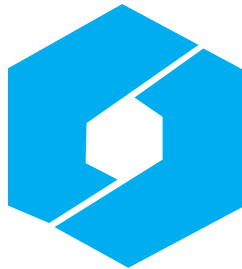


Twenty-Ninth
Annual Report
2012-13



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.

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Corporate Information

Board of Directors

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

Audit Committee

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

Investors' Grievance Committee

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
State Bank of Hyderabad
State Bank of Travancore
State Bank of Bikaner and Jaipur

Registered Office

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

Corporate Office

3A, Shakespeare Sarani,
Kolkata - 700 071

Head Office

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

Registrars & Transfer Agents

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

Notice

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of India Glycols Limited will be held on Wednesday the 18th September, 2013 at 12.30 PM 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, 2013 and Profit and Loss Account for the year ended on that date, the Reports of Directors and Auditors thereon.
2. To confirm the interim dividend paid during the year and declare final 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 an

ORDINARY RESOLUTION:

“RESOLVED THAT subject to provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if required, Shri M.K. Rao be and is hereby reappointed as Executive Director of the Company for a period of 5 years w.e.f. 1st April, 2013 on the remuneration, perquisites, benefits and amenities as mentioned below:

Remuneration:

- a) Basic Salary - ₹ 2, 70,000/- per month
- b) Special Allowance - ₹ 1,26,095/- per month

c) Perquisites:

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

- i) Unfurnished residential accommodation;
- ii) Electricity, water as per Company's rules;
- iii) Furnishing of residence upto an amount not exceeding ₹ 2,00,000/- p.a.
- iv) Company maintained car with driver will be provided for official and personal use;
- v) Medical and Personal Accident Insurance as per Company's rules;
- vi) Leave encashment as per Company's rules;
- vii) Maintenance expense for personal car for personal purpose for an amount not exceeding ₹ 2,00,000/- p.a.
- viii) Actual expenses reimbursement for Telephone provided at residence;
- ix) Medical reimbursement equivalent to one month salary for self and family;
- x) Leave travel concession once in a year for an amount not exceeding ₹ 36,000/- p.a. for self and family to any place in India by Air/Rail/Road;
- xi) Ex-gratia at the rate 15% p.a of the basic salary;
- xii) Contribution to Provident Fund as per Rules of the Company; and
- xiii) Gratuity as per Rules of the Company.

Provided further that the aggregate of remuneration by way of salary, perquisites and allowances etc. payable to Shri M. K. Rao shall not exceed 5% of the Net Profits of the Company in a financial year computed in the manner laid down under Section 309 (5) of the Companies Act, 1956 and within the overall limits prescribed under Section 198 and 309 read with Schedule XIII of the Act.”

“FURTHER RESOLVED THAT the Board of Directors of the Company on the recommendation of the Remuneration Committee be authorized to

annually review the salary, commission, perquisites and allowances etc. payable to Shri M. K. Rao and authorized to restructure the remuneration payable within the overall limit of 5% of the Net Profits of the Company in a financial year computed in the manner laid down under Section 309 (5) of the Companies Act, 1956 and within the overall limit prescribed under Section 198 and 309 read with Schedule XIII of the Act.”

“FURTHER RESOLVED THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Shri M. K. Rao as Executive Director of the Company, the aforesaid remuneration shall be the minimum remuneration payable to him or as may be approved by the, Central Government, if required.”

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

“FURTHER RESOLVED THAT Shri Rakesh Bhartia, Chief Executive Officer, Shri Anand Singhal, Chief Financial Officer and Shri Lalit Kumar Sharma, Company Secretary be and are hereby severally authorised to execute Agreement with Shri M. K. Rao for and on behalf of the Company for reappointment as Executive Director.”

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

“RESOLVED THAT in accordance with the provisions contained in the Memorandum and Articles of Association of the Company and pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“The SEBI Guidelines”) (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions

and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee including the Compensation Committee which the Board may, at its discretion authorize to exercise certain or all of its powers, including the powers, conferred by this Resolution), consent and approval of the members of the Company be and is hereby accorded to the Board, to grant, offer, issue, and allot, under a plan titled, Employees Stock Option Plan 2013 (ESOP 2013 or Plan), such number of options as may be decided by the Board, each option convertible into 1 (one) fully paid-up equity share of the Company of ₹ 10/- (Rupees Ten only) each, which could give rise to the issue of upto 5% of the paid up capital of the Company being 15,48,075 Equity shares of ₹ 10/- (Rupees Ten only) each to the present and future employee(s) including Director(s) in the whole-time employment of the Company or otherwise selected on the basis of criteria provided in the plan (“Eligible Employees”) except a promoter or a person who belongs to the Promoter Group, both these expressions being defined in the SEBI Guidelines, at any time to or to the benefit of Eligible Employees as defined under the plan, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board or a duly constituted Committee of the Board in accordance with the provisions of the law or guidelines issued by the relevant authority.”

“RESOLVED FURTHER THAT the consent of the shareholders of the Company be and is hereby granted to plan, and the Board, be is hereby authorised to do all acts as it may in its absolute discretion deem necessary to give effect to the plan including incur expenses in relation to the same.”

“RESOLVED FURTHER THAT all the new equity shares to be issued and allotted as aforesaid shall rank pari-passu including dividend inter-se with the then existing equity shares of the Company in all respects.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger, demerger, amalgamation, sale of division and any other form of corporate restructuring,

if any, additional shares are issued by the Company for the employees for the purposes of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 15,48,075 Equity shares of ₹ 10/- (Rupees Ten only) each shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares and price of acquisition payable by the option grantees under the plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10/- (Rupees Ten only) per equity shares 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 the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect the Plan on such terms and conditions as contained in the relevant Explanatory Statement to this notice and make any modification(s), change(s), variation(s), alteration(s) or revision(s), in the said Plan from time to time in its sole discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company and any other applicable laws, including but not limited to/amendments with respect to vesting period, vesting schedule, exercise price, re-pricing of the options granted, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the Plan from time to time and to do all such acts, deeds, matters, and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted under the Plan on the Stock exchanges as per the provisions of the Listing Agreement with the Stock Exchanges concerned, the SEBI Guidelines and other applicable laws and regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby

authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard.”

“RESOLVED FURTHER THAT subject to the SEBI Guidelines, the Board in its absolute discretion may from time to time amend, alter or terminate the Plan or any grant prior to the exercise or the terms and conditions thereof, provided that no amendment, alteration or termination in any option be made, which would impair or prejudice the rights of the employees covered under the Plan.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee, including the Compensation Committee, with power to further delegate to any executive(s)/officer(s) of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. at any stage including at the time of listing of securities, without being required to seek any further consent or approval of the members or otherwise to the end and intent that all such acts, deeds, matters and things done and executed by the Board in relation the grant or vesting of the options as described above, be and are hereby ratified by the Company.”

“RESOLVED FURTHER THAT all acts and deeds done by the Board till date to further the objective of this resolution be and are hereby ratified and approved.”

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

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 as also of any other applicable laws, rules, regulations, (including any amendment thereto or re-enactment thereof for the time being in force) and subject to all other applicable Rules, Regulations and Guidelines of the Securities and Exchange Board of India (“SEBI”), the applicable provisions of Foreign Exchange Management Act, 1999 (“FEMA”), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulation, 2000, Issue of Foreign

Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism), Scheme, 1993 and in accordance with the rules, regulations, guidelines, policies, notifications, circulars & clarifications issued / to be issued thereon by the Government of India (“GOI”), Reserve Bank of India (“RBI”), Securities and Exchange Board of India (“SEBI”), the Department of Industrial Policy and Promotion, Ministry of Commerce (“DIPP”), the Foreign Investment Promotion Board (“FIPB”), the Ministry of Finance (Department of Economic Affairs) and / or any other Regulatory / Statutory Authorities and/or other Authorities / Institutions / Bodies (hereinafter singly or collectively referred to as the “Appropriate Authorities”) and in accordance with the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions of the Appropriate Authorities concerned and subject to such conditions and modifications, as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (“Board”) (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute for exercising the powers conferred on the Board by this resolution), the Company be and is hereby authorized to issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more domestic or international offering(s) with or without Green Shoe option, including by way of a qualified institutional placement under Chapter XIII A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 (“SEBI Guidelines”), to eligible investors (whether or not such investors are members of the Company, or whether or not such investors are Indian or foreign, including qualified institutional buyers such as public financial institutions, scheduled commercial banks, mutual funds, foreign institutional investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital investors, state

industrial development corporations, insurance companies, pension funds and provident funds), whether by way of a public offering or by way of a private placement and whether by way of circulation of an offering circular or placement document or otherwise, securities including Equity Shares and/or instruments or securities convertible into equity shares of the Company such as Global Depository Receipts and/or American Depository Receipts and/or convertible preference shares and/or convertible debentures or bonds (compulsorily and/or optionally, fully and / or partly), and/or non-convertible debentures with warrants and/or securities with or without detachable / non-detachable warrants and / or warrants with a right exercisable by the warrant-holder to subscribe for equity shares and /or Foreign Currency Convertible Bonds (FCCBs) convertible into equity shares at the option of the Company or the holder(s) thereof, **up to an aggregate principal amount of ₹250,00,00,000 (Rupees Two Hundred fifty Crores)** or its equivalent in any other currency, (hereinafter referred to as “**Securities**”) to be denominated in foreign currency or Indian rupees, as the case may be, which, at the option of the Company or the holders of the Securities may be surrendered for the purpose of cancellation against receipt of corresponding number of underlying equity shares of the Company, as the case may be, and such issue and allotment to be made in one or more tranche or tranches at such price (premium/discount) as may be determined in accordance with relevant guidelines, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment, considering the prevailing market conditions and other relevant factors.”

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

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

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

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

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

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

“RESOLVED FURTHER THAT the Board be and is

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

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

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

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

- (i) sign, execute and issue all documents necessary in connection with the issue of the Securities, including listing applications to stock exchanges (whether in India or abroad) and various agreements, undertakings, deeds, declarations;
- (ii) seeking, if required, the consent of the Company’s lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in

connection with the issue and allotment of the Securities;

- (iii) giving or authorising the giving, by concerned persons, of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- (iv) settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment of Securities as it may in its absolute discretion deem fit. and
- (v) enter into and execute arrangements / agreements with Lead Managers / Underwriters / Guarantors / Depository (ies) / Custodians / Payment & Collection Agents/ Advisors / Banks / Trustees and all such agencies as may be involved or concerned and to remunerate all such Lead Managers, Underwriters, and all other Advisors and Agencies by way of commission, brokerage, fees, expenses incurred in relation to the issue of Equity Shares or FCCBs and other expenses, if any or the like.”

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

By order of the Board

Place : NOIDA, U.P.
Date : 30th May, 2013

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 09.09.2013 to 18.09.2013 (both days inclusive). The names of the shareholders, whose share transfer request received in order, either at the Head office/Registered office of the Company or at the Registrars & Share Transfer Agents, M/s. MCS Limited, F-65, Okhla Industrial Area Phase-I, New Delhi 110020, before the book closure, shall be included in the members register as on the date of the Annual General Meeting.
3. The Board of Directors of the Company at its meeting held on 6th March, 2013 had declared an interim dividend of ₹ 4.00 per Equity Share having face value of ₹ 10/- each. The interim dividend was paid on 18th March, 2013. The said interim dividend is to be confirmed at the ensuing AGM.
4. If the final dividend of ₹ 2/- per equity share, as recommended by the Directors, is declared at the meeting, the payment of such dividend will be made to those members of the Company whose name appears on the Register of Members of the Company as on the date of the Annual General Meeting. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
5. Postal Ballot: Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 has been approved by the shareholders through Postal Ballot. In this connection postal ballot notice dated 06.02.2013 along with Postal ballot form was mailed to all the shareholders through post or email available with the Company and as per the mandate of the respective shareholders. The result of the Postal Ballot was declared on 05.04.2013.
6. 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.
7. 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.

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

Agra, Ahmedabad, Amritsar, Bangalore, 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, Noida-201304, Distt Gautam Budh Nagar, Uttar Pradesh or at Registrar and Share Transfer Agent M/s. MCS Limited, F-65, Okhla Industrial Area Phase-I, New Delhi 110 020.

9. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2006, which remain unclaimed/unpaid for a period of 7 years from the date such dividend first become due for payment, will be transferred on 16th September, 2013 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, 2006 or any subsequent financial years. Such shareholders are requested to make their claim to the Company in respect of their unclaimed/unpaid dividend, before being transferred to Investors Education and Protection Fund as aforesaid. The Shareholders are requested to note that no claim shall lie against the Company in respect of said unclaimed and unpaid dividend, if transferred to the Investors Education and Protection Fund on due dates.

10. 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. 2-B, Sector 126, Distt Gautam Budh Nagar, Noida-201304, Uttar Pradesh so that the information can be made available at the meeting.
- C Fill the attendance slip for attending the meeting and those who hold the shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- D Send their shares for dematerialisation to the Company's Registrars and Share Transfer Agents, if so far, are not held in dematerialised form, as the Company comes under compulsory demat as per directive issued by the SEBI.
- E The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the circulars bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send various notices /documents (including Annual Report and other communications) to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

We, therefore invite you to contribute to the cause. In case you wish to receive the Company's future Communications in email ID, please update the same with your Depository Participant(s).

