF is awaited and the same is expected shortly. The revised cost of the project due to the revision in Ethanol Project has been reduced to Rs 179.04 crores out of which the SDF amount is Rs 56.58 crores.

Considering the above appraisal by SDF of the technical specification of the project and the delay in disbursement of SDF assistance, all the projects of the Company are delayed.

Dividend

Due to inadequacy of profit, your Directors are unable to recommend payment of dividend for the period under review.

Fixed Deposits

During the period under review, the Company has not accepted any deposits from the public.

Reduction of Capital

The Hon'ble High Court of Allahabad vide its order dated 24th July, 2009 had confirmed the resolution passed by the Shareholders of the Company at their meeting held on 08th August, 2008 reducing the issued, subscribed and paid up share capital of the Company pursuant to the provisions of Sections 100 to 103 of the Companies Act, 1956 and Article 10 of the Articles of Association of the Company, from Rs. 32,85,42,000/-, comprising of 3,28,54,200 equity share of Rs.10/- each to be reduced to Rs. 16,42,71,000/- comprising of 1,64,27,100/- equity shares of Rs.10/- each fully paid up, by cancelling and writing off of 50% (Fufty percent) of the issued, subscribed and paid up share capital of the Company, as the said amount is not represented by the existing assets of the Company and the said amount be set off against the debit balance appearing in the Profit & Loss Account of the Company as at 31st March, 2008, so as to bring the paid up share capital of the Company more in line with and make it better representative of the assets presently held by the Company.

Consolidation of Share

The Hon'ble High Court of Allahabad vide its order dated 24th July, 2009 had confirmed the resolution passed by the Shareholders of the Company at their meeting held on 08th August, 2008 for consolidation every 2 (two) existing equity shares of Rs.10/- each fully paid up, with the reduced par value and paid up value of Rs.5/- each, be consolidated into 1 (one) equity share of Rs. 10/- each fully paid up, thereby reducing the total issued, subscribed and paid up share capital of the Company from Rs. 32,85,42,000/-, to Rs. 16,42,71,000/- and also reducing the total number of equity shares from the existing 3,28,54,200 equity shares of Rs.10/- each fully paid up, to 1,64,27,100 equity shares of Rs.10/- each fully paid up.

Introduction of Fresh Capital

India Glycols limited as Promoter Company introduces fresh capital comprises of equity share capital of Rs.18.50 Crores and preference share capital of Rs 10 Crore to part finance the expansion plans of the Company.

Errosion of 50% of the Peak Networth

As per provision of Section 23 of SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985 every Company, which is termed as potentially sick Company on erosion of 50% or more of its peak net worth during the immediately preceding four financial years, have to inform B.I.F.R. about cause of erosion of net worth, within a period of sixty days from the date of finalisation of the duly audited accounts of the company for the relevant financial year.

In view of the above, this is to bring to your notice that the accumulated losses of Shakumbari Sugar and Allied Industries Ltd. as on 31st March, 2010 have exceeded 50% of its peak net worth during the immediately preceding four financial years. The Peak net worth during the immediately preceding four financial years was Rs.2701.32 lacs. Since the accumulated losses during the year are Rs. 3037.76 lacs and has exceeded the peak networth of immediately preceding four financial years, Company is required to file report of potentially sick company before BIFR within a period of sixty days from the date of finalisation of the duly audited accounts of the company for the relevant financial year and to hold Shareholders' Meeting to consider the said Report.

Pursuant to Section 23(1) (a) of SICA, the Board of Directors of the Company is reporting the fact of such erosion of net worth to BIFR and the Shareholders. The material facts and the causes of the aforesaid erosion of the peak net worth of the Company are as follows:

1. General slowdown of the Indian economy for the last three years.
2. Demand Supply imbalance due to large capacity additions during the last few years on the one hand and lower than expected demand growth due to slack in the economy on the other.
3. Abnormal fall in sugar prices and increase in the Sugarcane prices for the year, resulted adversely affecting the profit margins. In some market zones, prices went so low, as to yield negative contribution.
4. Lower plant capacity utilisation because of lack of sugar cane and unremunerative prices.
5. Increase in the costs of administered price inputs such as power and steam etc.
6. Adverse climatic condition resulting in low yield of cane production and sugar recovery.

Company has expectation from economy and climatic support for improvement of our operation in current financial year. Demand of sugar is continuously increasing, so price will increase accordingly. Better price in domestic market improve our operation and profitability.

Company is working for combating competition by cost efficient production, so we are installing new equipments to reduce cost of production like co-generation plant for cheap power as well as expansion of sugar and distillery plant to increase volume for better hold in market.

Directors

Shri U.S. Bhartia and Shri I.B. Lal, Directors retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment, the Board of Directors at their meeting held on 3rd May, 2010 have recommended the re-appointment of retiring Directors for your approval.

Shri V.P. Garg has resigned from the Board of Directors w.e.f. 30th September, 2009 due to his preoccupation in other professional activities. The Board of Directors places on record their deep appreciation for the contribution made by Shri V. P. Garg as Director of the Company.

During the year under review, the Board of Director at their meeting held on 30th September, 2009 had appointed Mr Rakesh Bhartia as additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, who is holding the office till date of the ensuing Annual General Meeting. The Board of Directors at their meeting held on 3rd May, 2010 has recommended the appointment of Mr Rakesh Bhartia as Director for the approval of the Shareholders at their ensuing Annual General Meeting, whose term of office shall be determined for retirement by rotation. Mr Rakesh Bhartia aged about 40 years is by qualification a Chartered Accountant, Company Secretary and Cost Accountant and having experience in serving as Chief Executive Officer of large Industrial house engaged in the manufacturing of Sugar and Alcohol and he started his career in 1992 with ICICI Securities & Finance Company Ltd. (a Joint Venture between ICICI and J P Morgan). The Chairman further added that Mr. Rakesh Bhartia worked in leading multi-national Banks / Investment Banks including Standard Chartered Grindlays Bank and Bank of America. His career focus has been in Commercial and Investment Banking and he has rich experience in transactions covering equity & debt raising from domestic as well as international markets, Mergers & Acquisitions advisory, restructuring of corporates, leveraged buyout financing and exposure to currency markets. Mr Rakesh Bhartia is presently working as Chief Executive Officer of the holding Company M/s India Glycols Limited.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act as amended by the Companies (Amendment) Act, 2000, the Directors confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.

ii. Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2009 and of the Profit & Loss Accounts for the period ended 31st March, 2009.

iii. 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.

iv. The annual accounts have been prepared on a going concern basis.

AUDIT COMMITTEE

Pursuant to requirements of section 292A of the Companies Act, 1956, the Company has an Audit Committee of the Board comprising of Shri U.S. Bhartia as Chairman and Shri I.B. Lal and Shri Rakesh Bhartia as two other members of the Committee to look after the financial, accounting and other related matters.

Remuneration Committee

Pursuant to requirements of Schedule XIII of the Companies Act, 1956, the Company has a Remuneration Committee of the Board comprising of Shri U.S. Bhartia as Chairman and Shri I.B. Lal and Shri Rakesh Bhartia as two other members of the Committee to decide the remuneration payable to the Executive Director.

Statutory Auditors

M/s. Lodha & Co., Chartered Accountants, holding the office of the Statutory Auditors of the Company till the conclusion of the ensuing Annual General Meeting of the Company, being eligible, have offered themselves for reappointment. The Board of Directors has recommended the reappointment of M/s. Lodha & Co., Chartered Accountants, who shall hold the office of the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting of the Company till the conclusion of the next Annual General Meeting of the Company.

Personnel

As none of the employee of the Company was in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975, the relevant details are not required to be given.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Out-go

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure - I and forms part of this report.

Company has also taken environmental conservation measures by planting in the surplus land in the factory.

Industrial Relations

The industrial relations remained cordial during the year under review.

Acknowledgement

Your Directors take this opportunity to place on record appreciation for the continued cooperation and support extended by the various departments of Central and State Government(s), Financial Institutions, Company's Bankers, Business associates, Cane growers and Shareholders at large. Your Directors also deeply acknowledge the contribution made by all the employees of the Company at all levels.

For and on behalf of the Board

Place : Noida, U.P.
Date : 3rd May, 2010

U.S. Bhartia
Chairman

Annexure - I to Directors' Report for the period ended 31.03.2010

(A) CONSERVATION OF ENERGY

1. FORM – A

A) Power and Fuel Consumption:	Current Year	Previous Year
1) Electricity		
a) Purchased		
Unit (KWH'000)	NIL	NIL
Total Amount (Rs. '000)	NIL	NIL
Rate/Unit (Rs./KWH)	NIL	NIL
b) Own Generation:		
i) Through Diesel Generator		
Units (KWH'000)	1052254	1110036
Unit per litre of diesel (KWH)	3.31	3.290
Cost/Unit (Rs./KWH)	9.75	10.50
ii) Through Steam Turbine:		
Units (KWH'000)	13355351	9205101
Unit per litre of fuel oil/Gas	0.05983	0.06279
2) Coal (specify quality and where used)		
Quantity (tonnes)	N/A	N/A
Total Cost (Rs.'000)	N/A	N/A
Average Rate (Rs./M.T.)	N/A	N/A
3) Furnace Oil		
Quantity (K.Ltrs.)	N/A	N/A
Total Cost (Rs'000)	N/A	N/A
Average Rate (Rs./K.Ltrs)	N/A	N/A
4) Other/Internal Generation:		
Bagasse/Fire Wood	7.99	5.78
B) CONSUMPTION PER UNIT OF PRODUCTION:		
Sugar (Qtls.)	311950	208426
Electricity (KWH)	42.81	44.16
Furnace Oil (K.Ltrs)	NIL	NIL
Coal (Tonnes)	NIL	NIL

(B) Research and Development (R&D) :

In sugar industry, there is not much of scope for R& D. However, the Company, constantly makes efforts to improve the efficiency of the Plant and develop new variety of cane by carrying out cane development programme besides laying thrust on increasing cane cultivation area.

(C) Technology Absorption, Adaptation and Innovation :

1. Efforts in brief, made towards technology absorption, adoption and innovation:
   The Company has adopted technology, which is standard in Sugar Industry in India.
2. Benefits derived as a result of above efforts are Product Improvement, Cost Reduction:
   Product Development, Import Substitution etc.
3. Information regarding technology imported during the last 5 years:
   The company has not imported any technology.

(D) Foreign Exchange Earnings and Outgo :

	Current year	Previous year
1) Foreign Exchange Earning	NIL	NIL
2) Foreign Exchange Outgo	NIL	197.51 Lacs

For and on behalf of the Board

Place : Noida, U.P.
Date : 3rd May, 2010

U.S. Bhartia
Chairman

Auditors' Report

To
The Members of
Shakumbari Sugar & Allied Industries Limited

We have audited the attached Balance Sheet of Shakumbari Sugar & Allied Industries Limited, as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") as amended by the Companies (Auditor's Report) order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ("The Act"), we enclosed in the Annexure a statement on the matters specified in the paragraphs 4 & 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.