You are requested to send an e-mail to compliance.officer@indiaglycols.com and admin@mcsdel.com or send a letter at the following address registering your email with the Company:

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

11. 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.
12. Shri Jagmohan N Kejriwal, Smt. Jayshree Bhartiya and Shri M.K. Rao, 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 Jagmohan N Kejriwal	Smt. Jayshree Bhartia	Shri M.K. Rao
Age	74	56	56
Qualifications	B.Com. and B.Sc. (Eco.)	B.A.	B.Tech.(Chemical Engineering) and M.Tech.(Chemical Plant Design)
Expertise in Specific functional Area	Mr. Jagmohan N. Kejriwal is an industrialist, who is also the founder promoter of Dynatron (P) Ltd. With over 45 years' experience in managing business enterprises, Mr. Kejriwal has been associated with India Glycols Ltd since 2002 as an Independent Director.	Mrs. Jayshree Bhartia is a compassionate business woman and an avid social worker. She is a community person with sharp business acumen. Mrs. Jayshree Bhartia belongs to the Promoters group and has been actively associated with India Glycols Limited since 1999.	Mr. M.K. Rao is having an overall experience of more than 28 years of Plant operations, maintenance and projects execution. He joined the Company in the year 1988 as Dy. Manager (Technical Services) and rose to the level of Sr. Vice President and Plant Head in the year 2005. Mr. Rao was first appointed as Executive Director in the Year 2008 and is involved in the day to day management of the Manufacturing Plant at Kashipur. He is also responsible for various on-going projects with regard to conception, planning and execution thereof and has been guiding the activities all through. Mr. Rao has led the team of processing engineers in developing engineering packages for various debottlenecking/plant expansions, process improvement schemes and cost effective energy conservation schemes.
Date of appointment on the Board of the Company	28.05.1999	28.05.1999	01.05.2008
Name(s) of the other companies in which Directorships held (as per Sections 275 and 278 of the Companies Act, 1956)	1. India Glycols Ltd.	1. India Glycols Ltd. 2. Kashipur Holdings Ltd. 3. IGL Finance Ltd.	1. India Glycols Limited
Name(s) of Companies in which Committee membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement with the Stock Exchanges)	India Glycols Ltd. <u>Member</u> Audit Committee Investors Grievance Committee Share Transfer Committee	India Glycols Ltd. <u>Member</u> Share Transfer Committee	None

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

ITEM NO. 7

The Board of Directors at its meeting held on 6th February, 2013 on the recommendation of the Remuneration Committee of the Board of Directors, has recommended the reappointment and remuneration of Shri M.K. Rao, Executive Director for another term not exceeding 5 years w.e.f. 1st April, 2013 subject to the approval of Shareholders, as mentioned in the resolution set out at item no. 7 of the Notice.

INFORMATION REQUIRED PURSUANT TO THE PROVISIONS OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 READ WITH CLAUSE 49 OF THE LISTING AGREEMENT IS FURNISHED AS UNDER:

I. GENERAL INFORMATION:

(i) Nature of Industry

India Glycols Limited is engaged in the manufacturing and marketing of Chemicals including specialty Chemicals, Ethyl Alcohol (Potable), Nutraceutical and herbal extraction, Natural Gum & its derivatives, Industrial Gases, etc. having a turnover of more than ₹ 3500 crores. The Company has the advantage of producing Chemicals through agro route (green route) while the other manufacturers are manufacturing through Petroleum.

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

1st January, 1990.

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

Not Applicable

(iv) Financial Performance based on given indicators

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

(Amount in crores)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Total Turnover including other income	1164	1412	1860	2633	3347
Profit/(loss) before Depreciation and Tax	(33)	74	105	234	247

Depreciation and exceptional item	104	43	69	78	82
Profit before Tax	(137)	31	37	157	165
Provision for Tax	(45)	11	11	52	44
Profit after Tax	(92)	20	26	105	121

(v) Export performance and net foreign exchange, collaborations

The Company has total export turnover of ₹ 1771.96 Crores as on 31st March, 2013. The Company has Net Foreign Exchange earning of Rs.835.95Crores.

(vi) Foreign Investments or collaborators, if any

Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

(a) Background Details

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

(b) Past Remuneration

During the Year 2012-13, Shri M.K. Rao was paid Salary, perquisite and allowance of ₹ 62.80 Lacs.

(c) Recognition or Awards

Not Applicable

(d) Job Profile and his Suitability

As stated above, Shri M.K. Rao is involved in the day to day management of the Manufacturing Plant at Kashipur and various on-going projects with regard to conception, planning and execution thereof and has

been guiding the activities all through. Shri M.K. Rao has led the team of processing engineers in developing engineering packages for various debottlenecking/ plant expansions, process improvement schemes and cost effective energy conservation schemes.

His inclusion as Executive Director in the Board of Directors of the Company has brought technical expertise to the Board. Keeping in view Shri M.K. Rao's contribution to the growth of the Company for last 25 years, he was included in the Board of Directors of the Company.

(e) **Remuneration Proposed**

As mentioned in the Resolution proposed at Item No.7 of the Notice.

(f) **Comparative remuneration Profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).**

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

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

Shri M. K. Rao is senior Executive of the Company and has been instrumental in bringing significant growth in the volume of its business of the Company.

In terms of Clause 49 of the Listing Agreement on Corporate Governance, Shri M.K. Rao qualifies as Non-Independent Director.

Except Shri M K Rao, none of the other Directors is concerned or interested in the proposed resolution.

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

This explanatory statement alongwith the relevant resolution may be treated as an abstract of the variation of the terms of contract of appointment of Executive Directors to be disclosed to the members pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 8

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 shareholders' 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 2013 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 2013. 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, 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 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 2013 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 2013;
- 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 2013;
- viii) to construe and interpret the terms of the ESOP 2013 and options granted pursuant to the ESOP 2013;
- ix) to determine the quantum of option to be granted per employee and in aggregate; and
- x) 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 2013 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 2013.

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

ITEM NO. 9

The growth plans of the Company envisage promotion of Green technology based Chemicals and expansion in other areas of operation. While the current internal accruals from the operations are strong, the above projects would require significant outlay of funds in the next 4-5 years. These projects will necessitate external infusion of funds at different points of time in the future.

With a view to raise long term finance as well as meeting Company's fund requirements for expansion, capital expenditure and for other expenditures as permitted under the prevailing Guidelines in this regard, the Company proposes to issue Equity Shares and/or instruments or securities convertible into equity shares of the Company such as Global Depository Receipts and/or American Depository Receipts and/or convertible preference shares and/or convertible debentures or bonds (compulsorily and/or optionally, fully and / or partly), and/or non-convertible debentures with warrants and/or securities with or without detachable / non-detachable warrants and / or warrants with a right exercisable by the warrant-holder to subscribe for equity shares and /or Foreign Currency Convertible Bonds (FCCBs) convertible into equity shares at the option of the Company or the holder(s) thereof, up to an

aggregate principal amount of ₹ 250,00,00,000 (Rupees Two Hundred fifty Crores) or its equivalent in any other currency on the terms and conditions as stated in the Notice of the Meeting.

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

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

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

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

Under Section 81(1A) of the Companies Act, 1956, shareholders approval by a special resolution is required for issue of shares to persons other than existing shareholders of the Company. None of the Directors of the Company, is in any way, concerned or interested in the said resolution.

The resolution set out at Item No. 9 is proposed to be passed as a Special Resolution.

By order of the Board

Place : NOIDA, U.P.
Date : 30th May, 2013

Lalit Kumar Sharma
Company Secretary

Directors' Report

To The Members

Your Directors are pleased to present the Twenty Ninth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

(Amount in ₹ lacs except earnings per share)

	Year ended 31.03.2013	Year ended 31.03.2012
Sales And Other Income	334,661	263,325
Profit/(Loss) Before Depreciation, Exceptional Item And Tax	24,743	23,441
Depreciation	8,243	7,753
Profit Before Tax	16,500	15,688
Provision For Tax	4,386	5,229
Net Profit	12,094	10,459
Earning Per Share (In Rs.)	41.10	37.51

INCREASE IN AUTHORISED SHARE CAPITAL

During the year under review, the company has increased its Authorised Share Capital from ₹ 30 Crores to ₹ 45 Crores. The paid up Capital of the Company has also increased from ₹ 2788.25 Lacs to ₹ 3096.15 Lacs due to allotment of 3,079,000 Equity Shares of ₹ 10 each at a premium of ₹128.36 per Shares to Promoters and Promoters' group on preferential allotment basis, in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009.

DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 2 (Rupees Two only) per equity share. The outgo on dividend will be ₹ 724.47 Lacs including tax on dividend. During the year under review, your Company has also paid interim dividend of ₹ 4 (Rupees Four only) per equity share.

PERFORMANCE

During the year under review, the growth in Profit was possible as a result of higher sales realization, increased production and productivity, better cost management and operational efficiencies.

Sales and other income for the year under review has been ₹ 334,661 Lacs as compared to ₹ 263,325 Lacs last year registering an increase of 27%. Profit/(Loss) from operations before depreciation & tax for the year was ₹ 24,743 Lacs as compared to ₹ 23,441 Lacs last year. The

Net Profit after Tax for the year was ₹ 12,094 Lacs as compared to Net Profit of ₹ 10,459 Lacs last year showing an increase of 16%.

During the year under review sales of Glycols (MEG, DEG, TEG and Heavy Glycols) has increased to 91,215 MT as compared to 82,639 MT during the last year and in Sales Value to ₹ 69,337 Lacs from ₹ 59,211 Lacs as compared to last year. The Company has witnessed an increase in Exports at ₹1,77,197 Lacs as compared to ₹ 1,25,456 Lacs during the last year. The Company has shown a remarkable performance in export sales and registered a growth of 41% despite slowdown in the international markets.

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

The EO Derivatives business has registered higher sales volume of 1,04,157 MT during the year under review as compared to 94,902 MT during previous year and also higher Sales Value at ₹1,00,525 Lacs compared to ₹ 88,959 Lacs during the previous year.

The performance of Natural Gums Division under the Chemical Segment had been overwhelming during the year under review. Your company has carved a niche in world market and now is known as a consistent quality manufacturer.

Natural Gums business segment witnessed growth in profits due to higher sales realization. During the year under review, Guar gum powder and derivatives sales has increased to ₹ 74,243 Lacs as compared to ₹ 39,491 Lacs during previous year and registered a growth of 88% over the last year.

The borrowing cost has increased to ₹ 13,272 Lacs as compared to ₹11,320 Lacs last year, due to increase in the borrowings as well as increase in the overall interest rates by all the banks.

EXPORTS

During the year under review, your Company has achieved total export turnover of ₹ 177,197 Lacs as compared to ₹125,456 Lacs last year. Your Company hopes to achieve reasonable growth in the overall export sales in the current year though the market conditions remain extremely challenging. Company has been granted 'One Star Export House' status by Government of India.

ETHYL ALCOHOL (POTABLE) & EXTRA NATURAL ALCOHOL

During the year, your Company registered total sales of

₹ 66,027 Lacs compared to ₹ 50,168 Lacs last year in the Ethyl Alcohol (Potable) division. During the year thrust was given on the export of high quality Extra Neutral Alcohol (ENA). The Company was awarded Grand Gold Award for the second consecutive year from MONDE SELECTION, Belgium for its high quality of Extra Neutral Alcohol.

Company has the most modern captive distillery in Asia and is having license for operations in and sale of Country Liquor and Indian Made Foreign Liquor (IMFL) in the States of Uttar Pradesh and Uttarakhand. During the year, IMFL brands of the Company have been supplied to Canteen Stores Department (CSD) of Indian Defence Forces.

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

Company is in process of introducing its IMFL brands in the higher range market and brand building program shall be introduced in the current financial year.

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

Company has a 100% Export Oriented Unit (100% EOU) by the name of Ennature Bio-pharma division. The unit has established Supercritical Fluid Extraction- CO₂ and solvent extraction facility at Dehradun. The unit is GMP, ISO 9001, ISO22000, HACCP, Kosher and Halal certified. Unit at Dehradun has started production and R&D center duly recognized by Ministry of Science & Technology Government of India is working vigorously on the process of stabilizing and developing various Phytopharmaceutical and Nutraceutical products for the developed markets.

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

During the year, Ennature Bio-Pharma division achieved a turnover of ₹ 6,422 Lacs as compared to ₹ 3,638 Lacs during the last year and registered a growth of 77% over the last year. Variety in Product Folio available with the Company has created enhanced business opportunity and a better penetration into domestic as well as international market.

Your company has enhanced its production capabilities from 200 MT to 400 MT hence achieved better plant utilization from 55% to 75%.

During the year under review, your Company has created four new process patents to hold intellectual property

rights on products namely; Thiocolchicoside, Marigold lutein, DHA and Green Ginger Shogaol. We have also designed various new formulations, micro-encapsulated forms from the existing SCF-CO₂ process in order to have better product portfolio.

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

INDUSTRIAL GASES

The Industrial Gases division producing Oxygen, Nitrogen and Argon with an overall capacity of 13,460 NM³/h. During the year under review, Company produced approximately 669 lacs NM³ of Oxygen and 231 lacs NM³ of Nitrogen. Both Oxygen and Nitrogen were successfully marketed and also used for own requirement. Industrial gases division also produced 16 lacs NM³ of Argon.

The Industrial Gases division has also produced food and industrial grade liquid Carbon Di-oxide (CO₂) at Kashipur Plant having capacities of 160 MT/day each, to meet growing demand in the domestic market. Company has produced 50,073 MT of Carbon Di-oxide (CO₂). During the year, Industrial Gases segment registered total sales of ₹ 3,390 Lacs compared to ₹ 3,144 Lacs last year.

Your Company has its own in house facilities for manufacturing of ETHYLENE OXIDE (EO) and Liquid Carbon-Dioxide (CO₂) at its Kashipur plant, suitable for Sterilization of Disposable Surgical & Medical Devices, spices and packing substances like rubber plastic etc. It is the only plant in Northern India to have such manufacturing facility, therefore, we have a distinct edge over other suppliers in the market.

During the year under review, Company has registered total sale of 600 MT of EO CO₂ having a value of ₹ 2.49 Crores and Company hopes to achieve better results in coming years.