   (e) As per explanations and information given to us, none of the directors of the Company is disqualified from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

   (f) Without qualifying our opinion, we draw attention to note no. 4 of schedule 15 B relating to accounting for cane purchase liability for the sugar season 2007-08 at Rs. 110 per quintal instead of State Advised price of Rs. 125 per quintal fixed by the Uttar Pradesh State Government, Pending completion of legal proceedings in the matter.

   (g) Attention is invited to;

      i) Note no.7 of schedule 15B regarding pending confirmation /reconciliation of balances of debtors, creditors, Loans & Advances (including capital advances), other liabilities and provision as stated in the said note.

      ii) Note no.5 (a) & (b) of schedule 15B regarding valuation of inventory of levy sugar based on the application filed by the Indian Sugar Mills Associations with the Central government and accounting of differential amount on sale of levy sugar during the year as stated in the said note and our inability to comment on the same;

      We further report that the loss for the year, debit balance of profit & loss account, balance of loans & advances, and other assets and liabilities are without considering the impact of item mentioned in para 2(g) above, the effect of which could not be determined.

      Subject to para 2 above, in our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read with note no.8, 12 & 13 of schedule 15B and together with other notes thereon, gives the information as required by the Companies act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
      ii) In the case of the Profit & Loss Account, of the loss for the year ended on that date; and
      iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

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

Camp : Noida, UP
Date : 3rd May, 2010

Annexure to the Auditors' Report

(Referred to in paragraph (1) of our Report of even date to the members of Shakumbari Sugar & Allied Industries Limited for the year ended 31.03.2010)

1. (a) Fixed Assets records showing full particulars, including quantitative details and situation of fixed assets which are in process of compilation /updation. (Read with note no. 8 of Schedule 15 B).

   (b) As per information and explanations given to us, physical verification of certain fixed assets as per programme of physical verification in periodical manner is in process (read with note no. 8 of Schedule 15 B).

   (c) As per the records and information and explanations given to us, fixed assets disposed off during the year does not effect the going concern assumption of the company.

2. (a) The inventory of the company (except stock lying at port and third parties and in transit) has been physically verified by the management at reasonable intervals.

   (b) In our opinion and information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable (read with para (2) (a) above) in relation to the size of the company and nature of its business.

   (c) In our opinion and according to information & explanations given to us, the company has maintained proper records of inventory (except process stock which has been updated on periodical basis). The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

3. As per the information and records made available to us, the company has neither granted nor taken during the year any loan not taken any loans secured or unsecured to and from companies, firms or other parties listed in the register maintained under section 301 of the Act. Accordingly the provisions of clause 4 (iii) (b) to (d) and (f) & (g) of the order are not applicable to the Company.

4. In our opinion and according to the information & explanations given to us, having regard to the explanation that some of the items purchased are of special nature or where user department has shown specific preference, where, as explained, suitable alternative sources do not exist to obtain comparative quotation and rates were determined considering the quality, volume, nature of the items and present market condition prevailing at that time, there is an internal control system commensurate with the size of the company and nature of its business for the purchase of inventory & fixed assets and for the sale of goods which needs to be further strengthened (read with note no.7, 8, 12, 13 of schedule 15B) Based on the audit procedure performed and information & explanation provided by the management, during the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

5. 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 contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that section; and having regard to our comment in para (4) above, the transaction made in such pursuance of such contracts or arrangement (exceeding the value of Rs. 5 Lacs in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act.

7. In our opinion, the company has an internal audit system, which needs to be further strengthened to make the same commensurate with the size of the company and nature of its business.

8. We have broadly reviewed the books of accounts to the extent 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 (however, certain

records are in the process of compilation/updation). We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete.

9. (a) According to the records and information made available, the company is generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Excise Duty, Service Tax, Provident Fund and Cess with the appropriate authorities. 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 2010 for a period more than six months.

   (b) According to the information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax & Service Tax that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of Excise Duty and Cess that have not been deposited with the appropriate authorities on account of disputes and the forum where the dispute is pending are given below:

Nature of Statue	Nature of Dues	Amount	Period	Forum where disputes are pending
Central Excise Act	Excise Duty	5,48,702	2004-05 2006-07 2007-08	Commissioner (Appeals) Meerut
	Excise Duty Excise Duty	7,63,082 8,46,889	2004-05, 1996-97, 2009-10	CESTAT, New Delhi Commissioner (Appeals) Saharanpur

10. The Company has accumulated losses at the end of the financial year exceeding 50% of its net worth, further company has incurred cash losses during the current financial year and in the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to the banks (except in case of interest maximum amount of Rs.51,12,877/- and delay for maximum period of 6 days) or financial institution or debenture holders.

12. According to the information and explanations given to us and based on documents and records provided to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) are not applicable.

14. According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly clause 4 (xiv) of the said order are not applicable.

15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

16. According to the information and explanations given to us, term loans have been applied for the purposes for which they were obtained as at balance sheet date.

17. 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 investment as at balance sheet date.

18. According to the information and explanations given to us, the company has not made preferential allotment of shares to any parties or companies covered in the register maintained U/s 301 of the Act (read with note no.3 of schedule 15 B).

19. The company has neither issued nor had any outstanding debenture during the year.

20. The company has not raised money by public issues during the year.

21. To the best of our Knowledge and belief, based on the audit procedures performed and on the basis of information and explanations provided by the management, no material fraud on or by the company has been noticed or reported during the course of the audit.

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

(N. K. Lodha)
Partner
Membership No.: - 85155E

Camp : Noida, UP
Date : 3rd May, 2010

Balance Sheet as at 31st March, 2010

(Amount in Rs.)

	Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
I.	SOURCES OF FUNDS			
	Shareholders' Funds			
	Share Capital	1	446,771,000	328,542,000
	Reserves and Surplus	2	43,743,311	149,054,666
			490,514,311	477,596,666
	Loan Funds			
	Secured Loans	3	1,742,099,369	1,873,824,333
	Unsecured Loans	4	-	300,000,000
			1,742,099,369	2,173,824,333
	Total		**2,232,613,680**	**2,651,420,999**
II.	APPLICATION OF FUNDS			
	Fixed Assets			
	Gross Block	5	1,557,090,574	1,501,931,584
	Less: Depreciation		477,154,520	402,487,757
	Net Block		1,079,936,054	1,099,443,827
	Capital Work in Progress		487,722,764	449,763,008
			1,567,658,818	**1,549,206,835**
	Current Assets and Loans & Advances	6		
	Inventories		1,310,698,217	510,835,951
	Sundry Debtors		28,318,978	17,200,681
	Cash and Bank Balances		43,232,060	64,740,932
	Loans and Advances		130,439,141	236,373,424
			1,512,688,396	**829,150,988**
	Less: Current Liabilities & Provisions	7		
	Current Liabilities		1,143,287,151	147,637,610
	Provisions		8,222,022	11,034,977
			1,151,509,173	**158,672,587**
	Net Current Assets		**361,179,223**	**670,478,401**
	Profit & Loss Account		303,775,639	431,735,763
	Total		**2,232,613,680**	**2,651,420,999**
	Significant accounting policies and notes to accounts	15		

Schedules referred herein above form integral part of the Balance Sheet

As per our report of even date

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

N.K. Lodha
Partner
M.No. 85155

Camp : Noida, UP
Dated : 3rd May, 2010

For and on behalf of board of directors

U.S. Bhartia
Chairman

Mohan Sharma
Executive Director

Place : Noida, UP
Dated : 3rd May, 2010

Profit and Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

	Schedule	As at 31.03.2010	As at 31.03.2009
I. INCOME :			
Sales	8	1,018,507,191	825,002,118
Less: Excise Duty and Cess		53,031,622	118,794,628
Net Sales		**965,475,569**	**706,207,490**
Other Income	8	9,135,820	6,351,289
Increase/(Decrease) in Stocks	9	388,240,468	(54,996,635)
Total		**1,362,851,857**	**657,562,144**
II. EXPENDITURE :			
Materials Consumed	10	1,059,416,250	501,747,807
Cost of Traded Goods		77,797,419	-
Manufacturing Expenses	11	51,151,126	47,546,584
Payments to and Provision for Employees	12	62,988,664	58,472,564
Administrative and Selling Expenses	13	20,447,196	23,002,793
Interest and Other Financial Expenses	14	157,642,273	131,906,103
		1,429,442,928	**762,675,851**
Profit \ (Loss) before Depreciation		**(66,591,071)**	**(105,113,707)**
Less: Depreciation		75,020,600	56,123,747
Profit \ (Loss) before Taxes		**(141,611,671)**	**(161,237,454)**
Provision for Taxation			
-Fringe Benefit Tax		-	770,720
Net Profit \ (Loss) after tax		**(141,611,671)**	**(162,008,174)**
Less : Transfer to molasses reserve fund		92,301	63,493
Net Profit \ (Loss) for the Year		**(141,703,972)**	**(162,071,667)**
Balance Brought Forward from Previous Year		(431,735,763)	(269,664,096)
Set off against Security premium	105,393,096		
Less: Set off pursuant to Capital Reduction	164,271,000	269,664,096	-
(Refere Note No. 2 of Schedule 15- B)			
Balance Carried to Balance Sheet		**(303,775,639)**	**(431,735,763)**
Earning \ (Loss) per share Basic/ Diluted (refer note no. 22 of schedule 15-B)		(5.54)	(9.86)
Significant accounting policies and notes to accounts	15		

Schedules referred herein above form integral part of the Profit & Loss Account

As per our report of even date

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

N.K. Lodha
Partner
M.No. 85155

Camp : Noida, UP
Dated : 3rd May, 2010

For and on behalf of board of directors

U.S. Bhartia
Chairman

Mohan Sharma
Executive Director

Place : Noida, UP
Dated : 3rd May, 2010

Schedules forming part of the Balance Sheet

(Amount in Rs.)

		As at 31.03.2010	As at 31.03.2009
Schedule 1 SHARE CAPITAL			
Authorised Capital			
35,000,000	(Previous year 35,000,000) Equity Shares of Rs.10/-each	350,000,000	350,000,000
10,000,000	(Previous year 10,000,000) 10% Cumulative reedemable Preference Shares of Rs.10/- each	100,000,000	100,000,000
		-	-
		450,000,000	450,000,000
Issued, Subscribed and Paid up			
34,677,100	(Previous year 32,854,200) Equity Shares of Rs. 10/- each fully paid up	346,771,000	328,542,000
	(Out of the above 34,112,100 (previous year 31,724,200) Equity Shares are held by India Glycols Limited (The Holding Company and its nominees)		
	(Pursuant to the scheme of capital reduction, Equity Share Capital of Rs. 328,542,000 (32,854,200 nos. of Equity Shares of Rs. 10/- each fully paid up) reduced to Rs. 164,271,000 comprising of 32,854,200 no. of Equity Shares of Rs. 5/- each fully paid up and every two (2) existing Equity Share of Rs. 5/- each fully paid up consolidated into one (1) equity share of Rs. 10/- each fully paid up)*		
	* Refer Note No. 2 of Schedule 15-B		
10,000,000	(Previous year Nil) 10% Cumulative Reedemable Preference Shares of Rs.10/- each reedemable on 30th September 2014 {Held by India Glycols Limited (The Holding Company)}	100,000,000	-
	Total	446,771,000	328,542,000

Particulars	Opening Balance	Additions	Deductions	As At 31.03.2010
Schedule 2 RESERVES AND SURPLUS				
Securities Premium Account*	147,558,000	-	105,393,096	42,164,904
Capital Subsidy (received on plant)	68,000	-	10,560	57,440
Molasses Reserve Fund	1,428,666	92,301	-	1,520,967
Total	**149,054,666**	**92,301**	**105,403,656**	**43,743,311**
Previous year	(149,001,733)	(63,493)	(10,560)	(149,054,666)

* Pursuant to the scheme of Capital Reduction (Refer Note No. 2 of Schedule 15-B)

Schedules forming part of the Balance Sheet

(Amount in Rs.)

Schedule 3 SECURED LOANS

	As at 31.03.2010	As at 31.03.2009
Term Loans from Banks*	1,121,371,769	1,424,049,234
Working Capital Facility		
- Cash Credits from Banks	448,562,000	449,775,099
- Buyers' Credit	141,165,600	
From Sugar Development Fund	31,000,000	-
Total	**1,742,099,369**	**1,873,824,333**

(a) Out of above, Term Loan Rs. 1,121,371,769/- (Previous year Rs. 1,423,536,007/-) and interest thereon are secured by pari passu charge on entire Fixed Assets of the Company with other lenders.
(b) Out of above, Term Loans amounting to Rs. 191,371,769/- (Previous year Rs. Nil) and interest thereon are further secured by second charge on Company's Current Assets.
(C) Working Capital Facilities are secured/to be secured by way of hypothecation of book debts and stocks including in-transit and second charge on all immovable properties of the company.
(d) The above loans (a & b) and the working capital facilities are also secured by the corporate guarantees of India Glycols Ltd.(The Holding Company).
(e) Term Loan includes loan from bank of Rs. Nil (Previous year Rs. 513,227/-) secured by hypothecation of motor vehicle purchased thereunder.
(f) Sugar Development Fund is secured by Bank Gurantee, which is further secured by corporate guarantees of India Glycols Ltd.(The Holding Company).
* Refer Note No. 16 of Schedule 15-B.

Schedule 4 UNSECURED LOANS

From Bank *	-	300,000,000
Total	**-**	**300,000,000**

* Secured by Corporate Guarantee given by India Glycols Limited (The Holding Company)

Schedule 5 FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Addition	Adjustment/ deletion	As at 31.03.2010	As at 01.04.2009	For the Year	Adjustment / deletion	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	21,675,640	-	-	21,675,640	-	-	-	-	21,675,640	21,675,640
Buildings	204,278,920	8,139,870	-	212,418,790	42,156,807	5,027,438	-	47,184,245	165,234,545	162,122,113
Plant & Machinery	1,219,822,227	50,371,150	4,661,594	1,265,531,783	325,082,214	66,736,767	353,837	391,465,144	874,066,639	894,740,013
Electrical Installation &										
Equipments	28,228,193	167,564	-	28,395,757	16,153,252	1,298,623	-	17,451,875	10,943,882	12,074,941
Computers	8,244,680	150,000	-	8,394,680	8,062,788	224,595	-	8,287,383	107,297	181,892
Furniture & fixtures	4,614,558	-	-	4,614,558	3,730,519	175,175	-	3,905,694	708,864	884,039
Vehicles	15,067,366	992,000	-	16,059,366	7,302,177	1,558,002	-	8,860,179	7,199,187	7,765,189
Total	**1,501,931,584**	**59,820,584**	**4,661,594**	**1,557,090,574**	**402,487,757**	**75,020,600**	**353,837**	**477,154,520**	**1,079,936,054**	**1,099,443,827**
Previous Year	**875,652,741**	**626,278,843**	**-**	**1,501,931,584**	**346,364,010**	**56,123,747**	**-**	**402,487,757**	**1,099,443,827**	**529,288,731**
Capital Work in Progress*									**487,722,764**	**449,763,008**

[* Including capital advances Rs 134,616,389 (Previous year Rs 139,012,917)]

Schedules forming part of the Balance Sheet

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule 6 CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
Inventories (As taken, valued and certified by the management)		
Molasses	95,738,190	38,815,181
Stores & Spares	23,359,611	40,508,679
Bagasse	15,372,706	5,975,694
Finished Goods - Sugar	717,031,820	403,777,574
Finished Goods - Rectified Spirit & Anhydrus Alcohol	13,296,119	900,792
Stock of Traded goods - Sugar *	418,902,657	-
Press mud & Bio Compost	1,369,699	1,259,834
Country Liquor	9,703,574	8,157,419
Stock in process	15,923,841	11,440,778
* stock in transit		
Total	**1,310,698,217**	**510,835,951**
Sundry Debtors		
(Unsecured, considered good unless otherwise stated)		
Debt outstanding for a period exceeding Six months		
Considered good	918,872	106,725
Considered doubtful	1,423,962	1,423,962
Other Debts*	27,400,106	17,093,956
	29,742,940	**18,624,643**
Less : Provision for doubtful debts	1,423,962	1,423,962
	28,318,978	**17,200,681**
* Includes due from Holding Company	9,212,188	2,183,310
- Maximum amount outstanding during the year	99,931,295	71,395,364
Cash & Bank Balances		
Cash in Hand (As certified by the management)	1,833,704	944,106
Balance with Scheduled Banks in		
Current Accounts	6,343,818	27,469,563
Cheques in hand	-	31,090,671
Fixed deposits*	35,054,538	5,236,592
	43,232,060	**64,740,932**
*Out of above fixed deposits Rs. 31,406,130 /- (Previous year Rs. 1,830,299/-) pledged with bank against Bank guarantee and Rs. 1,800,000 /- (Previous year Rs. 1,700,000/-) with Excise & other Government Authorities		
Loans & Advances		
(Unsecured, considered good unless other wise stated)		
Advances Recoverable in Cash or in kind or for value to be received	14,420,552	2,316,430
Claims Receivable	11,527,488	1,797,882
Advance Income Tax, TDS and FBT	2,055,021	4,066,963
Accrued Interest on Fixed Deposits	873,160	505,716
Other Advances		
Considered good	5,873,628	4,253,397
Considered doubtful	110,000	110,000
Less : Provision for doubtful advances	(110,000)	(110,000)
Inter Corporate Deposit*	-	120,000,000
CENVAT Receivable	90,696,367	97,893,876
Balances with Government Authorities	4,992,925	5,539,160
	130,439,141	**236,373,424**
* to India Glycols Limited (The Holding Company)	-	120,000,000
- Maximum amount outstanding during the period	120,000,000	518,909,329

Schedules forming part of the Balance Sheet

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule 7 CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Acceptances	333,052,216	-
Sundry Creditors		
- Due to Micro, Small and Medium Enterprises*	-	-
- Others#	630,909,524	85,734,047
Advances and Security Deposits from		
- Customers	104,667,752	939,998
- Others	6,303,768	5,740,796
Other Liabilities	67,228,518	54,209,001
Interest Accrued but not due on loans & Others	1,125,373	1,013,768
	1,143,287,151	147,637,610
# Due to India Glycols Limited (The Holding Company)	3,535,656	-
* Refer note 13 of Schedule 15-B		
# Refer note 17 of Schedule 15-B		
Provisions		
Gratuity	5,657,738	6,086,492
Leave Encashment	2,225,582	1,496,663
Fringe Benefit Tax	-	3,113,120
Income Tax	338,702	338,702
Total	8,222,022	11,034,977

Schedules forming part of the Profit and Loss Account

(Amount in Rs.)

	Year ended 31.03.2010	Year ended 31.03.2009
Schedule 8 SALES AND OTHER INCOME		
Sales (Including Excise Duty)		
Sugar	794,598,137	545,461,874
Molasses	19,696,138	9,649,997
Rectified Spirit	8,093	7,441,650
Anhydrous Alcohol	19,003,384	151,549,343
ENA	-	2,361,600
Country Liquor	-	82,447,019
Special Denatured Spirit(SDS)	92,597,595	26,090,635
Traded goods	92,603,844	-
	1,018,507,191	825,002,118
Other Income		
Bagasse Sales	3,342,834	-
Scrap Sales	-	28,289
Miscellaneous Income	4,950,544	2,339,815
Rent Received	230,762	108,312
Prior Period Income	134,335	329,727
Excess Liability Written Back for Gratuity	349,642	3,318,914
Excess Liability Written Back for Leave Encashment	-	215,672
Transfer from Capital Subsidy Reserve	10,560	10,560
Profit on sale of Fixed Assets	117,143	-
Total	9,135,820	6,351,289

Schedules forming part of the Profit and Loss Account

(Amount in Rs.)

Schedule 9 INCREASE /(DECREASE) IN STOCK

	Period ended 31.03.2010	Year ended 31.09.2009
(A) Finished Goods		
Opening Stock		
Sugar	403,777,574	457,466,577
Bagasse	5,975,694	4,845,000
Molasses	38,815,181	52,638,208
Finished Goods - Rectified Sprit & Anhydrus Alcohol & SDS	900,792	6,752,956
Press Mud & Bio Compost	1,259,834	787,933
Country Liquor	8,157,419	7,440,243
	458,886,494	529,930,917
Closing Stock		
Sugar	717,031,820	403,777,574
Bagasse	15,372,706	5,975,694
Molasses	95,738,190	38,815,181
Finished Goods - Rectified Sprit & Anhydrus Alcohol	13,296,119	900,792
Press Mud & Bio Compost	1,369,699	1,259,834
Country Liquor	9,703,574	8,157,419
	852,512,108	458,886,494
Increase/(Decrease) in Finished Goods	393,625,614	(71,044,423)
(B) Work In Process		
Opening Stock		
Sugar	11,316,900	8,497,001
Molasses	-	659,400
Country Liquor Blend	123,878	-
	11,440,778	9,156,401
Less : Closing Stock		
Sugar	14,089,543	11,316,900
Molasses	1,711,924	-
Country Liquor Blend	122,374	123,878
	15,923,841	11,440,778
Increase/ (Decrease) in Work in Process	4,483,063	2,284,377
Less/(Add) :-Excise Duty on account of Increase/(Decrease) on Stock of Finished Goods	9,868,209	(13,763,411)
Net Increase /(Decrease) in Stocks	388,240,468	(54,996,635)

Schedule 10 MATERIALS CONSUMED

	Period ended 31.03.2010	Year ended 31.09.2009
Raw Materials	1,029,697,242	467,535,323
Packing Materials	11,461,155	18,033,847
Stores and Spares	18,257,853	16,178,637
Total	1,059,416,250	501,747,807

Schedules forming part of the Profit and Loss Account

(Amount in Rs.)