JOINT VENTURE FOR PRIVATE FREIGHT TERMINAL (PFT)

The Company has a Joint Venture with Fourcee Infrastructure Equipments Pvt. Limited (FIEPL) for setting up a private freight terminal providing railway based logistic services and other facilities at Kashipur, Uttarakhand, as provided under extant guidelines of the Indian Railways. The facility is coming up at the area adjacent to the existing plant of Company at Kashipur.

The Parties have entered into a Joint Venture Agreement to co-operate and partner with each other for the purpose of setting-up, operating and managing the said Private Freight Terminal (PFT) in order to provide multi-modal logistics solutions to our Company and external customers and enhance its service delivery capacity. With the commissioning of this facility, logistics movement for

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

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

EXPANSION / MODERNISATION / DIVERSIFICATION PLANS

The Company is actively pursuing growth opportunities and looking at areas to reduce its cost of production. Company is also 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.

Company has installed another SLOP fired boiler at Kashipur, which will provide additional coal saving.

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

FINANCE

During the year under review, Company has raised Term Loans of ₹ 36,574Lacs and repaid total loans of ₹ 29,613 Lacs

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

ADOPTION OF POLICY FOR PROTECTION OF WOMEN AT WORKPLACE

In compliance to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 passed with effect from 23rd April 2013, the Company adopted the guidelines & procedures to prevent, prohibit and punish sexual harassment of women at the workplace. The policy as approved by the Board is enforced with immediate effect and an Internal Complaints Committee is constituted thereunder.

LISTING OF SECURITIES

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

SUBSIDIARY COMPANIES

The Company operates a sugar manufacturing plant in the state of Uttar Pradesh with a crushing capacity of 7500 tones per day (TCD) alongwith a modern distillery of 60 KL per day (KLPD) producing high quality rectified spirit and an internal bagasse fired co-generation plant of 11 MW catering to the captive power needs of the sugar and distillery units.

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

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

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

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

FIXED DEPOSIT

During the year, your Company had neither invited nor accepted any fixed deposits from the public. There are no overdue deposits except unclaimed deposits amounting to ₹ 6.86 Lacs.

DIRECTORS

Smt. Jayshree Bhartia, Shri Jagmohan N Kejriwal and

Shri M.K. Rao, 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, 2013 and of the profit and loss of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate report 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, 2013 and Auditor's Certificate on Corporate Governance are appended herewith.

AUDITORS & AUDIT REPORT

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.

The Auditors in their Audit Report have invited the attention of the Shareholders towards non-provisioning by the Company against the investment in its subsidiary Company, Shakumbari Sugar and Allied Industries Limited (SSAIL) amounting to ₹ 5,427.50 Lacs and loans amounting to ₹ 1,713.30 Lacs. The Auditors have also invited the attention of the Shareholders towards Corporate Guarantee extended by the Company on behalf of SSAIL against outstanding amount of Financial

Institutions and Banks as stated in Note 27 (A) (iii) of the Financial Statements. The Company has already provided its clarification as contained in note no.34 of the Financial Statements i.e. considering the intrinsic value of the assets of SSAIL & long term nature of the investment and directions issued by BIFR for preparation of revival scheme by the Operating Agency, the management is confident of the recoverability/realisability of the value of Investment and loans provided to SSAIL, therefore, no provision in the opinion of the Management at this stage is considered necessary.

COST AUDITORS

Company has appointed M/s R J Goel and Co., Cost Accountants as Cost Auditors of the Company for the financial year 2012-13 under section 233B of the Companies Act, 1956. Cost Auditors have confirmed that they are eligible under Section 224(1B) of the Companies Act, 1956 for reappointment. The Cost Auditors have attended the Audit Committee Meeting, where their Report was discussed.

Due date for filing of the Cost Auditors Report in XBRL mode for the year 2012-13 with Central Government is 30th September, 2013. The due date for filing of the Cost Auditors Report in XBRL mode for the year 2011-12 with Central Government was 28th February, 2013, however, the Company had filed the same on 29th December, 2012.

ENVIRONMENT, ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, ETC.

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

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

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

saleable credits can be used by developed countries to meet a part of their emission reduction targets under the Kyoto Protocol.

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

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

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.

CORPORATE 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 following Corporate Social activities begins in and around Kashipur (Uttarakhand):

- 1 organizing regular Medical camps (three days a week) so that villagers get medical assistance free of cost;
- 2 organizing blood donation camps;
- 3 facilitating plantation of trees for better environment;
- 4 facilitating in constructing roads, bridges, drains and installing street lamps;
- 5 promoting schools in vicinity (Ajay Bhartia Saraswati

Shisu Mandir Jr. High School, Kashipur);

- 6 providing furniture and financial assistance for renovation of Community School at village Barkhedi, Kashipur;
- 7 installed hand pumps for drinking water, which is benefitting nearby areas;
- 8 extended support to the victims of flood affected during Monsoon;
- 9 distribution of blankets to poor during winter;
- 10 providing financial assistance for promotion of sports and socio-cultural activities in the State of Uttarakhand;
- 11 supporting the local administration in fighting and managing fire accidents and other disasters taking place in the surrounding area of Plant;
- 12 Sponsoring medical treatment for people in need.

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

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

The Company has lent a helping hand to the affected people of Uttarakhand natural calamity by providing financial assistance.

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

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 : 30.05.2013

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 2013.

CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken.

1. Installation of 2nd Slop fired boiler resulting in increased utilization of concentrated slops for steam generation and reduce the coal consumption.
2. On stream factor of effluents' evaporator unit increased after installation of forced circulation in 4th& 5th stage. On stream factor was also increased after provision of centrifuge Decanters.
3. Installation of VFD on Biogas Blower and Compressor resulting in power savings.
4. Steam condensate recovery form Ethoxylate VAM unit and GEA plant.
5. ENA Plant HQ column condensate recovery and recycle to boilers resulting in heat conservation & water saving.
6. Process condensate of Evaporator plant is used as a dilution in fermentation 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 of 3.5 MW under implementation.
2. Replacement of live steam in T-190 with process dehydration stream resulting in LP steam saving.
3. Replacement of live steam in T-160 with process dehydration stream resulting in LP steam saving.
4. Recovery of steam condensate in Guargum unit.
5. Recovery of Steam condensate from glycol ether dryer unit and effluent Evaporator High heater.
6. Flash steam recovery from steam Boiler drums water blowdown.
7. Reducing the FO consumption in MEG heater by maximizing the bio gas in heater.
8. Provision of VFD in tempered water pump of Ethoxylation Stirred reactor.
9. Replacement of fuel in MEG heater from Furnace Oil to Natural gas.
10. Provision of VFD in cooling tower fans (Phase-2).
11. Installation of 12 MW STG set to sell the surplus power to UPCL.
12. Installation of Reboiler in ENA plant analyzer column to reduce the effluent.

13. Installation of VFD in spent wash recycles pumps to save the power.
14. Installation of VFD in ID fan of LIPI boiler to save the power.
15. Installation of LED lighting and solar heaters.
16. Installation of forced circulation in 4th& 5th stage in Evaporator unit at Gorakhpur resulting in increased capacity.

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

ENERGY CONSERVATION MEASURES BENEFITS:

Saving of Coal by

Max. Biogas utilization in Boilers	Up to 53.52 MT/day
Preheating of Boiler Feed Water	Up to 55.10 MT/day
Operation of Evaporator reflux Preheater	Up to 1.28 MT/day
Installation of Boiler feed water preheater in MEG Process Heaters	Up to 2.19 MT/day
Preheating of 12 MW turbine condensate with Dehydration Steam condensate	Up to 6.91 MT/day
Utilized hot condensate in GEA and GE to Generate LP steam.	Up to 4.3 MT/day
Utilized steam condensate to generate flash Steam in Guar Gum unit	Up to 4.93 MT/day

Saving of Power by

Operation of TG Set at Optimum load (Kashipur)	120161.56MWH of Power
Operation of TG Set at Optimum load (Gorakhpur)	18666.31 MWH of Power
Generated during the year (Last year 18553.7 MWH)	

Saving of Fuel (FO) by

Utilization of waste gas/ Biogas in the Process Heater	Up to 18.98 MT/ Day
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Saving of Coal by

Slop utilization in Boiler	Up to 94.46 MT/Day
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Saving of Rice Husk by

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

- d) Total energy consumption and energy consumption per unit of production as Prescribed Form "A".

FORM A

Form for disclosure of Particulars with respect to conservation of energy

	Units	Year Ending March 2013	Year Ending March 2012
A. Power and Fuel Consumption			
KASHIPUR PLANT			
i) Electricity			
a) Purchased Unit	1000 KWH	153046.68	156696.50
Total amount	₹ Lacs	7259.015	7385.52
Rate per Unit	₹/KWH	4.74	4.71
b) Own Generation through DG Sets	1000 KWH	6739.12	6346.79
Units per Kg/Liter of Diesel Oil/HPS	KWH/Kg	4.52	4.60
Cost/Unit	₹/KWH	9.90	8.56
ii) Coal			
Quantity	MT	437821.02	450157.10
Total Cost	₹ Lacs	21426.66	18294.47
Average Rate	₹/MT	4893.93	4064.01
iii) Bagasse			
Quantity	MT	6566.71	11124.15
Total Cost	₹ lacs	121.69	198.67
Average Rate	₹/MT	1853.06	1785.97
iv) Fuel Oil (LDO/RFO)			
Quantity	MT	5079.94	6273.82
Total Cost	₹ Lacs	2165.45	2369.42
Average Rate	₹/MT	42627.55	37766.82
v) Others/Internal Generation			
a) From Back Pressure Turbine			
Quantity	1000 KWH	69251.26	65493.83
Total Cost	₹ Lacs	Nil	Nil
Average Rate	₹/KWH	Nil	Nil
b) From Extraction, Back Pressure & Condensing Turbine			
Quantity	1000 KWH	50910.31	51224.26
Total Cost	₹ Lacs	2565.90	2244.8
Average Rate	₹/KWH	5.04	4.38
Total (a + b)	1000 KWH	120161.57	116718.08
GORAKHPUR PLANT			
i) Electricity			
a) Purchased Unit	1000 KWH	4258.84	4471.24
Total amount	₹ Lacs	319.11	259.44
Rate per Unit	₹/KWH	7.49	5.80
b) Own Generation through DG Sets	1000 KWH	236.30	89.37
Unit Per KG/Lit of Diesel Oil/HPS	₹ Lacs	32.54	11.69
Cost/Unit	₹ KWH	13.77	13.09
ii) Rice Husk			
Quantity	MT	66484.70	57277.17
Total Cost	₹ Lacs	1685.98	1422.27
Average Rate	₹/MT	2535.89	2483.14
iii) Coal			
Quantity	MT	13410.77	16456.79
Total Cost	₹ Lacs	720.46	768.87
Average Rate	₹/MT	5372.24	4672.02
iv) Other/Internal Generation (From Back Pressure Turbine)			
Quantity	1000 KWH	18666.31	18553.70
Total Cost	₹ Lacs	Nil	Nil
Average Rate	₹/KWH	Nil	Nil
ENNATURE BIO-PHARMA PLANT			
i) Electricity			
a) Purchased Unit	1000 KWH	3989.68	3329.14
Total Amount	₹ Lacs	184.64	144.01
Rate per unit	₹/KWH	4.63	4.33
b) Own Generation through DG Sets	1000 KWH	827.759	376.43
Unit per Kg/Lit of Diesel Oil/HPS	Kg/lt	3.51	3.44
Cost/Unit	₹/KWH	11.26	10.50
B. CONSUMPTION PER UNIT OF ALCOHOLS			
KASHIPUR PLANT			
Electricity	MWH/MT	1.023	1.062
Fuel Oil (LDO/RFO)	MT/MT	0.019	0.024
Coal	MT/MT	1.598	1.708
GORAKHPUR PLANT			
Electricity	MWH/MT	0.498	0.525
Fuel (Rice Husk)	MT/KBL	1.718	1.67

FORM B

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

A. RESEARCH AND DEVELOPMENT

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

- Development of New Generation “Green” surfactants.
- Development of binders for ore beneficiation.
- Development of solvent free Pour Point Depressant for Lubricants.
- Development of biodegradable and user friendly surfactants for textile processing.
- Specialty Additives for Continuous Processing (Textiles)
- Alcohol production from cellulose.
- Development of low temperature & low dosage demulsifiers for crude oil production.
- Development of specialty surfactants for pigment dispersion and defoamer in paints.
- Development of Emulsifiers for newly introduced combo pesticides for export.
- Development of emulsifier package for multi Toxicant for agro.
- Development of wetting and dispersing agents for powder formulations in pesticides.
- Development of specialty chemicals for Pulp & Paper Industries.
- Adjuvants for the Herbicides formulations.
- Development of house hold cleaning and personal care surfactants.
- Development of new Natural Health Products (NHPs) by Supercritical Fluid CO₂ (SCF-CO₂) Extraction Technology (Green Ginger product, Shogaol for control of Cancers like Blood Leukemia under MOU scheme at USA and also for Myelodysplastic Syndromes as disease caused by complete bone marrow failure).
- Microencapsulation of Docosahexaenoic acid is developed for its stability and sustained release.
- Active Pharmaceuticals Ingredients (API's) from Herbal Sources via Solvent Extraction (Gloriosa Seeds, Turmeric and Betacarotene biomass).

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

- Providing eco-friendly surfactant for premium application.
- Developed low dosage application to reducing the load on effluent treatment.
- Product with cost advantage to customer with better attributes.
- The green chemistry route is being explored for efficacious use of resources and environmental sustainability and minimizing the solvent

hazardous.