Schedule 11 MANUFACTURINFG EXPENSES	Year ended 31.03.2010	Period ended 31.03.2009
Power and Fuel	15,582,385	11,973,127
Repairs and Maintenance	-	-
-Building	4,159,567	3,556,343
-Plant and Machinery	20,876,808	20,010,438
-Others	1,909,379	2,487,303
Other Manufacturing Expenses	8,622,987	9,519,373
Total	**51,151,126**	**47,546,584**

Schedule 12 PAYMENT TO AND PROVISION FOR EMPOLYEES

Salaries, Wages and Allowances	55,600,755	51,385,762
Contribution to Provident Fund	5,315,183	4,568,953
Employees Welfare	2,072,726	2,517,849
Total	**62,988,664**	**58,472,564**

Schedule 13 ADMINISTRATIVE & SELLING EXPENSES

Insurance	1,180,600	1,203,221
Rent	89,600	68,352
Communication Expenses	793,982	651,486
Rates & Taxes	77,870	47,000
Fine & Penalty	215,749	155,000
Brokerage and Commission on Sale (net)	2,792,421	3,144,868
Travelling & Conveyance	3,512,979	3,415,746
Legal & Professional Expenses	1,822,348	2,847,031
Vehicle Running & Maintenance	1,976,829	1,982,256
Research & Lab Expenses	138,449	564,797
Subscription & Periodicals	142,814	426,315
Water Cess Tax	295,140	320,574
Postage & Stationery Expenses	478,975	724,592
Security Charges	4,137,178	4,561,934
Farm Expenses	103,124	164,258
Provision for Bad and doubtful debt	-	1,093,838
Balances Written Off	82	45,033
Miscellaneous Expenses	2,689,056	1,586,492
Total	**20,447,196**	**23,002,793**

Schedules forming part of the Profit and Loss Account

(Amount in Rs.)

	Year ended 31.03.2010	Period ended 31.03.2009
Schedule 14 INTEREST AND OTHER FINANCIAL EXPENSES		
Interest on Term Loan	109,607,766	91,768,064
Interest on Working Capital Loan	24,168,294	34,160,786
Interest to Others *	22,445,493	7,705,004
Other Financial Charges	2,816,647	3,571,777
Less:Interest on Fixed deposits with bank	(834,886)	(525,158)
(includes TDS Rs. 60,770/- (P.Y. Rs.72,704/-)	-	-
Less: Interest on ICD Received	(561,041)	(4,343,796)
(includes TDS Rs. 56,104/- (P.Y. 984,305/-)		
Less: Interest on Buffer Stock Subsidy Receivable	-	(430,574)
Total	157,642,273	131,906,103

* includes Rs. 12,969,929/- (Previous Year Rs. 7,056,644/-) paid to India Glycols Limited (The Holding Company) towards interest on ICD

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Concept
   The accounts are being prepared using historical cost convention and on the basis of going concern with revenue recognized and expenses accounted for on accrual basis except that Insurance claim owing to the uncertainty attached thereto, are accounted for on receipt basis.

2. Fixed Assets & Depreciation
   a). Fixed Assets are stated at cost less accumulated depreciation and amortisation. Cost of fixed assets includes other expenses related to acquisition and installation.
   b). Depreciation is provided in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956, on straight line method. Depreciation on additions/disposals is provided with reference to the month of addition/disposal.

3. Treatment of expenditure during the construction period
   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.

4. Inventories
   i. (a) 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.
   Finished stock against which Company has firm commitment- At cost or committed price which ever is lower.

   (b) Store and spares parts – At cost arrived at applying weighted average method.

   ii. Cane crop – At net realisable value determined on the basis of estimated yield per hectare.

   iii. Inventory of Molasses, Bagasse, Press mud and Bio Compost are considered at net realizable value.

   iv. Excise duty payable on finished goods in stock as at Balance Sheet date is provided and included in the value of these inventories and excise duty paid account and there is no impact of the same on the operating results for the year.

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

5. Foreign Exchange Transactions
   Foreign currency transactions are recorded at the rate of exchange prevailing at the date of transaction. Foreign currency monetary assets and liabilities are converted at the exchange rates prevailing at the year end except those covered under firm commitment which are stated at contracted rate. Exchange difference is charged to the revenue account 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".

6. Government Grant
   Capital subsidy received for specific depreciable Asset is shown as Reserve and Surplus and it is treated as deferred income, which is amortised over useful life of the assets in proportion of depreciation on such asset.

7. Employees' benefit
   a) Defined Contribution Plan:
      Employee benefits in the form of Provident Fund (with Government Authorities) are considered as defined contribution plan and the contribution are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
   b) Defined Benefit Plan:
      Retirement benefit 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 Balance Sheet.
      Actuarial gain/loss, if any, is immediately recognized in the Profit & Loss Account.
   c) Other short term employees' benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.

8. Borrowing Cost
   Interest and other costs in connection with the borrowing of funds are capitalised up to the date when such qualifying assets are ready for its intended use and other borrowing costs are charged to Profit and Loss Account.

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

   Deferred Tax resulting from all timing differences between book profit and profit as per Income Tax Act, 1961 is accounted for, at the enacted / substantially enacted rate of Tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are 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.

10. 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.

11. Use Of Estimates And Assumptions
    The presentation of financial statements requires estimates and assumptions to be made that effect 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 / materialized.

12. 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.

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

B. NOTES TO ACCOUNTS

1. Contingent liabilities not provided for (as certified by the management):

   a). In respect of disputed demands/ claims against the Company not acknowledged as debts Rs. 2,158,673 (Previous year Rs. 3,943,092).
   b). In respect of U. P. Trade Tax Rs. 1,422,625 (Previous year Rs. 1,363,419).
   c). Guarantees' issued by Bank - Rs. 292,080,000 (Previous year Rs. 8,005,500).
   d). Recovery Charges claimed by S.D.M. Behat towards payment of cane dues Rs. 6,682,000 (Previous year 6,682,000) including the interest on cane dues Rs. 4,689,000 (Previous year Rs. 4,689,000).
   e). Pending final disposal by the appellate tribunal (CESAT), Central Excise, the Company has not reversed in the books of account CENVAT credit taken, in respect of certain inputs and capital goods for Rs. 791,671 (Previous year Rs. 3,496,646) initially disallowed by authorities and even reversed in the Excise records. The said amount of Rs. 791,671 (Previous year Rs.3,496,646) is included in CENVAT receivables.
   f). Estimated amount of contracts remaining to be executed on capital account (net of advances of Rs. 134,616,389 (Previous year Rs. 139,012,917) Rs. 694,451,206 (Previous year Rs. 714,869,469).
   g). Arrears of dividend on 10% Cumulative Redeemable Preference Shares Rs. 5,013,699/- (Previous Year Rs. Nil).

2. The Hon'ble High Court of Uttar Pradesh vide its order dated 24th July, 2009 have confirmed the Resolution passed by the Shareholders of the Company at their meeting held on 8th August, 2008 reducing the issued, subscribed and paid up share capital of the Company pursuant to the provisions of Sections 100 to 103 of the Companies Act, 1956 and Article 10 of the Articles of Association of the Company :

   (i) Equity Share Capital of Rs. 328,542,000/-, comprising of 32,854,200 Equity Share of Rs.10/- each fully paid up of the Company reduced to Rs.164,271,000/-, comprising of 32,854,200 equity share of Rs.5/- each fully paid up, by cancelling and writing off of 50% (Fifty percent) of the issued, subscribed and paid up Share Capital of the Company, i.e. to the extent of Rs. 164,271,000/-, in the manner as approved by the shareholders vide their aforesaid resolution, and the said amount has been set off against the debit balance appearing in the Profit & Loss Account of the Company as at 31st March, 2008;

   (ii) The securities premium account of the Company as at 31st March 2008 has been also reduced from 147,558,000/- to Rs.42,164,904/-, by writing off Rs.105,393,096/- there from; and the said amount has been set off against the debit balance appearing in the Profit & Loss Account of the Company as at 31st March, 2008;

   (iii) Every (2) two existing Equity Share of the company of face value of Rs.5 each fully paid up, consolidated into 1(one) Equity Share having face of Rs.10, each fully paid up.

3. (i) During the year, Company has issued and allotted 18,250,000 nos. fully paid up Equity Shares of Rs. 10/- each at par (total amounting to Rs.182,500,000) and 10,000,000 nos. fully paid up 10% Cumulative Redeemable Preference Shares of Rs 10/- each at par (total amounting to Rs.100,000,000) to the Holding Company M/s India Glycols Limited, on preferential basis.

   (ii) The said capital is issued for part financing the existing expansion project of the Company for modernization cum expansion of Crushing capacity of Sugar Plant and the same have been utilized for the purpose issue was made.

4. For the sugar season 2007-08, sugar cane purchases was accounted for @ Rs.110/- per quintal whereas State Advised Price (SAP) is Rs. 125/- per quintal, the matter is subjudice and pending before the Hon'ble Supreme Court, which was paid in accordance with the Interim Order passed by the Hon'ble Supreme Court. Necessary adjustments in accounts arising out of difference between SAP @ Rs 125/- per quintal and @ Rs 110/- per quintal amounts to Rs.56,991,109/-, will be considered/provided for as and when the matter is finally decided.

5. (a) Inventory of levy sugar has been valued at a price of Rs.1,675.92 per quintal based on the expected revision in the price based on application filed in this regard by the Indian Sugar Mills Association (ISMA) on behalf of the sugar mills with the Ministry of Consumer Affairs, Food and Public Distribution, Government of India.

   (b) Considering the point 5(a) above, Company has accounted for differential amount of Rs.9,470,400/- recoverable from the Central Government on sale of levy sugar made/manufactured during the year. Final adjustment, if any, of above will be accounted for as and when finally settled.

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

6. Foreign Exchange gain amounting to Rs.29,182,312/- [including cost of traded goods is net off exchange gain of Rs.23,680,312/- (P.Y. Nil)] has been included in the respective heads of account in the Profit & Loss Account. This has no impact on the profit /loss for the period.

7. Balances of Debtors, Creditors, Loans & Advances (including Capital Advances), Current liabilities and provisions are in process of confirmation / reconciliation. Management is confident on final recoverability/ confirmation/adjustment of these, there will not be any material adjustment.

8. Company is in 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.

9. Deferred tax assets (net), in the immediate future cannot be quantified with a reasonable certainty in view of significant carry forward losses and present market scenario, therefore, no deferred tax assets (net) have been recognized.

10. Farm expenses included in miscellaneous expenses represent the agriculture expenses incurred at Farm and it is net of agriculture product sold of amounting to Rs.720,209 (Previous year Rs.864,140).

11. Capital Work In Progress includes advances to suppliers, machinery in hand, stock in transit and construction work in progress and also pre operative expenses as given below:

(Amount in Rs.)

	Current Year	Previous Year
Pre-operative expenditure as follows:		
Opening Balance	29,488,614	690,588
Raw Material & Chemical Consumed	41,000	79,000
Interest on Fixed Loans	53,923,579	44,805,124
Salary, Wages & Allowances	2,056,586	2,632,895
Legal and Professional Charges	1,106,371	863,858
Preliminary Expenses	-	681,846
Process Engineering and Technical assistance	894,709	1,683,641
Other Financial Charges	-	6,500,000
Less: Capitalised during the year	87,510,859	57,936,952
	7,476,730	28,448,338
Closing balance	80,034,129	29,488,614

12. 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, no impairment loss on its Fixed Assets /Cash Generating Units (CGU) is required to be made/considered necessary at this stage, as its expected recoverable value is more than its carrying value.

13. As required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed :

Amount in Rs.

Sr. No		Particulars	2009-10	2008-09
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	-	-

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

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.	-	-

Note: The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent available with the Company based on evidence from confirmations received by the Company enterprises having been registered under the said Act.

14. In the opinion of the Board, the Current Assets, Loans & Advances appearing in the Company's Balance Sheet as at year end would have a value on realization in the normal course of business at least equal to the respective amounts at which they are stated in the Balance Sheet.

15. Since repairing charges charged by the parties are composite i.e. inclusive of cost of spares at times and since spares consumed in repairs are debited to related repairs account, it is not possible to ascertain and include value of such spares in store and spares consumption disclosed in schedule 10.

16. Term Loans from Bank include interest accrued and due on loan amounting to Rs. Nil (Previous year Rs. 4,076,132).

17. Creditors include short term agricultural loan to the sugar cane farmers from the Central Bank of India amounting to Rs.509,082,873/- (including interest accrued but not due on the same amounting to Rs.9,082,873/-). The same is secured by corporate guarantee given by the Holding Company M/s India Glycols Limited.

18. Employee Benefits:

a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the period in Employees Provident Fund Rs. 5,315,183 (Previous year Rs. 4,568,953).

b) Defined Benefit Plan:

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

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

(Amount in Rs)

	Gratuity	Leave Encashment Unfunded
Present Value of Obligation at the beginning of the year	10,088,457 (8,060,680)	1,496,663 (1,733,274)
Current Service Cost	1,340,863 (1,179,769)	774,722 (430,268)
Interest Cost	726,369 (644,854)	107,760 (138,662)
Actuarial (gain)/ loss on obligations	700,992 (1,168,451)	513,130 (1,134,298)
Benefit Paid	(259,412) (-965,297)	(666,693) (-1,939,839)
Present Value of Obligation as at the end of the period	12,597,269 (10,088,457)	2,225,582 (1,496,663)

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

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

(Amount in Rs)

	Gratuity	Leave Encashment Unfunded
Fair value of plan assets at the beginning of the year	4,001,965 (3,286,007)	Nil (Nil)
Expected Return on Plan Assets	338,166 (239,879)	Nil (Nil)
Contributions	2,956,860 (1,403,212)	Nil (Nil)
Actuarial (gain)/ loss on obligations	(98,048) (38,164)	Nil (Nil)
Benefit Paid	(259,412) (-965,297)	Nil (Nil)
Fair value of plan assets at the end of the period	6,939,531 (4,001,965)	Nil (Nil)

III. **Reconciliation of fair value of assets and obligation**

(Amount in Rs)

	Gratuity	Leave Encashment Unfunded
Fair value of plan assets as at 31st March 2010	6,939,531 (4,001,965)	Nil (Nil)
Present Value of Obligation as at 31st March 2010	12,597,269 (10,088,457)	2,225,582 (1,496,663)
Funded Status [surplus/(Deficit)]	(5,657,738) (6,086,492)	(2,225,582) (1,496,663)
Net Assets/(Liability) Recognized in Balance Sheet	5,657,738 (6,086,492)	(2,225,582) (1,496,663)

IV. **Expenses recognized during the year**

(Amount in Rs)

	Gratuity	Leave Encashment Unfunded
Current Service Cost	1,340,863 (1,179,769)	774,722 (430,268)
Interest Cost	726,369 (644,854)	107,760 (138,662)
Expected Return on Plan Assets	(338,166) (-239,879)	Nil (Nil)
Actuarial (gain)/ loss	799,040 (1,130,287)	513,130 (1,134,298)
Net Expenses Recognized	2,528,106 (2,715,031)	1,395,612 (1,703,228)

VI. **Investment Detail**

All Investments are made with Trust.

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

VII. Actuarial / Demographic assumptions

	Gratuity	Leave Encashment Unfunded
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (Per annum)	7.80%	7.80%
Expected Return on Plan Assets (Per annum)	6.00%	NA
Rate of escalation in salary (per annum)	6.00%	6.00%
Retirement Age	60 Years	
Withdrawal Rate (All Ages)	Up to 30 year	10.00%
	Up to 44 year	10.00%
	Above 44 year	10.00%

The estimate of rate of escalation in salary considered in actuarial valuation, take 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 and 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.

19. Information pursuant of Paragraph 4, 4-A, 4-B, 4-C & 4-D of Part – II of Schedule VI to the Companies Act, 1956:

A. Remuneration to the Whole Time Director:

(Amount in Rs.)

Particulars	2009-10	2008-09
(a) Salary	1,440,000	1,440,000
(b) Contribution to Provident Fund	129,600	129,600
(c) Reimbursement of Medical Exp	15,000	14,750
(e) Leave Travel Assistance	270,000	—
Total	18,54,600	15,84,350

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

B. Auditors Remuneration

(Amount in Rs.)

a) Payment to Auditors		
{(*) Exclusive of applicable Service Tax}	**2009-10**	**2008-09**
i) As Auditors (*)	150,000	150,000
ii) In other capacity in respect of		
a) For Tax Audit	50,000	50,000
b) Out of Pocket Expenses	4,223	10,828
c) Certification	—	18,000
b) Cost Auditors (*)		
i) Audit Fees	20,000	20,000
ii) Out of Pocket Expenses	466	—
Total	224,689	248,828

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

C. Particulars of Capacity and Production

Product	Unit	Licenced to Capacity*	Installed Capacity*		Production	
			Current year	Previous year	Current year	Previous year
Sugar	Qtls	5500 TCD^	5500 TCD	5500 TCD	311,950	208,426
Molasses	Qtls	40 KLPD	40 KLPD	40 KLPD	373,454**	314,259**
Rectified Spirit	B.L.				4,778,078	7,610,917
Anhydrous Alcohol	B.L.				2,076,369	5,836,169
S.D.S.	B.L.				3,405,552	956,962
E.N.A.	B.L.				—	77,936
Country Liquor	Cases				—	64,203

Traded goods – Sugar # Quantity (in quintal) Value 360,00 77,797,419

Excluding Goods in Transit Quantity (in quintal) Value 138,913 418,902,657

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

** In case of Molasses, purchase from outside is 192,869 Qtls. (P.Y. 187,273 Qtls.).

^ The IEM has been received for 8,000 TCD for Sugar Unit.

D. Particulars of sales and stock of finished and other goods:

Class of Goods	Unit	Opening Stock		Closing Stock		Sales	
		Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.
Sugar	Qtls.	203,016	403,777,574	227,261	717,031,820	287,705	794,598,137
		(3,03,280)	(457,466,577)	(203,016)	(403,777,574)	(308,690)	(545,461,874)
Molasses	Qtls.	@76,404	38,815,181	@220,122	95,738,190	^* 229,736	19,696,138
		(140,642)	(52,638,208)	(76,404)	(38,815,181)	*(378,497)	(9,649,997)
Rectified Spirit	B.L	20,565	493,574	-	-	^* 4,798,642	8,093
		(2,63,066)	(4,329,600)	(20,565)	(493,574)	(7,853,418)	(7,441,650)
Anhydrous Alcohol	B.L	8,651	201,318	552,046	13,091,500	^1,532,974	19,003,384
		(120,834)	(2,412,016)	(8,651)	(201,318)	(5,948,352)	(151,549,343)
S.D.S.	B.L.	2,842	60,812	2,794	60,920	^ 3,405,600	92,597,595
		-	-	(2,842)	(60,812)	(954,120)	(26,090,635)
E.N.A.	B.L.	6,270	145,088	6,210	143,699	60	-
		(540)	(11,340)	(6,270)	(145,088)	(72,206)	(2,361,600)
Country Liquor	Cases	6,712	8,157,419	6,712	9,703,574	^ -	-
		(6,709)	(7,440,243)	(6,712)	(8,157,419)	(64,200)	(82,447,019)
Traded Goods	Qtls.	-	-	138,913	418,902,657	^37,087	92,603,844
(Sugar)		-	-	-	-	-	-
Total			451,650,966		1,270,473,828		1,018,507,191
			(524,297,984)		(451,650,966)		(825,002,118)

@ The opening stock of molasses includes 34,962 Qtls. (P.Y. 32,856 Qtls.) molasses stored in Distillery Division. The closing stock of molasses includes 116,860 Qtls. (34,962 Qtls.) of molasses stored in Distillery Division.

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

^ Includes Storage Wastage as under –

Molasses – 1,690 Qtls (7,916 Qtls), ENA – 60 B.L (206 B.L). Rectified Spirits – 8,023 B.L (22,396 B.L), Alcohol – 4,032 B.L. (12,352 B.L.), S.D.S. - 4,600 B.L. (1,120 B.L.), Country Liquor – Nil Cases (122 Cases), Traded goods (Sugar) – 1087 Qtls.

* Incase of Molasses, in addition to above, Transit Wastage of 607 Qtls (P.Y. 1,401 Qtls) is involved

Incase of Molasses, in addition to above, captive consumption is 206,395 Qtls. (P.Y. 353,626 Qtls.)

Incase of Rectified Spirit, in addition to above, captive consumption for SDS is 3,404,014 BL (P.Y. 956,155 BL), Anhydrus Alcohol 1,386,356 BL (P.Y. 6,350,694 BL), and for Country Liquor Nil (P.Y. 224,123 BL).

E. Consumption of Raw Materials & Stores :

Particulars	2009-10		2008-09	
	Qty (in Qtls)	Value (Rs. in lacs)	Qty (in Qtls)	Value (Rs. in Lacs)
i) Cane	3,580,772	952,924,740	2,487,994	386,468,393
ii) Molasses	206,395*	76,772,502	360,893*	81,066,930
iii) Stores & Spares (excluding packing materia)	—	18,257,853	—	16,178,637

* Includes self-generated quantity of 97,722 Qtls. (175,726 Qtls.)