- Established the new formulation block to create value addition to the products of SCF-CO₂ process to enhance business turnover.
- Better Turnover enhancement to create further assurance of business sustainability.
- Widened Basket of Product Folio is created for better penetration in to domestic and international market.
- Obtained a WHO-cGMP drug approval for Active Pharmaceutical Ingredients (APIs).
- Given room for Capacity utilization of SCF-CO₂ plant from 50% to 80% level (150 MT per annum to 308 MT) by establishing and stabilizing SCF-CO₂ pump runs.
- Development research has enhanced the production capabilities of solvent extraction area from 200 tones to 400 tones giving the better utilization plant from 55% to 70% level.
- Productivity of Thiocolchicoside is increased to 750 Kg from 360 Kg annually.
- 4 New Process patents were filed to hold intellectual property rights on products Thiocolchicoside (Published on 23rd Nov 2012 (Application No.1450/DEL/2011A), Marigold lutein, DHA, Green Ginger Shogaol).
- Created additional research lab facility to strengthen innovations.

3. FUTURE PLAN OF ACTION

- Random / block copolymers for Fibre Finish applications.
- Emulsion Polymers for Coating Application
- Ecofriendly surfactant for Emulsion–Polymer / Paints.
- New delivery system for control release in crop protection.
- Modified polymeric surfactants for oil field and construction application.
- Speciality Chemicals for Technical Textiles
- Ecofriendly emulsifier for Crop protection.
- New Dispersant system for Agro, Textiles & Paper Application
- Enzyme based formulations for textile and paper application.
- Upgradation of laboratories and instrument application labs.
- Design various new formulations from the products SCF-CO₂ process to have better business product profile and turnover with capacity from existing 20 tones to 100 tones.

- To broaden the research activities on various new product like Oregano, Natural vitamin-D (Calcitriol)
- To go for a commercial process and launch of Vinpocetine to the market.
- To develop challenging process methods for production of valuable Colchicoside & Colchicine, then convert it to Thiocolchicoside, from an in-house source based low value Colchicine produced from Gloriosa seeds.
- To constantly put efforts for development of more economic and cost efficient technologies for the extraction and isolation of new Natural Health Products (NPHs).
- Aqueous & Solvent plant expansion to increase capacity by 800 ton/annum to cater different product folio.
- To convert the alkaloid Colchicine to its glycoside by chemical or biotransformation for total utilization and harnessing the active ingredient present in the seed.
- To constantly put efforts for development of more economic and cost efficient technologies for the extraction and isolation of new Natural Health Products (NPHs).

4. (i) EXPENDITURE ON R&D

(Chemical, Kashipur)	2012-13 (₹ in Lacs)
Capital	188.18
Recurring	287.26
Total	475.44
Total expenditure as a percentage of total turnover	0.14%

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

2012-13 (₹ in Lacs)	
Capital	0.00
Recurring	98.57
Total	98.57
Total Expenditure as a percentage of total turnover	0.029%

B) TECHNOLOGY ABSORPTION AND INNOVATION

- Development of new cost effective feed stock (RM) source.
- Developed APEO free emulsifiers for textile applications.
- Developed low temperature, low dosage demulsifier for crude oil demulsification and dehydration.
- Method development for chain distribution and Ethoxylated products by G.C./HPLC.
- Developed scaling inhibitors, biocides for oil and gas industries applications.
- Developed new cost effective emulsifier for emulsion explosive.

INFORMATION ABOUT IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST 5 YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR) - N.A.
FOREIGN EXCHANGE EARNING AND OUTGO:

(i) Activities relating to exports, initiative taken to exports, development of new export for products and services and export plans.	: FOB value of the Exports during the year were ₹ 1,67,473 Lacs
(ii) Total Foreign Exchange used	: Total Foreign Exchange used was ₹ 83,878 Lacs (Previous year Foreign Exchange used was ₹ 76,370 Lacs)

for and on behalf of the Board

Place : NOIDA, U.P.

Dated : 30.05.2013

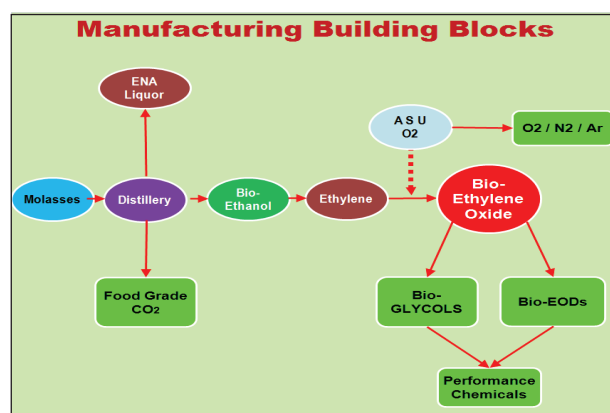
U.S. Bhartia
Chairman and Managing Director

Management Discussion & Analysis Report

PRODUCTS

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

The manufacturing building blocks are represented:-



The Company has organised its business into chemicals, Ethyl Alcohol and others segments.

A. Chemical segments comprises:-

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

B. Ethyl Alcohol (Potable) and Extra Neutral Alcohol

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

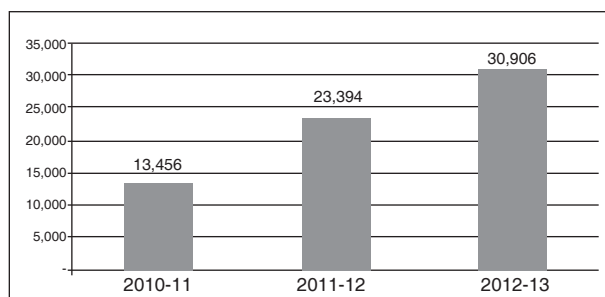
The segmentwise business share is indicated as follows:-

Segment	Sales Value 2012-13 (Rs. In Million) (Domestic + Exports)	% Share
A. Chemicals	30,906	80%
B. Ethyl Alcohol (Potable)	6,718	18%
C. Others	741	2%
Total	38,366	100%

CHEMICAL SEGMENT

Sales in the Chemical segment has increased from ₹ 23,394 million in FY 2011-12 to ₹ 30,906 million in FY 2012-13. This segment is highest contributor at 80% to the total turnover of the Company. Increase in value has primarily come from Exports of Natural Gum products, Ethylene Oxide Derivatives and Bio-MEG. Company has regulated its Domestic sales as it was not feasible to market MEG using expensive Ethanol.

	2010-11	2011-12	2012-13
Chemicals Sales Value (₹ in Million)	13,456	23,394	30,906



GLYCOLS AND EOD

Sales of Glycols (MEG, DEG, TEG and Heavy Glycols) has increased from ₹ 5,921 million in FY 2011-12 to ₹ 6,934 million in FY 2012-13. In view of higher feedstock cost, the focus has been on sales of Bio-MEG for exports.

Sales under Ethylene Oxide Derivatives (EOD) business has increased from ₹ 8,896 million in FY 2011-12 to ₹ 10,052 million in 2012-13. EOD business has accounted for 33% of company's revenues from Chemical business and is highest contributor at 26% to the total revenue of the Company. EOD business has witnessed improvement in profitability due to higher prices of Ethylene and Ethylene Oxide in the world markets.

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.

BIO-ETHOXYLATES

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

NATURAL GUM

The performance of Natural Gums Division had been overwhelming during the year under review. Company has carved a niche in world market and now is known as the consistent quality manufacturer among the customers world over.

Sales under Natural Gum business has increased from ₹3,956 million in FY 2011-12 to ₹ 7,424 million in 2012-13. Natural Gum business has accounted for 24% of Company's revenues from Chemical business and contributed at 19% to the total revenue of the Company.

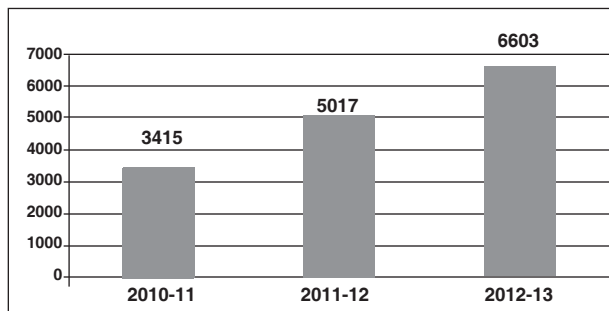
OPPORTUNITIES & CHALLENGES

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

ETHYL ALCOHOL (POTABLE) AND EXTRA NEUTRAL ALCOHOL

In the Ethyl Alcohol (Potable) and Extra Neutral Alcohol segment, Company registered total sales of ₹6,603 million compared to ₹ 5,017 million last year and ₹ 3,415 million a year before. Efforts are being made to further increase the sales in the segment.

	2010-11	2011-12	2012-13
Sales Value (₹ in Million)	3,415	5,017	6,603

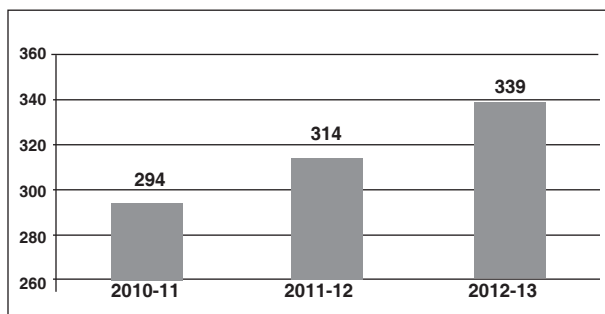


INDUSTRIAL GASES

Company produced 669 lacs NM³ of Oxygen and 231 lacs NM³ of Nitrogen during the year. Both Oxygen and Nitrogen successfully marketed and also used for own requirement of MEG Plant. Industrial gases division also produced 16 Lacs NM³ of Argon and 50,073 MT of Carbon Di-oxide, which were marketed successfully.

Under the Industrial Gases division, Company registered total sales of ₹339 million compared to ₹ 314 million last year and ₹ 294 million a year before.

	2010-11	2011-12	2012-13
Sales Value (₹ In Million)	294	314	339

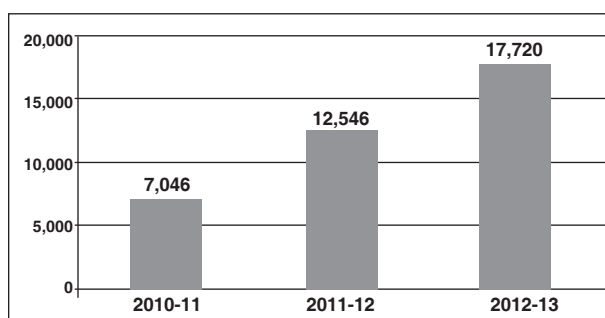


EXPORTS

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 have achieved a growth of 41% in turnover from ₹12,546 million in 2011-12 to ₹17,720 million in 2012-13 despite slow down in the international markets. The future thrust would be in the area of marketing Bio-MEG & Bio-Ethoxylates to niche markets for achieving better contribution.

	2010-11	2011-12	2012-13
Exports Sales Value (₹ in Million)	7,046	12,546	17,720



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

FINANCIAL REVIEW

During the year under review, the growth in Profit was possible as a result of increased production

and productivity, higher sales realization, better cost management and operational efficiencies.

Sales (Net) and other income for the year under review has been ₹ 33,466 million compared to ₹ 26,332 million last year showing an increase by 27% vis a vis last year. Profit/(Loss) from operations before Depreciation & tax for the year was ₹ 2,474 million as compared to ₹ 2,344 million last year. The Net Profit after Tax for the year was ₹ 1,209 million as compared to Net Profit of ₹ 1,046 million last year showing an increase by 16%.

Company was able to get better sales realisation value of its Bio-MEG as compared to other Petro chemicals. Ethylene Oxide Derivatives (EOD) business has witnessed improvement in profitability due to higher prices of Ethylene and Ethylene Oxide in the world markets. Improved capacity utilization has resulted in better cost Management. Company has also diversified towards production of Natural gums products, which has witnessed higher export prices realization and resultant high profit margins.

During the year under review sales of Glycols (MEG, DEG, TEG and Heavy Glycols) has increased to 91215 MT as compared to 82639 MT during the last year and in Sales Value to ₹ 6,934 million from ₹ 5,921 million as compared to last year. The EO Derivatives business has registered higher sales Value at ₹ 10,052 million compared to ₹ 8,896 million during the previous year.

Natural Gums business segment witnessed growth in profits due to higher sales realization and volumes. During the year under review, Guar gum powder and derivatives sales has increased to ₹ 7,424 million as compared to ₹ 3,956 million during previous year and registered a growth of 88% over the last year.

The borrowing cost has increased to ₹ 1,327 million as compared to ₹ 1,132 million last year, due to increase in the borrowings.

During the year under review, Company has raised Term Loans of ₹ 3,657 million and repaid total loans of ₹ 2,961 million.

During the year under review, the Gross Fixed Assets has increased to ₹ 17,288 million from ₹ 16,243 million in 2011-12.

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

HEALTH, SAFETY, ENVIRONMENT & MANAGEMENT SYSTEMS

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 blood donation camp at Company as part of community welfare activities.

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

SAFETY

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

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

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

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.

ENVIRONMENT

India Glycols Limited uses molasses, residue product of sugar mills generated in the process of manufacturing of

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

To make the system more Eco-friendly, company has set up controlled land application, which is giving good results. The response from farmers has been very encouraging. Towards improvement of the environment company has developed a green belt all around its factory by growing approx. 1,20,000 trees of different species some of which are fruit bearing in addition to providing green cover. All possible efforts are being made to preserve the environment and improve the same as far as possible.