F. Value of Imported and indigenous Raw Materials, Store Spares and Chemicals

a) Raw Material Consumed:

Particulars	2009-10		2008-09	
	Value Rs.	%age	Value Rs.	%age
Imported	——	——	—	—
Indigenous	1,029,697,242	100	467,535,323	100

b) Store & spares consumed

Particulars	2009-10		2008-09	
	Value Rs.	%age	Value Rs.	%age
Imported	——	——	—	—
Indigenous	18,257,853	100	16,178,637	100

G. Expenditure in foreign currency

Particulars	2009-10	2008-09
Travelling Expenditure	—	71,166

H. CIF Value of Import

Particulars	2009-10	2008-09
Capital Goods	—	20,136,937
Traded Goods- Sugar	50,34,00,128	—

I. Foreign Currency Exposure (Unhedged):

Particulars	2009-10		2008-09	
	In USD	In Rs. %	In USD	In Rs. %
Sundry Creditor	7,417,644	333,052,216	—	—
Buyers' Credit Loan	3,144,000	141,165,600	—	—

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

20. Segment Information:

A. Information about Business Segments (Primary Segments): *(Rs. in lacs)*

S. No.	Particulars	Business Segment			Other	Unallocable	Total
		Chemical	Sugar	Liquor			
A	**Revenue**						
1	Gross Sale	111,600,979 (177,639,978)	906,898,119 (555,111,871)	8,093 (92,250,269)	- -	- -	1,018,507,191 (825,002,118)
2	Other Income	935,759 (510,082)	6,611,530 (5,203,356)	- -	172,299 -	1,416,232 (637,851)	9,135,820 (6,351,289)
B	**Result**						
1	Segment Result (PBIT)	(33,696,309) (21,190,666)	57,980,805 (634,310)	(2,023,548) (1,599,422)	- -	(6,230,346) (5,906,953)	16,030,602 (29,331,351)
2	Interest Expense (Net)						157,642,273 (131,906,103)
3	Profit before Tax						(141,611,671) (161,237,454)
4	Deferred Tax						Nil (Nil)
5	Fringe Benefit Tax						- (770,720)
6	Wealth Tax						NIL (NIL)
7	Profit after Tax						(141,611,671) (162,008,174)
C	**Other Information**						
1	Segment Assets	754,253,651 (503,039,402)	2,117,813,573 (1,565,454,228)	54,215,577 (65,859,646)	4,773,970 -	149,290,443 (244,004,547)	3,080,347,214 (2,378,357,823)
2	Segment Liabilities	24,388,052 (20,944,230)	1,117,973,370 (126,371,534)	7,780,348 (6,875,946)	675,741 -	1,742,791,031 (2,178,305,210)	2,893,608,542 (2,332,496,920)
3	Capital Expenditure	70,125,108 (368,312,807)	26,513,232 (553,229,937)	- -	- -	1,142,000 (17,208,720)	97,780,340 (938,751,464)
4	Amortization & Depreciation	9,393,515 (8,808,040)	59,571,984 (40,223,698)	2,025,548 (2,155,356)	- -	4,029,554 (4,936,653)	75,020,600 (56,123,747)

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 organizational structure as well as the differential risks and returns of these segments. The company has identified four segments i.e. business chemical, Sugar, liquor and other which includes herbal activity and reported accordingly.

Secondary Segment reporting (by geographical segment-customer location)

In respect of secondary segment information, the company has not identified any geographical segment.

Reportable segments

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

Segment Composition

Chemicals Segment comprises manufacture and sale of EQRS, Anhydrous Alcohol (Ethanol) and Special Denatured Spirit.

Sugar Segment comprises manufacture and sale of Sugar.

Liquor Segment comprises manufacture and sale of Rectified Spirits, ENA and Ethyl Alcohol (Potable) i.e. Country Liquor.

Other Segment primarily includes herbal activities.

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

21. **Related Party Disclosure**
Related Party and their relationship

A. **Holding Company**
India Glycols Limited (w.e.f. 15th December 2007)
Fellow Subsidiaries
IGL Finance Limited (w.e.f. 15th December 2007)
IGL Chem International PTE Limited (w.e.f. 15th December 2007)

B. **Subsidiary** - Nil

C. **Key Management Personnel:**
Mohan Sharma Executive Director (w.e.f. 13th February 2008)

D. **Companies in which Company has Substantial Interest or Joint Venture NIL**

Nature of Transaction	Parties Referred to in A above	Parties Referred to in B above	Parties Referred to in C above
Loan Taken	703,900,000 (1,590,000,000)	NIL (NIL)	NIL (NIL)
Loan Repaid	421,400,000 (1,710,000,000)	NIL (NIL)	NIL (NIL)
Share Capital Allotted	282,500,000 (NIL)	NIL (NIL)	NIL (NIL)
Interest Expense	12,969,929 (7,056,644)	NIL (NIL)	NIL (NIL)
Interest Income	561,041 (4,343,796)	NIL (NIL)	NIL (NIL)
ICD Received Back	120,000,000 (510,000,000)	NIL (NIL)	NIL (NIL)
Expenses Reimbursed to other Companies	NIL (NIL)	NIL (NIL)	NIL (NIL)
Sale of Material	117,007,950* (128,851,276*)	NIL (NIL)	NIL (NIL)
Sale of Capital items	5,795,950* (128,851,276*)	NIL (NIL)	NIL (NIL)
Purchase	513,825 (7,521,460)	NIL (NIL)	NIL (NIL)
Sitting Fees	NIL (NIL)	NIL (NIL)	NIL (NIL)
Amount Receivable(Net of payable)	5,676,532 (2,183,310)	NIL (NIL)	NIL (NIL)
ICD Receivable	NIL (120,000,000)	NIL (NIL)	NIL (NIL)
ICD Payable	NIL (NIL)	NIL (NIL)	NIL (NIL)
Remuneration	NIL (NIL)	NIL (NIL)	1,854,600 (1,584,350)

Refer foot note to schedule 4 and note no. 17 herein above
*including CST of Rs. 2,109,059/- (P.Y. Rs. 2,522,822) & denaturation cost of Rs. 170,050/- (P.Y. Rs. 148,020).

Schedules forming part of the Accounts

Schedule 15 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

22. Earning Per Share

Particulars		Current Year	Previous Year
Profit attributable to Equity Shareholders		(141,611,671)	(162,008,174)
Weighted Average Number of Equity Shares		25,577,100	16,427,100*
No. of Equity Shares as on 01.04.2009	16,427,100		
Issued during the year:			
a) 18,250,000 Equity Shares on 30.09.2009			
Weight taken for 183 days= 18,250,000*183/365	9,150,000	25,577,100	
Nominal value of Equity Shares		10	10
Basic/Diluted Earning Per Share		(5.54)	(9.86)

*Restated pursuant to the scheme of Capital Reduction (Refer to the Note No. 2 herein above)

23. Amounts have been rounded off to nearest Rupee and previous year figures have been regrouped/recast wherever considered necessary.

24. Schedules 1 to 14, form an integral part of Accounts.

As per our report of even date

For and on behalf of board of directors

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

N.K. Lodha
Partner
M.No. 85155

U.S. Bhartia
Chairman

Mohan Sharma
Executive Director

Camp : Noida, UP
Dated : 3rd May, 2010

Place : Noida, UP
Dated : 3rd May, 2010

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No. 16271 State Code 20

Balance Sheet Date 31 03 2010

Date Month Year

II Capital Raised During the Year *(Amount in Rs. Thousand)*

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	282500

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

Total Liabilities	Total Assets
2232614	2232614
Sources of Fund	
Paid-up Capital	Reserve and Surplus
446771	43743
Secured Loans	Unsecured Loans
1742100	NIL
Application of Funds	
Net Fixed Assets	Investments
1567659	NIL
Net Current assets	Misc. Expenditure
361179	NIL
Accumulated Losses	
303776	

IV Performance of Company *(Amount in Rs. Thousand)*

Turnover & Other Income	Total Expenditure
1027643	1169255
Profit/Loss Before Tax	Profit/Loss After Tax
- 141612	- 141612

Please tick Appropriate Box + for Profit - for Loss

Earning per Share in Rs.	Dividend Rate (%)

V Generic Names of Two Principal Products/Services of Company (As per mon)

Item Code No. (ITC Code) 2060

Product Description SUGAR

Item Code No. (ITC Code) 2200

Product Description ETHYL ALCOHOL

Cash Flow Statement for the year ended 31st March, 2010

(Amount in Rs.)

		For the Year ended 31.03.2010		For the Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax		(141,611,671)		(161,237,454)
Adjustments For:				
Depreciation	75,020,600		56,123,747	
(Profit) / Loss On Sale Of Assets	(117,143)		-	
Rental Income	(230,762)		(108,312)	
Bad Debts & Provision For Doubtful Debts And Advances	-		1,093,838	
Decrease In Capital Subsidy On Mhat Plant	(10,560)		(10,560)	
Interest Expense	156,221,553		134,195,654	
Interest Income	(1,395,927)	229,487,761	(4,868,954)	186,425,413
Operating Profit Before Working Capital Changes		87,876,090		25,187,959
Adjustments For:				
(Increase)/Decrease In Trade And Other Receivables	(76,323,575)		(66,188,919)	
(Increase)/Decrease In Inventories	(799,862,266)		51,232,791	
Increase/(Decrease) In Trade Payables	1,017,179,565	140,993,724	(34,035,391)	(48,991,519)
Cash Generated From Operations		228,869,814		(23,803,560)
Direct Taxes Paid (Net)	-		(1,924,159)	
Net Cash From Operating Activities:		228,869,814		(25,727,719)
B. Cash Flow From Investing Activities:				
Purchase Of Fixed Assets	(66,558,910)		(868,523,124)	
Sale Of Fixed Assets	4,424,900		-	
Interest Received	1,028,483		5,815,652	
Inter Corporate Deposit Made	120,000,000		(120,000,000)	
Rental Income	230,762		108,312	
Net Cash Used In Investing Activities:		59,125,235		(982,599,160)
C. Cash Flow From Financing Activities				
Proceeds From Issue Of Equity Share Capital	182,500,000		-	
Proceeds From Issue Of Preference Share Capital	100,000,000		-	
Proceeds From Borrowings	172,165,600		1,146,446,179	
Inter Corporate Deposit Received	49,495,063		-	
Repayment Of Borrowings	(603,890,564)		(15,146,244)	
Interest/ Other Borrowing Cost	(209,774,020)		(180,573,737)	
Net Cash From Financing Activities		(309,503,921)		950,726,198
Net Increase/(Decrease) In Cash And Cash Equivalents {(A)+(B)+(C)}		(21,508,872)		(57,600,681)
Cash And Cash Equivalent Being Cash And Bank Balances (Opening Balance)		64,740,932		122,341,613
Cash And Cash Equivalent Being Cash And Bank Balances (Closing Balance)		43,232,060		64,740,932

Note :
(1) Previous Year's Figures Have Been Regrouped Wherever Considered Necessary.
(2) Cash and Cash Equivalent Being Cash and Bank Balances as per Schedule - 6

As per our report of even date

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

N.K. Lodha
Partner
M.No. 85155

Camp : Noida, UP
Dated : 3rd May, 2010

For and on behalf of board of directors

U.S. Bhartia
Chairman

Mohan Sharma
Executive Director

Place : Noida, UP
Dated : 3rd May, 2010

Directors' Report

To
The Members

Your Directors are pleased to present the Twelfth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

Operations

During the year, Company was not engaged in any financing activity, hence no income generated during the year. Total loss of Rs.27880/- occurred during the year.

Fixed Deposit

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

Directors

Shri Shishir Goyal and Shri Anand Singhal, Directors of the Company retire, by rotation and being eligible, offer themselves for reappointment.