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

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

SUSTAINABLE ENVIRONMENT AND CLIMATE CHANGE INITIATIVES

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

Company has also after successfully completing a comparative Life Cycle Assessment (LCA) study based on ISO 14044-2006 standards on Bio-Mono Ethylene Glycol (Bio-MEG) determining several Environmental Impacts (including Carbon Foot-Print) from its Renewable Manufacturing Approaches and came to the conclusion that "Manufacturing MEG through Renewable based raw materials is a better option than adopting Conventional Petro route approaches in India, US and Europe". The LCA study was conducted on a purchased software-SIMAPRO and report of "LCA on Bio-MEG" got a Peer Review Certification done by Pre' Consultants, Netherlands.

Company has also conducted Life Cycle Assessment (LCA) study for its other products as Ethylene Oxide & Glycol Ether etc. Company continues to work on Life Cycle Assessment (LCA) study for its other products as Ethylene Oxide derivatives and speciality chemicals.

MANAGEMENT SYSTEMS

India Glycols Limited is having Integrated Management System (IMS) comprising of Quality Management

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

We have received certification of Energy Management System (ISO 50001:2011) under Integrated Management System.

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

Company organized specific training on Process Safety Management (PSM) for the employees and started working towards implementation of PSM in the organization to ensure systematic and high level Process Safety by elaborating its specific elements.

LEAN MANAGEMENT

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

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

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

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

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

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

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

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

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

1. Development of alternative feed stock (RM) source:
 - Development of new cost effective feed stock source
2. Textile Processing (Fibre & Fabric processing)
 - Products for continuous dyeing range (CDR) based on GREEN CHEMISTRY.
 - Enzyme base Products for Desizing /Scouring & Peroxide bleaching process.
 - Green products for Fibre finish.
 - All in one chemical for single bath scouring and dyeing (with reduced water consumption).
3. Crop-Protection Business
 - Surfactants for capsule suspension- Controlled Release Applications
 - Single Emulsifier package for multiple toxicants.
 - Emulsifier for powder and granule formulation.
 - Surfactant for special Combo formulation.
4. Oil & Gas Industry
 - Low temperature & low dose demulsifier for crude oil.
 - Emulsifiers for Orchid spray oil.
 - Ecofriendly Drilling fluid additives
5. Emulsion Polymerization & Paint Industry
 - Ecofriendly surfactant (Vegetable oil based) for pigment dispersion.
 - Universal colorant for water & oil based paint
 - APEO free surfactant for Emulsion Polymerization process.
6. Paper Industry
 - Universal cooking aid.
 - Dry & wet strength resin.
 - Eco-friendly deinking chemicals.
7. Automobile industry
 - Ecofriendly solvent free Pour Point Depressant.
 - Lubricant additives.

8. Detergent / Personal care Industry
 - Eco-friendly and biodegradable Amphoteric surfactant for personal care products.
 - Ester for personal care products.
9. Construction chemicals
 - Cost effective surfactant as a water reducing agent & strength improver.
10. Cellulosic Alcohol
 - Proposal for setting up of a 10 ton biomass/day capacity pilot plant to convert lignocellulosic agricultural waste biomass to ethanol and using the technology developed at DBT-ICT Centre for Energy Biosciences.

The specific objectives of the project are as follows:

 - i. To setup the pilot plant for processing 10 ton biomass/day to ethanol.
 - ii. To use and validate the novel technology developed at the DBT-ICT Centre and to improve upon the material energy balances in the process at pilot scale.
 - iii. To generate useful data for scaling up to commercial plant.

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

RISK AND CONCERNS

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

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

The Company has also expanded its capacity of MEG to compete in the volume trading and minimizing the marginal cost on production, resulting in higher profits.

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

The Company has also diversified into other areas of business like potable alcohol, Nutra-ceutical Herbal Extraction, Industrial Gases and Natural Gum to 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 transactions.

6. Default/late in Payment realization

In the normal course of business, it is normal practice that there is default in payment realization or realization is late. The Company has regular monitoring and reporting of default in payment realization and/or late realization. Proper 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 rolls 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. The provisions of the Corporate Governance code prescribed by the Companies Act and the Listing Agreement, for the time being in force, have been complied.

BOARD OF DIRECTORS

a) Composition of the Board

As on 31st March, 2013 the Board of Directors comprised of nine Directors out of which seven are Non-Executive Directors, one Managing Director and one Executive Director. Out of the Nine Directors, Company has Five Independent Directors.

b) Number of Board Meetings

During the year ended 31st March, 2013, Six Board Meetings were held on 14th May, 2012, 25th July, 2012, 29th September, 2012, 7th November, 2012, 6th February, 2013 and 6th March, 2013 .

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	6	6	Yes	5
Smt. Jayshree Bhartia	Promoter Director	6	3	No	2
Shri Pradip Kumar Khaitan	Non-Independent Director	6	4	No	14
Shri Autar Krishna	Independent Director	6	4	No	6
Shri Jitender Balakrishnan	Independent Director	6	5	No	13
Shri Ravi Jhunjhunwala	Independent Director	6	4	No	12
Shri Jagmohan N. Kejriwal	Independent Director	6	3	No	Nil
Shri R.C. Misra	Independent Director	6	3	No	Nil
Shri M.K. Rao	Executive Director	6	5	Yes	Nil

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

* Excludes Directorship in Private Limited Companies

d) Disclosures

- (i) The details of related party transactions with the Company as required by Accounting Standard (AS-18) on Related Party Transactions have been given in Note no. 41 of the Notes to Accounts. Besides this, Company has no materially significant transaction with the related parties viz. Promoters, Directors or the management or relatives and their subsidiaries, etc. that may have a potential conflict with the interest of the Company at large.
- (ii) No penalties or strictures have been imposed or passed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities on any matter related to Capital Markets for non-compliance by the Company during last three years.
- (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	400003
Shri R.C. Misra	500
Shri Autar Krishna	1000

e) Remuneration of Directors, sitting fees etc. for the year 2012-13

During the year under review, Shri U.S. Bhartia, Chairman and Managing Director, was paid salary, Commission and perquisites for ₹ 8,73,33,765/- (Rupees Eight Crores Seventy Three Lacs Thirty Three Thousand Seven Hundred Sixty Five Only) and Shri M.K. Rao, Executive Director was paid salary and perquisites of ₹ 62,80,650/- (Rupees Sixty Two Lacs Eighty Thousand Six Hundred Fifty Only) Besides above, the Chairman and Managing Director and Executive Director were entitled to Company's contribution to provident fund and gratuity fund.

Commission and Sitting fees paid to non-executive directors for the year ended 31st March, 2013

Name of director	Commission (Rs.)	Sitting Fee (Rs.)
Smt. Jayshree Bhartia	1,50,000	2,10,000
Shri Autar Krishna	1,50,000	1,90,000
Shri Pradip Kumar Khaitan	1,50,000	90,000
Shri Jagmohan N Kejriwal	1,50,000	1,20,000
Shri R.C. Misra	1,50,000	4,90,000
Shri Ravi Jhunjhunwala	1,50,000	80,000
Shri Jitender Balakrishnan	1,50,000	1,00,000

During the year, payments of ₹ 40,49,984 /- (Rupees Forty Lac Forty Nine Thousand Nine Hundred Eighty Four 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 (www.indiaglycols.com). All Board members and senior management personnel have affirmed compliance with the code for the year 2012-13, declaration by Chairman and Managing Director to this effect is enclosed with this report.

COMMITTEES OF THE BOARD

a) Audit Committee

(i) Terms of Reference

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

(ii) Composition

As on 31st March, 2013 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	2
Shri Autar Krishna	Member	3

b) Investors' Grievance Committee

i) Terms of Reference

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

ii) Composition

As on 31st March, 2013 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	2
Shri Autar Krishna	Member	3

iv) Investors' complaints received and resolved during the year

During the year under review, Company had received 32 Investors' Complaints. Upto 31st March, 2013, Company had redressed all 32 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, 2013, 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 21 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	21
Smt Jayshree Bhartia	Member	15
Shri Jagmohan N Kejriwal	Member	4
Shri R.C. Misra	Member	21

d) **Investment Committee**

(i) **Terms of Reference**

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

(ii) **Composition**

As on 28th September, 2012, the Committee comprised of three Directors, namely, Shri U.S. Bhartia, Chairman and Managing Director and two non-executive Directors namely Shri R.C. Misra and Shri Pradip Kumar Khaitan. Thereafter the investment committee was merged into Finance Committee.

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

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

Name of the Member	Status	No. of meetings attended
Shri U.S. Bhartia	Chairman	1
Shri Pradip Kumar Khaitan	Member	0
Shri R.C. Misra	Member	1

e) **Banking Committee**

(i) **Terms of Reference**

The Committee of Board of Directors was constituted to consider and approve Banking operations of the company and to consider, review and approve borrowings of the Company.

(ii) **Composition**

As on 28th September, 2012, the Committee comprised of two Directors, namely, Shri U.S. Bhartia, Chairman and Managing Director; Shri

R.C. Misra, Director and two senior officials of the Company namely Shri Rakesh Bhartia, Chief Executive Officer and Shri Anand Singhal, Chief Financial Officer. Thereafter the banking committee was merged into Finance Committee.

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

The Committee met five 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	5
Shri R.C. Misra	Member	5
Shri Rakesh Bhartia	Member	5
Shri Anand Singhal	Member	5

f) **Finance Committee**

(i) **Terms of Reference**

The Finance Committee of Board of Directors and Senior Officials of the company is constituted after merging Investment and Banking Committee. Apart from other key functions, the committee shall consider and approve Corporate Deposits and Investment, invest surplus funds from time to time in marketable securities, to take decisions on the Banking operations of the Company and to consider, review and approve the borrowings by the Company.

(ii) **Composition**

As on 31st March, 2013, the Committee comprises of two Directors, namely, Shri U.S. Bhartia, Chairman and Managing Director and Shri R.C. Misra, Director and two senior officials of the Company namely Shri Rakesh Bhartia, Chief Executive Officer and Shri Anand Singhal, Chief Financial Officer.

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

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

Name of the Member	Status	No. of Meetings Attended
Shri U.S. Bhartia	Chairman	7
Shri R.C. Misra	Member	2
Shri Rakesh Bhartia	Member	7
Shri Anand Singhal	Member	7

g) Appointment and Remuneration Committee

i) Terms of Reference

The Committee has been constituted to consider and review Remuneration of Managing Director, Executive Director and any other officials as may be required by the law for the time being in force.

ii) Composition

As on 31st March, 2013, the Committee comprises three non-executive independent Directors namely, Shri R.C. Misra, Shri Autar Krishna and Shri Jagmohan N. Kejriwal and one non-executive non-independent Director namely, Shri Pradip Kumar Khaitan.

iii) Attendance record of the Appointment and Remuneration Committee.

The Committee met twice 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	2
Shri Jagmohan N. Kejriwal	Member	0
Shri Pradip Kumar Khaitan	Member	1
Shri Autar Krishna	Member	2

h) 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, 2013, the Committee comprises Chairman and Managing Director Shri U.S. Bhartia and three non-executive Directors

namely Shri Pradip Kumar Khaitan, Shri R.C. Misra and Shri Autar Krishna.

iii) Meetings of Employees Stock Option Scheme Committee

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

MANAGEMENT

a) Management discussion and analysis

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

b) Disclosure on Risk Management

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

SHAREHOLDERS

a) Means of Communication

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

b) Investor Grievances

As mentioned earlier, the Company has constituted an Investors' Grievance Committee for redressing shareholders and investors' complaints. Shri Lalit Kumar Sharma, Company Secretary is the Secretary to the Committee as well as Compliance Officer.

c) Share Transfers

All share transfers are handled by Company's Registrar and Share Transfer Agent M/s. MCS Limited, F-65, Okhla Industrial Area Phase -I New Delhi 110 020 a Category – I Registrar registered with SEBI.

d) General Body Meetings

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

Financial Year	Date	Time	Venue
2011-12	15.09.2012	12.30P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S.Nagar, Uttarakhand
2010-11	27.09.2011	12.30P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S.Nagar, Uttarakhand
2009-10	21.08.2010	12.30P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S.Nagar, Uttarakhand

Special Resolutions under section 81 (1A) were passed at the AGM(s) held on 21.08.2010, 27.09.2011 and 15.09.2012.

e) Postal Ballot

During the year ended 31st March, 2013, one ordinary resolution passed under section 293(1)(a) of the Companies Act, 1956 by the Company's Shareholders through postal ballot.

Additional shareholders information

a) Annual General Meeting

Date : 18th September, 2013
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 2013-14, the tentative dates for approval of unaudited financial results will be by August 9, 2013 for the first quarter, by 15th November, 2013 for half-yearly, 14th February, 2013 for third quarter for Unaudited/Audited Results and by May 15/ May 30, 2014 for approval of Unaudited 4th Quarter/ Annual Audited Results (2013-14).

c) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 9.9.2013 to 18.9.2013 (Both days inclusive)

d) Dividend Payment Date: 23.9.2013

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, 2013 and the respective stock codes are as under:

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

Listing fee to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. for the financial year ended 31st March, 2013 has been paid.