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2010 and the profit and loss of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

Auditors

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

Conservation of Energy, Technology Absorption And Foreign Exchange Earnings and Outgo

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

Particulars of Employees

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

For and on behalf of the Board

Place : New Delhi	U.S. Bhartia	Shishir Goyal
Date : 4th May, 2010	Director	Director

Auditors' Report

To
The Members of
IGL Finance Limited

1. We have audited the attached Balance Sheet of **IGL FINANCE LIMITED** as at 31st March 2010 and the related Profit and Loss Account for the year ended on that date annexed thereto, and the cash flow statement of the company for the period ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of our audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments mentioned in the Annexure referred to in above paragraph we report that:
   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
   c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company;
   d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with the mandatory Accounting Standards referred to in Sub-Section 3 (c) of Section 211 of the Companies Act, 1956;
   e) According to the information and explanation given to us and on the basis of written representations received from the Directors as on 31st March 2010 of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010, from being appointed as a Director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956;
   f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the notes and Significant Accounting Policies thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010;
      (ii) In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; And
      (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For K.N. Gutgutia & Company
Chartered Accountants

(B.R. Goyal)
Partner
Membership No. 12172
ICAI'S FRN. 304153E

Place: New Delhi
Dated: 4th May, 2010

Annexure to the Auditors' Report

To
The Members of
IGL Finance Limited

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

i) The Company does not have Fixed Assets.

ii) The company does not have any inventory.

iii) The Company had not taken/given any loan from/to any Company covered in the register maintained under section 301 of the Companies Act 1956.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any major weakness in internal controls.

v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there was no transaction that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.

vi) The company has not accepted any public deposits.

vii) In our opinion, the company has no internal audit system.

viii) The Central Government has not prescribed maintenance of the cost records under section 209(1) (d) of the Companies Act, 1956.

ix) (a) According to the information's and explanations given to us and records examined by us , the company is regular in depositing with appropriate authorities undisputed statutory dues including income tax , wealth tax and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.

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

x) There are accumulated losses of the Company as on 31st March, 2010 which are more than 50% of its net worth. The company has not incurred cash loss during the financial year covered by our audit, and in the immediately preceding financial year.

xi) Based on our audit procedures and the information given by the management, we are of the opinion that the company has not taken any loan from financial institutions or banks.

xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit fund Company or nidhi /mutual benefit fund/ society.

xiv) In our opinion, the Company has no dealing in and/ or trading in shares and securities. All the investments were held by the company in its own name or its nominees.

xv) According to the information and explanations given to us, Company has not given any guarantees for loans taken by others from Bank or Financial Institutions.

xvi) According to the information and explanations given to us, no term loans has been raised during the year.

xvii) According to the information & explanation given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investments. No long-term funds have been used to finance short-term assets except permanent / core working capital.

xviii) The Company has not made any preferential allotment of shares during the year.

xix) During the year covered by our audit report the Company has not issued secured debentures.

xx) The Company has not raised any money by public issues during the year covered by our report.

xxi) Based upon the audit procedures performed and as per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For K.N. Gutgutia & Company
Chartered Accountants

(B.R. Goyal)
Partner
Membership No. 12172
ICAI'S FRN. 304153E

Place: New Delhi
Dated: 4th May, 2010

IGL FINANCE LIMITED

Balance Sheet as at 31st March, 2010

(Amount in Rs.)

	Schedule	As at 31.03.2010		As at 31.03.2009	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A		10000000		50000000
Reserve and Surplus					
- Capital Reserve (on forfeiture of shares)			18750		18750
- Statutory Reserve			30000		30000
(Pursuant to section 45(1)('c)of the Reserve Bank of India Act)					
			10048750		50048750
APPLICATION OF FUNDS					
Investments	B		49000000		49000000
Current Assets, Loans & Advances					
Balance with Scheduled Banks					
- on Current Accounts		1104438		1135718	
Cash in Hand		7408		4008	
Loans & Advances	C	31159		31159	
		1143005		1170885	
Less: Current Liabilities & Provisions					
Audit Fee Payable		11006		11006	
Expenses Payable		0		0	
Provision for Diminution in value of Investment		41600000		41600000	
		41611006		41600000	
Net Current Assets			-40468001		-40440121
Profit & Loss Account (Dr. Balance)			1516751		41488871
			10048750		50048750
Significant Accounting Policies & Notes to Accounts	D				

As per our report of even date attached.

For **K.N.Gutgutia & Co.**

For **and on Behalf of the Board**

B.R.Goyal
Partner
Chartered Accountants
Membership No.: 12172
Firm registration No.: 304153E

U.S. Bhartia
Director

Jayshree Bhartia
Director

Place : New Delhi
Dated : 4th May, 2010

Profit and Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

	Schedule	Current Year (31.03.2010)	Previous Year (31.03.2009)
INCOME			
Interest on Fixed Deposits with Banks		0	29353
(Including TDS Rs Nil-Previous Year Rs 6304)			
		0	29353
EXPENDITURE			
Bank Charges & Others		50	391
Printing & Stationery		800	0
Audit Fees		11030	11030
Legal & Professional charges		14400	0
Travelling & Conveyance Expenses		750	1250
Rates & Taxes		850	500
		27880	13171
Profit/(Loss) for the year before tax		(27880)	16182
Provision for tax		0	5501
Profit/(Loss) for the year after tax		(27880)	10681
Balance brought forward		(41488871)	(41497552)
Effect of Reduction of capital		40000000	0
(Refer Note 2(b) of Notes to Accounts			
Transfer to Statutory Reserve		0	2000
(pursuant to RBI regulations)			
Net Profit/(Loss) carried to the Balance Sheet		(1516751)	(41488871)
Significant Accounting Policies & Notes to Accounts	“D”		

As per our report of even date attached.

For **K.N.Gutgutia & Co.**

For **and on Behalf of the Board**

B.R.Goyal
Partner
Chartered Accountants
Membership No.: 12172
Firm registration No.: 304153E

U.S. Bhartia
Director

Jayshree Bhartia
Director

Place : New Delhi
Dated : 4th May, 2010

Schedules forming part of the Balance Sheet

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule A SHARE CAPITAL		
Authorised Capital		
50,00,000 Equity Shares of Rs. 10/- each	50000000	50000000
Issued, Subscribed and Paid up Capital		
10,00,000 Equity shares of Rs.10/- each (Previous Yr.)	50000000	50000000
50,00,000 Equity shares of Rs 10/each) fully paid up		
(10,00,000 shares held by the holding Company INDIA GLYCOLS LIMITED)	10000000	50000000
(Refer Note No. 2 of Notes to Accounts)		
	10000000	50000000

Schedule B INVESTMENTS

Long Term Investments		
Non-Trade		
Unquoted		
468000 15% Redemable Non-cumulative Preference Shares of Hindustan Wires Ltd. of Rs.100/- each &	49000000	49000000
22000 15% Redemable Cumulative Preference Shares of Hindustan Wires Ltd. of Rs.100/- each		
	49000000	49000000

Schedule C LOANS AND ADVANCES

LOANS AND ADVANCES		
(Unsecured, considered good)		
Tax deducted at source (Net of Provisons)	31159	31159
	31159	**31159**

Schedule forming part of the Accounts

Schedule D SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS AS AT 31st MARCH, 2010.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. Investments

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

3. Dividend Income

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

4. Interest Income

   Interest income if any, is accounted for on time proportion basis.

B. Notes to Accounts

1. Claims against the company not acknowledged as Debts - Nil.
2. Reduction of Capital & Adjustment of Carried Forward losses:
   a) The Hon'ble High Court of Uttarakhand at Nainital vide its order dated 11th May'2009 has confirmed the Resolution passed by the Shareholders of the Company at their meeting held on 14.08.2008 reducing the issued, subscribed and paid up share capital of the Company pursuant to the provisions of Section 100 to 105 of the Companies Act 1956 and Article 23 of Articles of Association of the Company. The said order has been filed with the Registrar of Companies on 21.05.2009.
   b) Equity share capital of Rs 5,00,00,000/- comprising of 50,00,000 equity shares of Rs 10/- each fully paid up of the Company reduced to Rs 1,00,00,000/-, comprising of 10,00,000 equity shares or Rs 10/- each fully paid up, in the manner as approved by the shareholders vide their aforesaid resolution.
3. Estimated amount of contracts remaining to be executed on capital account and not provided for - NIL.

C. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER ANNEXURE-I.

As per our report of even date.

For K.N.Gutgutia & Co.

For and on Behalf of the Board

B.R.Goyal
Partner
Chartered Accountants
Membership No.: 12172
Firm registration No.: 304153E

U.S. Bhartia
Director

Jayshree Bhartia
Director

Place : New Delhi
Dated : 4th May, 2010

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No. 022992 State Code 20

Balance Sheet Date 31 (Date) 03 (Month) 2010 (Year)

II Capital Raised During the Year *(Amount in Rs. Thousand)*

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

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

Total Liabilities	Total Assets
51660	51660
Sources of Fund	
Paid-up Capital	Reserve and Surplus
10000	49
Secured Loans	Unsecured Loans
NIL	NIL
Application of Funds	
Net Fixed Assets	Investments*
NIL	49000
Net Current assets	Misc. Expenditure
-40468	NIL
Accumulated Losses	
1517	

* After Provisions of Rs 40000 (amount in thousand) for diminution in value.

IV Performance of Company *(Amount in Rs. Thousand)*

Turnover & Other Income	Total Expenditure
00	28
Profit/Loss Before Tax	Profit/Loss After Tax
– 28	– 28
Earning per Share in Rs.	Dividend Rate (%)
	- -

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

Item Code No. (ITC Code) NA

Product Description INVESTMENT COMPANY

Independent Auditor's Report

To

The Members of

IGL Chem International Pte Limited

Report on the Financial Statements

We have audited the accompanying financial statements of IGLCHEM INTERNATIONAL PTE LTD (the "Company"), which comprise the statement of financial position as at 31 March 2010, Statement of comprehensive income, statement of changes in equity and Statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and statement of financial positions and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

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 Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 audit opinion.

Opinion

In our opinion,

(a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PlanAssure PAC
Public Accounts and
Certified Public Accountants
Singapore,
Dated : 15th April, 2010

Statement of Financial Position for the Financial Year ended 31st March, 2010

	Note	2010 $	2009 $
Assets			
Non-current assets			
Plant and equipment	3	1,834	3,893
Total non-current assets		1,834	3,893
Current assets			
Trade receivables	4	29,242	87,349
Other receivables	5	73,826	76,619
Inventories	6	293,350	82,937
Amount owing by a director	7	32	-
Bank balances	8	2,762	76,766
Total current assets		**399,212**	**323,671**
Total assets		**401,046**	**327,564**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	9	100,000	100,000
Accumulated losses		(248,314)	(330,221)
Total equity		**(148,314)**	**(230,221)**
LIABILITIES			
Current liabilities			
Trade payables	10	516,460	528,139
Other payables	11	32,900	29,012
Amount owing to a director	7	-	634
Total current liabilities/Total liabilities		**549,360**	**557,785**
Total equity and liabilities		**401,046**	**327,564**

Statement of Comprehensive Income for the financial year ended 31st March, 2010

	Note	2010 $	2009 $
Continuing operations			
Revenue	12	**4,911,923**	2,317,960
Other income	13	**68,542**	16,424
Consumables used		**(4,606,152)**	(2,317,000)
Finance costs	14	**-**	(1,112)
Depreciation	3	**(2,384)**	(2,319)
Staffs costs	15	**(7,179)**	(8,794)
Other operating expenses		**(282,843)**	(264,550)
Profit/(loss) from operations		**81,907**	(259,391)
Finance income		**-**	-
Profit/(loss) before taxation	16	**81,907**	(259,391)
Taxation	17	**-**	-
Profit/(loss) for the financial year from continuing operations		**81,907**	(259,391)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**81,907**	(259,391)
Profit/(loss) attributable to:			
Owners of the Company		**81,907**	(259,391)
Total comprehensive income attributable to:			
Owners of the Company		**81,907**	(259,391)

Statement of Changes in Equity for the financial year ended 31st March, 2010

	Share capital	Retained earnings/ Accumulated Loss	Total
	$	$	$
Balance as at 01.04.2009	100,000	(330,221)	(230,221)
Profit for the year	-	81,907	81,907
Balance as at 31.03.2010	100,000	(248,314)	(148,314)
Balance as at 01.04.2008	100,000	(70,830)	29,170
Loss for the year	-	(259,391)	(259,391)
Balance as at 31.03.2009	100,000	(330,221)	(230,221)

Statement of Cash Flow for the financial year ended 31st March, 2010

	Note	2010	2009
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		81,907	(259,391)
Adjustment for :			
Depreciation	3	2,384	2,319
Interest expenses		-	(1,112)
Operating profit before working capital changes		84,291	(258,184)
Movements in working capital: -			
Trade receivables		58,107	(87,349)
Other receivables		2,793	(82,937)
Inventories		(210,413)	(62,969)
Amount owing by/(to) a director		(666)	(918)
Trade payables		(11,679)	528,139
Other payables		3,888	14,386
Net cash (used in)/generated from operations		(73,679)	50,168
Interest expenses		-	1,112
Net cash (used in)/generated from operating activities		(73,679)	51,280
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant and equipment		(325)	
Net cash used in investing activities		(325)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Net cash generated from financing activities		-	-
NET CHANGES IN CASH AND CASH EQUIVALENTS		(74,004)	51,280
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		76,766	25,486
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	2,762	76,766

Notes to the Financial Statement for the financial year ended 31st March, 2010

The notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

The Company is incorporated and domiciled in Singapore.