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

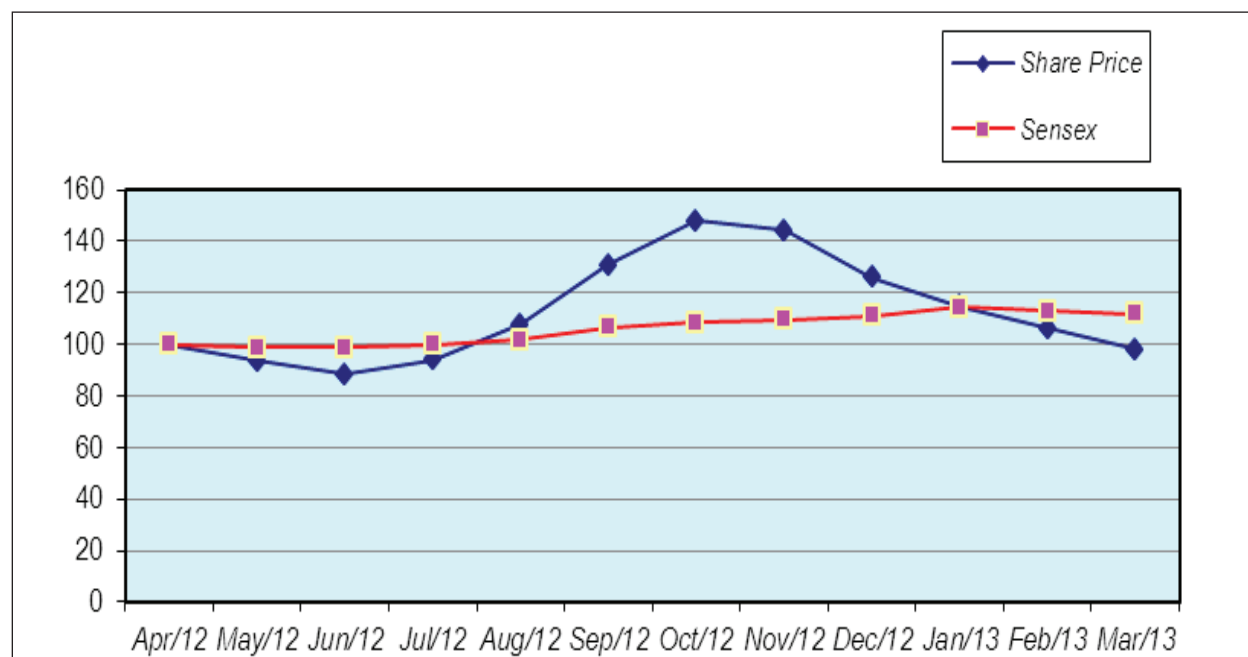
NSDL - INE 560A01015
 CDSL - INE 560A01015

f) Stock Data

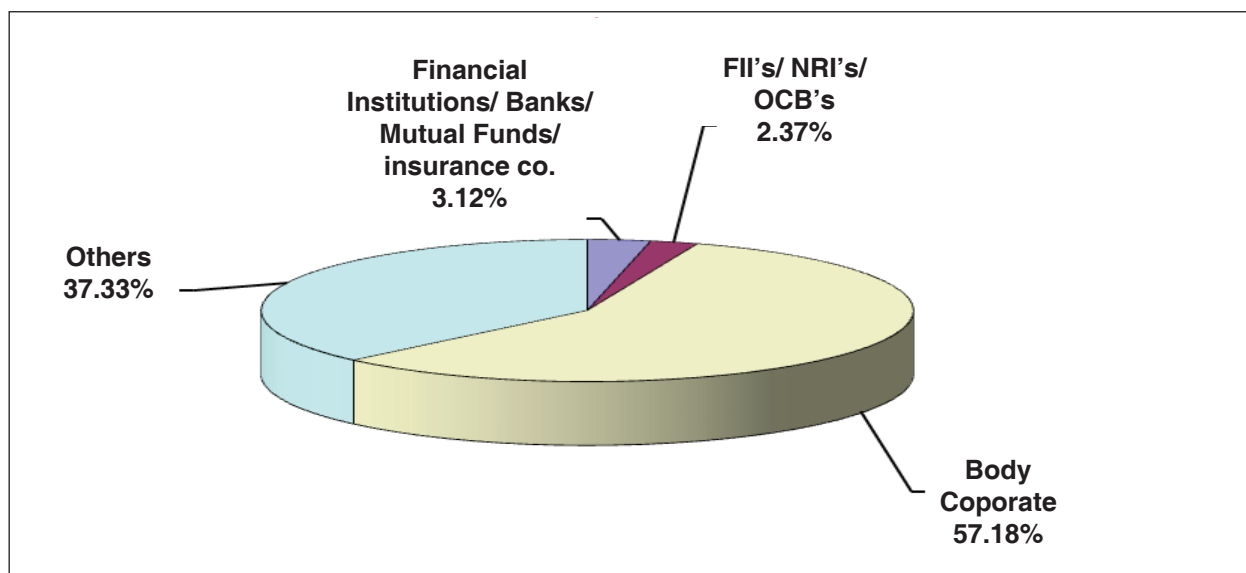
High/Low of market price of the Company's equity shares traded on the Bombay Stock Exchange Ltd. during the financial year ended 31st March, 2013 was as follows:

Month	High	Low	Sensex
Apr- 12	153.00	130.00	17,664.10
May- 12	143.00	122.65	17,432.33
Jun- 12	135.50	118.60	17,448.48
Jul- 12	144.00	130.00	17,631.19
Aug- 12	164.90	135.10	17,972.54
Sep- 12	200.30	159.00	18,869.94
Oct- 12	226.30	183.00	19,137.29
Nov- 12	221.00	177.60	19,372.70
Dec- 12	193.00	163.55	19,612.18
Jan- 13	175.75	145.50	20,203.66
Feb- 13	162.40	129.00	19,966.69
Mar- 13	150.25	121.00	19,754.66

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



h) Distribution of shareholding as on 31st March, 2013



- i) **Shares held in physical and dematerialised form**
As on 31st March, 2013, 89.29% of shares were held in De-materialised form and 10.71% in physical form. 89.70% Non- Promoters holding is in De-materialised form.

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

k) **Plant Locations**

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

l) **Address for correspondence**

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

- m) **Electronic Clearing Services (ECS) for payment of dividend**
ECS facility for payment of dividend is presently

available at Agra, Ahmedabad, Amritsar, Bengaluru, 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 can obtain ECS application form from Head Office at Plot No. 2B, Sector-126, Noida-201 304 Gautam Budh Nagar, Uttar Pradesh or from Registrar and Share Transfer Agent at F-65, Okhla Industrial Area Phase-I New Delhi 110 020.

n) **Shares held in electronic form**

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

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

During the year under review, the company transferred Rs. 18.96 lakhs of unpaid/unclaimed dividend and Fixed deposits to Investor Education and Protection Fund (IEAPF) pursuant to Section 205C of the Companies Act, 1956.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF INDIA GLYCOLS LIMITED

We have examined the compliance of conditions of Corporate Governance by India Glycols Limited for the year ended on 31st March, 2013, 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, 2013, no investor grievances are unattended/pending for a period exceeding one month against the Company as certified by the Registrars & Transfer Agents of the Company and details presented to the Investors Grievance Committee of the Company.

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

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

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

Place : New Delhi
Date : 30.05.2013

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 2012-13 pursuant to the requirement of the Clause 49 of the Listing Agreement as amended.

for India Glycols Limited

U.S. Bhartia
Chairman and Managing Director

Place : NOIDA, U.P.
Date : 30.05.2013

Independent Auditors' Report

To
The members of
INDIA GLYCOLS LIMITED

Report on the financial statements

We have audited the accompanying financial statements of **INDIA GLYCOLS LIMITED**, which comprise the balance sheet as at 31st March 2013, and the statement of the profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and the fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Qualification

Attention is invited to:

Note no. 34 of financial statements regarding non-provision against investment and loans & advances in subsidiary company Shakumbari Sugar and Allied Industries Limited (SSAIL) amounting to ₹ 5,427.50 Lacs and ₹ 1,713.30 Lacs (including interest accrued thereon) respectively, where, in the opinion of management no provision is necessary considering the long term in nature, the intrinsic value of assets of subsidiary company and for

the reasons as stated in the said notes. Further company have also extended corporate guarantee on behalf of SSAIL against outstanding amount of Financial Institution and Banks (as stated in the note no. 27(A)(iii)).

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

Opinion

Subject to above, in our opinion and best to our information and according to the explanations given to us, the financial statements read together with other notes 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:

- In the case of the balance sheet, of the state of the affairs of the company as at 31st March 2013,
- In case of the statement of the profit and loss, of the profit for the year ended on that date, and
- In case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and the regulatory requirements:

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the order.
- As required by section 227(3) of the Act, we report that:
 - 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;
 - 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;
 - The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956;
 - On the basis of the written representations received from the Directors and taken on records by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2013 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

(**N. K. Lodha**)

Partner

M. No.: - 85155

Date : 30th May, 2013

Place : Noida, UP

Annexure to the Auditors' Report

(Referred to in paragraph (1) of our Report of even date of **INDIA GLYCOLS LIMITED** for the year ended 31st March, 2013)

- i. (a) The Company has maintained records in respect of fixed assets showing full particulars including quantitative details and situation of its fixed assets.
- (b) As per information & explanation given to us, certain fixed assets have been physically verified by the management. As explained to us there is regular programme of physical verification once in every three years, in phased manner, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) As per the records and information & explanation given to us, fixed assets disposed off during the year were not substantial.
- ii. (a) The inventory of the Company (except stock lying with the third parties and in transit) has been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to information & explanation given to us, the procedures of physical verification of inventory followed by the management are generally reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to information & explanation given to us, the Company is generally maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii. (a) As per the information and records made available to us, the Company has not granted during the year any loan secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Act. Accordingly the provisions of clause 4 (iii) (b) to (d) of the order are not applicable to the Company.
- (b) The company has taken unsecured loan from seven companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of such loans are aggregate of ₹ 12,107.00 Lacs and ₹ 8,093.74 Lacs respectively.
- (c) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions on which aforesaid loan has been taken are not, prima facie, prejudicial to the interest of the company.
- (d) The company is regular in repaying the principal and interest amounts whenever the same are stipulated.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and for which suitable alternative sources do not exist for obtaining comparable quotation or where user department has shown specific preference, where, as explained, rates were determined considering the quality, volume, nature of the items and market conditions prevailing at that time in certain cases, there is an internal control system which needs to be further strengthened to be made the same commensurate with the size of the Company and nature of its business for the certain purchases of Inventory & fixed assets, and for the sale of goods and services {read with note no. 37 & 43(a) of financial statement }. Based on the audit procedure performed and information & explanations provided by the management, during the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. According to the information and explanations provided by the management and based on the audit procedure performed, we are of the opinion that the particulars of the contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section and having regard to our comment in para (iv) above, the transaction made in pursuance of such contracts or arrangements (exceeding the value of ₹ 5 Lacs in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directive issued by the Reserve Bank of India and the provisions of Section 58A and 58 AA of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposit accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other tribunal in this regard.
- vii. The Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii. We have broadly reviewed the books of account

maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete.

- ix. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the

appropriate authorities to the extent applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of statutory dues which have remained outstanding as at 31st March, 2013 for a period of more than six months.

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

Nature of Statute	Nature of dues	Amount (₹ in lacs)	Period	Forum
Custom Act	Custom duty	11.42	1992-93	High Court – Uttaranchal
	Custom duty	193.05	2004-05, 2009-10	Asstt. Commissioner of custom
	Duty Drawback	15.86	2006-07	Joint Secretary , Department of Revenue
Finance Act 1994	Service Tax	5.85	2005-09	CESTAT
	Service Tax	36.31	2004-08	Commissioner (Appeals)
Central Excise Act	CENVAT Cedit	0.94	1996-97	CESTAT
	Excise duty	69.99	2007-08	CESTAT
	Excise duty	66.23	2005-06 to 2012-13	Asstt. Commissioner Haldwani
	Excise duty	4,183.63	2010-11	Asstt. Commissioner Haldwani
	Excise duty	14.09	2005-06 to 2010-11	CESTAT
	Excise duty	6.45	2009-10 to 2010-11	CESTAT
	Excise duty	17.77	2010-11 to 2011-12	Commissioner Appeal Allahabad
UP VAT Act	Excise duty	5,951.69	2007-08 to 2012-13	Commissioner Allahabad
	Excise duty	455.53	2007-08 to 2012-13	Asstt. Commissioner Gorakhpur
	Sales Tax	10.28	2008-09 to 2009-10	Additional Commissioner
	Sales Tax	10.50	2009-10	Allahabad High Court

- x. The Company does not have accumulated losses at the end of financial year and has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- xi. In our opinion, based on audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
- xii. According to the information and explanation given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- xiii. The Company is not a chit fund or a nidhi/ mutual benefit fund /society and therefore, the provisions of

- clause 4 (xiii) of the Order are not applicable.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has given corporate guarantees to banks for Loans taken by Shakumbari Sugar & Allied Industries Limited ('SSAIL' a Subsidiary Company whose net worth have been fully eroded) amounting to ₹ 12,665.42 lacs as stated in note no. 27(A)(iii) of the financial statements, the terms and conditions on which the Company has given guarantees for loans taken by SSAIL from banks are not, prima facie, as explained, prejudicial to the interest of the Company since the same is/are on account of commercial

expediency. As explained to us, the Company has not given any guarantee for loans taken by others from financial institution.

- xvi. According to the information and explanations given to us, term loans have been applied for the purposes for which they were obtained.
- xvii. On the basis of information and explanations given to us and on overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie not been used for long-term investments.
- xviii. According to the information and explanation given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act and the price at which shares have been issued is not prejudicial to the interest of the Company.
- xix. On the basis of record made available to us and according to the information and explanations given

to us, The Company does not have outstanding debentures during the year and also at year end.

- xx. The Company has not raised any money through a public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of the audit.