The registered address of the Company's and its principal place of business is at 101 Cecil Street, #13-03 Tong Eng building, Singapore 069533.

The principal activity of the Company is general trading of chemicals and polymers.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

(b) Going concern

The financial statements have been prepared on a going concern basis.

(c) Plant and equipment

(a) Measurement

(i) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (Note 2(k)).

(ii) Component of costs

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

(b) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Computer	3 years
Furniture and fittings	5 years
Office equipment	5 years

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date.

Notes to the Financial Statement for the financial year ended 31st March, 2010

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the Statement of comprehensive income. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

(d) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

(e) Cash and cash equivalents

Cash and cash equivalent consisting of bank balances, are stated at cost.

(f) Deferred income tax

Deferred taxation is determined on the basis of tax effect accounting using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the statement of financial position date.

At each statement of financial position date, the Company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unabsorbed capital allowances and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax losses can be utilised.

(g) Receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the Statement of comprehensive income.

(h) Other payables

Other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(i) Foreign currency translation

(i) Measurement currency

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant of that entity ("the measurement currency"). The financial statements of the Company are presented in Singapore Dollars, which is the measurement currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Foreign currency monetary assets and liabilities are translated into the measurement currency at the rates of exchange prevailing at the statement of financial position date or at contracted rates where they are covered by forward exchange contracts. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to the Statement of comprehensive income.

(j) Share capital

Ordinary shares are classified as equity.

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

(k) Impairment of assets

The carrying amount of the Company's assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of comprehensive income.

The recoverable amount is the greater of the asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of the estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. All reversals of impairment are recognised in the Statement of comprehensive income.

(l) Income recognition

Revenue from sales

Revenue from sales of goods is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transaction can be measured reliably.

(m) Employee benefits

Defined contribution plans

The Company has a defined contribution plan, required by local regulation, which covers substantially all of its domestic employees who are Singapore citizens and Singapore permanent residents. Under the defined contribution plan, the Company made monthly contributions based on the statutory funding requirement into a Central Provident Fund.

Employee leave entitlements

Employee entitlements to the annual leave are recognised when they accrue to employees. An accrual is made for estimated liability for annual leave as a result of service rendered by employees up to the statement of financial position date.

(o) Provisions

Provisions are recognised when the Company have a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(p) Financial instruments

Financial assets and financial liabilities, carried on the statement of financial position include cash and cash equivalents, trade and other accounts receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in the notes to the financial statements.

(q) Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statement for the financial year ended 31st March, 2010

3. Plant and equipment

	Computer $	Furniture & fittings $	Office equipment $	Total $
Cost				
Balance as at 01.04.2008 and 31.03.2009	4,596	3,068	868	8,532
Additions	-	-	325	325
Balance as at 31.03.2010	4,596	3,068	1,193	8,857
ACCUMULATED DEPRECIATION				
Balance as at 01.04.2008	1,532	614	174	2,320
Depreciation for the year	1,532	614	173	2,319
Balance as at 31.03.2009	3,064	1,228	347	4,639
Depreciation for the year	1,532	613	239	2,384
Balance as at 31.03.2010	4,596	1,841	586	7,023
CARRYING VALUE				
Balance as at 31.03.2010	-	1,227	607	1,834
Balance as at 31.03.2009	1,532	1,840	521	3,893

4. Trade receivables

Trade receivables are denominated in Singapore Dollar.

5. Other receivables

	2010 $	2009 $
Deposit	6,699	10,450
Goods in transit	43,840	55,962
Other debtors	23,287	10,207
	73,826	76,619

Other receivables are denominated in Singapore Dollar.

6. Inventories

	2010 $	2009 $
Balance sheet:		
Inventories, at lower of cost and net realizable value		
Raw materials	293,350	82,937
Income statement :		
Inventories recognised as an expense in cost of sale	4,816,565	2,399,937

Notes to the Financial Statement for the financial year ended 31st March, 2009

7. Amount owing by (to) a director

Amount owing by/(to) a director is non-trade in nature, unsecured, interest free, has no fixed terms of repayment and is denominated in Singapore Dollars.

8. Cash and cash equivalents

	2010 $	2009 $
Bank balances	2,762	76,766
Cash and cash equivalents are denominated in the following currencies:-		
Singapore Dollar	1,581	7,197
United States Dollar	1,181	65,569
	2,762	72,766

9. Share capital

	2010 $	2009 $
Issue and fully paid :-		
100,000 Ordinary shares	100,000	100,000

All issue ordinary shares have no par value.

10. Trade Payables

Trade payables are denominated in Singapore Dollar.

11. Other payable

	2010 $	2009 $
Accruals	11,370	10,834
Other payables	21,530	18,178
	32,900	29,012

Other payables are denominated in Singapore Dollar.

12. Revenue

Revenue represents invoiced value of good sold less trade discount allowed and sales returns.

13. Other income

	2010 $	2009 $
Job credit	4,050	-
Interest income	-	52
Gain on foreign exchange	64,492	16,372
	68,542	16,424

Notes to the Financial Statement for the financial year ended 31st March, 2010

14. Finance costs

	2010 $	2009 $
Bank overdraft interest	-	264
Loan interest	-	848
	-	1,112

15. Staff costs

	2010 $	2009 $
Central provident fund contributions	6,283	7,902
SDI levy fee	121	-
Medical fees	775	892
	7,179	8,794

16. Loss before taxation

	2010 $	2009 $
This is arrived after charging:		
Director's remuneration	120,000	120,000
Exchange loss -non trade	24,024	-
Freight charges	60,049	43,881

17. Taxation

	2010 $	2009 $
Current year income tax	-	-

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2009: 17%) to profit/(loss) before tax as a result of the following difference:-

	2010 $	2009 $
Profit/(Loss) before taxation	81,907	(259,391)
Tax calculated at statutory rate	13,924	(44,096)
Non-allowable items	4,594	444
Non-taxable items	-	-
Unabsorbed tax losses utilised	(18,518)	-
Unabsorbed tax losses unutilised	-	43,652
	-	-

Notes to the Financial Statement for the financial year ended 31st March, 2010 *(Contd.)*

The Company has estimated unutilised tax losses and tax timing differences from capital allowances available for offsetting against future taxable income as follows:-

	2010 $	2009 $
Unutilised tax losses		
Amount at the beginning of year / period	324,450	67,669
Additions in current year	-	256,781
Over provided in prior year	(285,496)	-
Amount utilised in current year	(108,943)	-
Amount at the end of year	147,897	324,450
Unabsorbed capital allowances		
Amount at beginning of year / period	8,531	8,531
Additions in current year	338	-
Under provided in prior year	250	-
Amount at end of year	9,119	8,531

Tax benefit arising from the estimated unutilised tax losses and unabsorbed capital allowances has not been recognised in the financial statements as the realization of the benefit depends on future profitability and whether there are changes in the shareholders as required by provisions of the Income Tax Act.

18. **Lease commitment**

At the statement of financial position date, the Company was committed to making the following payments in respect of non-cancellable operating leases with a term of more than one year:

	2010 $	2009 $
Rental of office premises:-		
Payable within one year	39,600	39,600
Payable after one year but within 5 year	26,400	26,400
Rental expenses for the year	31,914	37,441

19. **Significant related party transactions**

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

Key management personnel compensation comprised:

	2010 $	2009 $
Directors' remuneration	120,000	120,000

Notes to the Financial Statement for the financial year ended 31st March, 2010

20. Financial instruments – risk management

Financial risk management objectives and policies

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below: -

Interest rate risk

The Company has no major exposure to interest rates risk.

Liquidity risk

The Company maintains sufficient bank balances to ensure adequate working capital commitments and that repayment and funding needs are met.

Surplus funds are placed with reputable banks.

Foreign currency risk

The Company does not use foreign exchange contracts in managing its foreign exchange risk arising from cash flows from anticipated transactions and financing arrangements denominated in foreign currencies, primarily the US dollars. Hence, transaction risks are subject to the fluctuation of foreign exchange rates.

Credit risk

The carrying amount of other receivables represents the Company's maximum exposure to credit risk.

Fair value of financial instrument

The carrying value of financial assets and liabilities included in current assets and current liabilities approximate their fair values due to their short-term maturity.

21. Authorisation of financial statements

TThe Board of Directors of IGLCHEM INTERNATIONAL PTE LTD authorise these financial statements for issue on 15th April, 2010

INDIA GLYCOLS LIMITED

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

TWENTY SIXTH ANNUAL GENERAL MEETING

ADMISSION SLIP

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

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

Member's Signature

NOTE :

1. A member intending to appoint a proxy should complete the Proxy Form below and deposit it at the Company's Registered Office, not later than 48 hours before the commencement of the meeting.

2. A member proxy attending the meeting must complete this Admission Slip and hand it over at the entrance. Name of the Proxy in BLOCK LETTERS Proxy's Signature. Kindly bring your copy of the Annual Report at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting

INDIA GLYCOLS LIMITED

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

TWENTY SIXTH ANNUAL GENERAL MEETING

PROXY FORM

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

I / We ____ being a Member/Members of INDIA GLYCOLS LIMITED hereby appoint ____________________________________ of ______________________________________ in the district of _______________________________ or failing him ____ of ________________________________ in district of ____ as my / our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on the 21st day of August, 2010 and at any adjournment thereof.

Affix Revenue Stamp

Signed this ____________________day of ____ 2010
Name ____
Address ____
____
____

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

BOOK-POST

If undelivered, please return to:

INDIA GLYCOLS LIMITED

Plot No. 2B, Sector 126, Noida

Distt. Gautam Budh Nagar - 201 304

Uttar Pradesh

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