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

(N. K. Lodha)
Partner

Date : 30th May, 2013
Place : Noida, UP

M. No.: - 85155

Balance Sheet as at 31st March, 2013

(₹ in lacs)

	Note No.	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,096.15	2,788.25
Reserves and Surplus	3	59,807.18	45,369.85
		62,903.33	48,158.10
Non-current Liabilities			
Long-term borrowings	4	65,771.61	63,768.82
Deferred tax liabilities (Net)	5	15,679.23	11,293.22
Other Long-term liabilities	6	495.41	459.93
Long-term provisions	7	300.91	248.02
		82,247.16	75,769.99
Current Liabilities			
Short-term borrowings	8	78,786.71	113,434.09
Trade payables		45,927.81	20,155.18
Other current liabilities	9	25,366.46	31,398.24
Short-term provisions	7	1,157.65	2,723.53
		151,238.63	167,711.04
TOTAL		296,389.12	291,639.13
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible assets	10	108,796.97	105,732.90
Intangible assets	10	376.53	481.38
Capital work-in-progress		19,351.34	9,729.64
Non-current investments	11	5,694.52	5,644.52
Long-term loans and advances	12	9,781.46	16,997.83
Other non-current assets	13	175.52	117.14
		144,176.34	138,703.41
Current Assets			
Current Investments	11	17,192.21	1,589.71
Inventories	14	46,121.13	61,914.58
Trade receivables	15	29,865.27	26,903.08
Cash and Bank balance	16	12,167.44	29,566.35
Short-term loans and advances	17	46,590.41	32,515.60
Other current assets	18	276.32	446.40
		152,212.78	152,935.72
TOTAL		296,389.12	291,639.13

Summary of significant accounting policies 1

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

As per our report of even date

For Lodha & Co.
Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 30th May, 2013

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

Statement of Profit & Loss for the year ended March 31, 2013

(₹ in lacs)

	Note No.	2012-13	2011-12
Revenue from operations	19	333,383.19	262,409.28
Other income	20	1,278.27	915.40
Total Revenue		334,661.46	263,324.68
Expenses:			
Cost of materials consumed	21	163,162.02	112,239.17
Purchase of Stock-in-Trade	22	56,172.71	43,774.86
Change in inventories of finished goods, work-in-progress and Stock-in-trade	23	34.92	3,380.70
Employee benefit expense	24	8,124.08	6,882.91
Finance costs	25	13,272.46	11,319.50
Depreciation and amortization expense	10	8,243.15	7,752.63
Other expenses	26	69,152.18	62,286.55
Total Expenses		318,161.52	247,636.32
Profit before exceptional items and tax		16,499.94	15,688.36
Exceptional Items (Net)		-	-
Profit before tax		16,499.94	15,688.36
Tax Expense:			
- Current Tax		3,300.48	3,135.40
- Deferred tax Charged / (Credit)		4,386.01	5,228.98
- Tax for earlier years		20.19	-
- Minimum Alternate Tax Credit entitlement		(3,300.48)	(3,135.40)
Profit for the period		12,093.74	10,459.38
Earning per Equity share basic/ diluted		41.10	37.51

Summary of significant accounting policies

1

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

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 30th May, 2013

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

(₹ in lacs)

	2012-13		2011-12	
A Cash Flow from Operating Activities				
Net Profit Before Tax		16,499.94		15,688.36
Adjustments For:				
Depreciation	8,243.15		7,752.63	
(Profit)/Loss on Sale of Assets	90.34		38.05	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	73.60		4,230.81	
Unrealised commodity derivative (Gain) / Loss	-		7.70	
Amortisation of Foreign Currency Monetary Item Translation Difference	2,009.64		621.78	
(Profit)/Loss on Sale of Current Investments	(82.41)		-	
Reversal of Provision for Diminution in Value of Current Investments	(3.17)		(2.90)	
Bad Debts W/Off & Provision for Doubtful Debts & Advances	5.76		14.86	
Provision No Longer Required Written Back	(27.10)		(3,733.01)	
Interest / Finance Expense	15,332.96		12,964.78	
Interest/Dividend Income	(3,212.80)	22,429.97	(2,536.87)	19,357.83
Operating Profit before Working Capital Changes		38,929.91		35,046.19
Adjustments For:				
(Increase)/Decrease in Trade & Other Receivables	4,736.96		(28,444.92)	
(Increase)/Decrease in Inventories	15,793.45		(19,518.90)	
Increase / (Decrease) in Trade & Other Payables	22,312.63	42,843.04	9,972.34	(37,991.48)
Cash Generated from Operations		81,772.95		(2,945.29)
Income Tax Paid (Net)		(4,884.98)		(1,765.81)
Net Cash from Operating Activities		76,887.97		(4,711.10)
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	(16,275.93)		(11,182.78)	
Sale of Fixed Assets	769.61		73.35	
Interest / Dividend received	3,865.93		1,381.63	
ICDs given	(6,358.00)		(42,423.00)	
ICDs received back	9,327.55		31,443.97	
Investments in shares of subsidiaries/ joint venture	(50.00)		(0.50)	
Sale of current investments	1,583.08		-	
Purchase of current investment	(17,100.00)		(1,510.67)	
Net Cash used in Investing Activities		(24,237.76)		(22,218.00)
C Cash Flow from Financing Activities				
Proceeds from Govt subsidy	5.00		5.00	
Proceeds from Issue of Share Capital	4,266.26		-	
Proceeds from Borrowings	88,436.51		138,916.77	
Repayment of Borrowings	(125,852.84)		(95,434.43)	
Interest/other Borrowing Cost	(17,248.73)		(13,582.41)	
Dividends Paid (Including Corporate Dividend Tax)	(2,176.32)		(490.57)	
Net Cash Inflow from Financing Activities		(52,570.12)		29,414.36
Net Increase/(Decrease) in Cash & Cash Equivalents [A+B+C]		80.09		2,485.26
Opening Cash & Cash Equivalent (refer note 16)		4,972.90		2,487.64
Closing Cash & Cash Equivalent (refer note 16)		5,052.99		4,972.90

Note :

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

As per our report of even date

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

N.K. Lodha
 Partner
 M. No. 85155

 Place : Noida, UP
 Dated : 30th May, 2013

U.S. Bhartia
 Chairman and Managing Director

Rakesh Bhartia
 Chief Executive Officer

M.K. Rao
 Executive Director

Anand Singhal
 Chief Financial Officer

Lalit Kumar Sharma
 Company Secretary

Notes to the Accounts

1 ACCOUNTING POLICIES

A. REVENUE RECOGNITION

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

B. FIXED ASSETS AND DEPRECIATION

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

C. EXPENDITURE DURING CONSTRUCTION

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

D. INVESTMENTS

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

E. VALUATION OF INVENTORIES

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

F. FOREIGN EXCHANGE & DERIVATIVE TRANSACTIONS

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

G. EMPLOYEES BENEFITS

(a) Defined Contribution Plan:

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

(b) Defined Benefit Plan:

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

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

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

Notes to the Accounts

H. GOVERNMENT GRANTS

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

I. BORROWING COST

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

J. PROVISION FOR CURRENT TAX AND DEFERRED TAX

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

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

K. IMPAIRMENT

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

L. USE OF ESTIMATES AND ASSUMPTIONS

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

M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

2. SHARE CAPITAL

(₹ in Lacs), except as otherwise stated

Particulars	As at 31.03.2013	As at 31.03.2012
Authorised :		
45,000,000 (Previous Year 30,000,000) Equity Shares of ₹ 10/- each	4,500.00	3,000.00
	4,500.00	3,000.00
Issued, Subscribed and paid up :		
30,961,500 (Previous Year 27,882,500) Equity Shares of ₹ 10/- each fully paid up	3,096.15	2,788.25
	3,096.15	2,788.25

a) Terms/rights attached to equity shares:

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

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

Notes to the Accounts

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

Name of Shareholder	31.03.2013 No's	31.03.2012 No's
KASHIPUR HOLDINGS LIMITED	9,869,303	7,523,800
SAJANI DEVI BHARTIA	2,100,249	2,100,249

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

Particulars	31.03.2013 No's	31.03.2012 No's
Shares outstanding as at the beginning of the year	27,882,500	27,882,500
Additions during the year	3,079,000	-
Deletion during the year	-	-
Shares outstanding as at the end of the year	30,961,500	27,882,500

3. RESERVES AND SURPLUS

(₹ in Lacs)

	As at 01.04.2012	Additions	Deductions	As at 31.03.2013
Capital Reserve	463.25	-	-	463.25
General Reserve	9,974.60	1,209.40	-	11,184.00
Security Premium (Refer note 29)	-	3,958.36	-	3,958.36
Reserve for Contingencies	200.00	-	-	200.00
Surplus in Statement of Profit & Loss [Refer footnote (a)]	37,527.69	12,093.74	3,373.24	46,248.19
Sub Total (a)	48,165.54	17,261.50	3,373.24	62,053.80
Foreign Currency Monetary Item Translation Difference (Debit Balance)	(2,795.69)	(1,460.57)	(2,009.64)	(2,246.62)
Sub Total (b)	(2,795.69)	(1,460.57)	(2,009.64)	(2,246.62)
Total (a) + (b)	45,369.85	15,800.93	1,363.60	59,807.18
Previous year	38,678.34	8,087.91	1,396.40	45,369.85

(a) Detail of Surplus in the Statement of Profit & Loss	March 31, 2013	March 31, 2012
Opening balance	37,527.69	29,086.49
Add: Net Profit after tax transferred from Statement of Profit and Loss	12,093.74	10,459.38
	49,621.43	39,545.87
Less: Appropriations		
Proposed Dividend *	619.23	836.48
Interim Dividend *	1,238.46	-
Corporate Dividend Tax	306.15	135.70
Transfer to general reserve	1,209.40	1,046.00
Net Surplus in the Statement of Profit & Loss	46,248.19	37,527.69
	46,248.19	37,527.69

* The Board of Directors, proposed a final dividend of ₹ 2 (Previous year ₹ 3) per equity share. The proposal is subject to approval in the ensuing Annual General Meeting. The Board of Directors, during the year, has also declared and paid interim dividend of ₹ 4 (Previous Year Nil) per equity share. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 2163.84 Lacs (Previous Year ₹ 972.18 Lacs) including corporate dividend tax of ₹ 306.15 Lacs (Previous Year ₹ 135.70 Lacs).

Notes to the Accounts

4. LONG TERM BORROWINGS

(₹ in Lacs)

	Non-Current Portion		Current Maturities	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
SECURED LOANS				
Rupee Term Loans				
from Banks (Foot Note 2)	43,167.74	31,456.21	14,175.37	14,992.50
Other than Banks (Foot Note 2)	464.46	401.77	31.06	58.32
Foreign Currency Term Loans from Banks	14,045.67	19,910.84	5,122.09	6,556.03
Buyers Import Credit- Bank	-	-	-	483.97
	57,677.87	51,768.82	19,328.52	22,090.82
UNSECURED LOANS				
Fixed Deposits	-	-	-	9.00
Loan from related parties (Body Corporates)	8,093.74	12,000.00	-	-
	8,093.74	12,000.00	-	9.00
Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 9)			19,328.52	22,099.82
	65,771.61	63,768.82	-	-

Notes:

- The Term Loans inter-se, are secured / to be secured by mortgage of all immovable properties of the Company both present and future and hypothecation of all movable properties of the Company (save and except book debts) including movable machinery, machinery spares, tools and accessories, both present and future subject to prior charges created and / or to be created in favour of the bankers of the Company on stocks, book debts and other specified movable properties for working capital requirements/ Buyers Credit.
- Rupee Term Loans includes loans from Banks of ₹ 56.86 Lacs (Previous Year ₹ 33.20 Lacs) and loans from others of ₹ 45.52 Lacs (Previous Year ₹ 110.09 Lacs) secured by hypothecation of Motor Vehicles purchased there under which is repayable on different dates. Further, Rupee Term Loans from others includes ₹ 450.00 Lacs (Previous Year ₹ 350.00 Lacs) secured against bank guarantee.
- Buyers Import Credit outstanding as at March 31, 2013 Nil (Previous Year ₹ 483.97 Lacs) is secured against non fund based facility sanctioned to the Company.
- Term Loan from bank of ₹ 4,583.00 Lacs (Previous Year ₹ 5,000.00 Lacs), is repayable in 10 quarterly installments (8 installments of ₹ 417.00 Lacs each and remaining 2 installments of ₹ 623.50 Lacs each).
- Term Loan from bank of ₹ 1,784.61 Lacs (USD 32.86 Lacs), (Previous Year ₹ 2,939.28 Lacs, USD 57.77 Lacs), is repayable in 8 quarterly installments (7 installments for ₹ 250.00 Lacs each and remaining 1 installment for ₹ 34.61 Lacs).
- Term Loan from bank of ₹ 3,329.86 Lacs (Previous Year ₹ 5,010.64 Lacs) is repayable in 8 equal quarterly installments. It includes Foreign Currency Loan of ₹ 1656.46 Lacs (USD 30.50 Lacs) (Previous Year ₹ 1806.24 Lacs, USD 35.50 Lacs).
- Term Loan from bank of ₹ 2,291.67 Lacs (Previous Year ₹ 2,500.00 Lacs), is repayable in 11 equal quarterly installments.
- Term Loan from bank of ₹ 4,924.43 Lacs (USD 90.67 Lacs) (Previous Year ₹ 5,678.06 Lacs, USD 111.60 Lacs), is repayable in 13 equal quarterly installments.
- Term Loan from bank of ₹ 10,802.26 Lacs (USD 198.90 Lacs) (Previous Year ₹ 11,139.67 Lacs, USD 218.94 Lacs), is repayable in 34 monthly installments (4 equal monthly installments of ₹ 108.62 Lacs, 24 equal monthly installments of ₹ 271.55 Lacs, 5 equal monthly installments of ₹ 543.10 Lacs and balance in last installment).
- Term Loan from bank of ₹ 4,218.75 Lacs (Previous Year ₹ 4,500.00 Lacs), is repayable in 15 equal quarterly installments.
- Term Loan from bank of ₹ 2809.00 Lacs (Previous Year ₹ 3,273.81 Lacs), is repayable in 78 equal monthly installments of ₹ 35.75 Lacs each and remaining 1 installment of ₹ 20.51 Lacs.
- Term Loan from bank of ₹ 5,000.00 Lacs (Previous Year ₹ 5,000.00 Lacs), is repayable in 8 equal quarterly installments commencing from June 2013.
- Term Loan from bank of ₹ 2,500.00 Lacs (Previous Year ₹ 2,500.00 Lacs), is repayable in 8 equal quarterly installments commencing from August 2013.
- Term Loan from bank of ₹ 2,436.50 Lacs (Previous Year ₹ 2,436.50 Lacs), is repayable in 9 equal quarterly installments commencing from February 2014.
- Term Loan from bank of ₹ 2,625.00 Lacs (Previous Year ₹ 2,625.00 Lacs), is repayable in 9 equal quarterly installments commencing from November 2013.
- Term Loan from bank of ₹ 4,978.47 Lacs (Previous Year Nil), is repayable in 11 equal quarterly installments of ₹ 417.00 Lacs and 1 installment of ₹ 391.47 Lacs commencing from September 2014.
- Term Loan from bank of ₹ 7,500.00 Lacs (Previous Year Nil), is repayable in 16 equal quarterly installments commencing from April 2014.
- Term Loan from bank of ₹ 2,500.00 Lacs (Previous Year Nil), is repayable in 12 equal quarterly installments commencing from May 2015.
- Term Loan from bank of ₹ 5,000.00 Lacs (Previous Year Nil), is repayable in 8 equal quarterly installments commencing from April 2013.
- Term Loan from bank of ₹ 5,000.00 Lacs (Previous Year Nil), is repayable in 8 equal quarterly installments commencing from January 2014.
- Term Loan from bank of ₹ 3,982.96 Lacs (Previous Year Nil), is repayable in 16 equal quarterly installments commencing from September 2013.
- Term Loan from bank of ₹ 187.50 Lacs (Previous Year ₹ 937.50 Lacs), is repayable in May 2013.
- Term Loan from DBT Biharoma ₹ 450.00 Lacs (Previous Year ₹ 350.00 Lacs) is repayable in 10 equal half yearly installment after completion of the project.
- Loan from related parties of ₹ 8,093.74 Lacs (Previous Year 12,000.00 Lacs) is payable after a period of 3 years from the respective date of loans. Amount payable in FY 2014-15 ₹ 5,751.00, FY 2015-16 ₹ 1,438.24 Lacs and FY 2016-17 ₹ 904.50 Lacs.
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 300.00 Lacs).
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 554.25 Lacs, USD 10.89 Lacs).
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 1,625.00 Lacs).
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 1,360.00 Lacs).
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 3,200.00 Lacs).
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 1605.29 Lacs, USD 31.55 Lacs).
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 3,550.00 Lacs).
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 515.16 Lacs, USD 10.125 Lacs).
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 2,228.92 Lacs, USD 43.81 Lacs).
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 2,400.00 Lacs).
- Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 2,003.30 Lacs).

Notes to the Accounts

5. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
Pursuant to the Accounting Standard on “ Accounting for taxes on Income” (AS-22) deferred tax liability/assets are as :		
Deferred Tax Assets :-		
Amount covered U/S 43B	303.97	241.82
Provision for doubtful debts / advances	28.68	28.70
Unabsorbed Depreciation	-	621.94
Others	91.73	895.15
Gross Deferred tax Assets	424.38	1,787.61
Deferred Tax Liabilities :-		
Accelerated depreciation	15,042.88	12,173.77
Others	1,060.73	907.06
Gross Deferred tax Liability	16,103.61	13,080.83
Net Deferred Tax Liability	15,679.23	11,293.22

6. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
Security deposits - Real Estate	495.41	459.93
	495.41	459.93

7. PROVISIONS

(₹ in Lacs)

	Long - Term		Short - Term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Provision for employee benefits				
Provision for Gratuity	-	-	285.93	237.21
Provision for Leave Encashment	300.91	248.02	138.59	117.65
	300.91	248.02	424.52	354.86
Others:				
Proposed equity dividend	-	-	619.23	836.48
Provision for tax on proposed equity dividend	-	-	105.24	135.70
Provision for Income Tax (Net of advance tax Nil, Previous Year ₹ 2,987.21 Lacs)	-	-	-	1,392.68
Provision for Fringe Benefit Tax (Net of advance tax ₹ 38.65 Lacs, Previous Year ₹ 38.65 Lacs)	-	-	0.26	0.26
Provision for Wealth Tax	-	-	8.40	3.55
	-	-	733.13	2,368.67
	300.91	248.02	1,157.65	2,723.53

Notes to the Accounts

8. SHORT TERM BORROWINGS

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
SECURED LOANS		
Loans repayable on demand from Banks:		
Buyers Import Credit*	23,247.35	53,784.48
Working Capital Loans*	48,050.74	59,647.73
	71,298.09	113,432.21
UNSECURED LOANS		
Short Term Loans from Banks	7,488.62	1.88
	7,488.62	1.88
	78,786.71	113,434.09

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

Further Packing credit facility of Nil (Previous Year ₹ 15,115.27 Lacs) (included in working capital loans) are specifically secured by pledge of deposit.

9. OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
Current maturities of long term borrowings (Note No 4)	19,328.52	22,099.82
Interest accrued but not due on borrowings	288.07	386.49
Duties, taxes and other statutory dues	1,481.94	1,380.13
Capital Payables	1,996.24	1,869.04
Advance from Customers	434.15	1,419.61
Retention money	372.29	385.25
Expenses payable (Including MTM on derivative contracts)	537.57	3,022.93
Other Payables	586.24	721.50
Investor education & protection fund shall be credited by the following amounts when due:		
(i) Unclaimed Dividends	332.36	97.12
(ii) Unclaimed matured deposits	6.86	12.71
(iii) Unclaimed interest on above (ii)	2.22	3.64
	25,366.46	31,398.24

Notes to the Accounts

10. Fixed Assets

(₹ in Lacs)

Description	Gross Carrying Amount				Depreciation/ Amortization				Net Carrying Amount	
	As at 01.04.2012	Additions*	Sales/ Other Adjust- ments	As at 31.03.2013	As at 01.04.2012	For the year	Sales/ Other Adjust- ments	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible assets										
Freehold Land	1,862.03	11.76	-	1,873.79	-	-	-	-	1,873.79	1,862.03
Leasehold Land	1,410.97	7.22	-	1,418.19	135.18	16.68	-	151.86	1,266.33	1,275.79
Buildings	16,481.20	26.82	-	16,508.02	1,539.46	316.92	-	1,856.38	14,651.64	14,941.74
Plant and Machinery	136,777.64	10,349.33	1,440.16	145,686.81	52,248.20	7,368.05	655.24	58,961.01	86,725.80	84,529.44
Office Equipment	1,834.97	115.02	16.57	1,933.42	916.09	144.70	10.62	1,050.17	883.25	918.88
Furniture and Fixtures	1,978.04	1,320.31	22.94	3,275.41	502.35	161.62	14.07	649.90	2,625.51	1,475.69
Vehicles#	1,050.41	206.19	134.11	1,122.49	321.08	104.67	73.91	351.84	770.65	729.33
Total (A)	161,395.26	12,036.65	1,613.78	171,818.13	55,662.36	8,112.64	753.84	63,021.16	108,796.97	105,732.90
Intangible assets										
Computer software	1,038.09	25.66	-	1,063.75	556.71	130.51	-	687.22	376.53	481.38
Total (B)	1,038.09	25.66	-	1,063.75	556.71	130.51	-	687.22	376.53	481.38
Grand Total (A) + (B)	162,433.35	12,062.31	1,613.78	172,881.88	56,219.07	8,243.15	753.84	63,708.38	109,173.50	106,214.28
Previous Year	152,550.04	10,117.09	233.78	162,433.35	48,588.82	7,752.63	122.38	56,219.07		

Notes:

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

*(ii) Includes capitalisation of:

(a) Finance cost: Plant & Machinery ₹ 584.51 Lacs (Previous Year ₹ 1,380.43 Lacs).

(b) Exchange difference: Plant and Machinery ₹ 419.89 Lacs (Previous Year ₹ 911.48 Lacs).

Gross block includes ₹ 367.58 Lacs (Previous Year ₹ 311.30 Lacs) secured by hypothecation against loan

Notes to the Accounts

11. INVESTMENTS

(₹ in Lacs), except as otherwise stated

Particulars	Nominal Value	As at 31.03.2013		As at 31.03.2012	
Non-Current Investments					
Long Term, Non- Trade Investment - At Cost less provision					
Investment in Equity Instruments					
Unquoted, Fully paid up - Subsidiary Companies					
1,500,000 (Previous Year 1,000,000) Equity Shares of IGL Finance Ltd.	₹ 10	550.00		500.00	
Less: Provision for diminution		425.00	125.00	425.00	75.00
100,000 (Previous Year 100,000) Equity Shares of IGL CHEM International PTE Ltd.,Singapore	SGD 1		27.41		27.41
50,112,100* (Previous Year 50,112,100) Equity Shares of Shakumbari Sugar & Allied Industries Ltd.	₹ 10		4,427.50		4,427.50
Unquoted, Fully paid up - Joint Venture					
5,000 (Previous Year 5,000) Equity Shares of Kashipur Infrastructure and Freight Terminal Private Limited			0.50		0.50
			4,580.41		4,530.41
Quoted, fully paid up - Others					
211,360 (Previous Year 211,360) Equity Shares of IDBI Bank Ltd	₹10		105.00		105.00
34,000 (Previous Year 34,000) Equity Shares of Axis Bank Ltd.	₹ 10		7.14		7.14
2,500 (Previous Year 2,500) Equity Shares of ICICI Bank Ltd.	₹ 10		1.97		1.97
			114.11		114.11
			4,694.52		4,644.52
Investment in Preference Share (Unquoted, fully paid up) - Subsidiary Company					
10,000,000* (Previous Year 10,000,000) 10% Cumulative Redeemable Preference Shares of Shakumbari Sugar & Allied Industries Ltd.	₹ 10		1,000.00		1,000.00
			1,000.00		1,000.00
Total Non - Current investments			5,694.52		5,644.52
Aggregated book value of unquoted investment			5,580.41		5,530.41
Aggregated book value of quoted investment			114.11		114.11
Market value of quoted investments			704.46		633.26
Aggregate provision made for diminution in value of investments			425.00		425.00
Current Investments - at the lower of cost and fair value					
Others- Quoted, fully paid up (Non- Trade Investment)					
Investments in Mutual funds					
5000000 (Previous Year Nil) Birla Sun Life Fixed Term Plan Series FK Growth	₹ 10		500.00		-
5000000 (Previous Year Nil) ICICI Prudential FMP Series 64-367 days Plan D Cumulative	₹ 10 #		500.00		-
10000000 (Previous Year Nil) ICICI Prudential FMP Series 64-367 days Plan B Cumulative	₹ 10 #		1,000.00		-
			2,000.00		-

Notes to the Accounts

11. INVESTMENTS (Contd..)

(₹ in Lacs), except as otherwise stated

Particulars	Nominal Value	As at 31.03.2013	As at 31.03.2012
Others- Unquoted, fully paid up (Non- Trade Investment)			
Investments in Mutual funds			
668,518 (Previous Year 668,518) UTI Bonds Fund-Dividend Plan	₹ 10	82.21	79.04
1510779 (Previous Year Nil) Kotak Bond Plan A- Growth	₹ 10 #	500.00	-
28200859 (Previous Year Nil) SBI Dynamic Bond Fund- Growth	₹ 10 #	4,000.00	-
16531658 (Previous Year Nil) Reliance Dynamic Bond Fund- Growth	₹ 10 #	2,500.00	-
12261453 (Previous Year Nil) DWS Short Maturity Fund Reg- Growth	₹ 10 #	2,500.00	-
1949367 (Previous Year Nil) Birla Sun Life Income Plus- Growth	₹ 10 #	1,000.00	-
100,000 (Previous Year 100,000) SBI Gold Fund- Growth	₹ 10	10.00	10.00
Nil (Previous Year 29,863) SBI Magnum Insta Cash-Daily Dividend	₹ 1,000	-	500.22
Nil (Previous Year 99,721) SBI PLF - SI - Daily Dividend	₹1,000	-	1,000.45
5276047 (Previous Year Nil) Reliance Income Fund- Growth	₹10 #	2,000.00	-
7232227 (Previous Year Nil) IDFC Dynamic Bond Plan B- Growth (regular)	₹10 #	1,000.00	-
7192434 (Previous Year Nil) IDFC Dynamic Bond Plan B- Growth (Direct)	₹10 #	1,000.00	-
552614 (Previous Year Nil) IDFC Money Manager - Growth	₹10 #	100.00	-
Investments in Pass Through Certificates (PTCs)			
500 (Previous Year Nil) Gold Loan Receivable Trust -II, by IDBI Trusteeship Services Ltd.	₹100000	500.00	-
		15,192.21	1,589.71
Total Current Investments		17,192.21	1,589.71
Aggregated book value of Unquoted investment		15,192.21	1,589.71
Aggregated book value of Quoted investment		2,000.00	-
Aggregated Market Value of Quoted investment		2,180.41	-
Aggregate provision made for Diminution in value of Investments		-	3.17

* Refer Note no 34 to financial statements

(Regarding SSAIL ICD and investment)

Pledged with banks as security against borrowings.

Notes to the Accounts

12. LONG TERM LOANS & ADVANCES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
Capital Advances	1,345.05	4,390.11
Security Deposits @	2,139.90	1,893.05
Balance with Excise and Authorities	3,426.44	2,869.03
Inter Corporate Deposits #	2,659.93	7,589.48
Other Loans & advances * (Includes ₹ 1.41 Lacs (Previous Year ₹ 2.11 Lacs) due from a director)	210.14	256.16
	9,781.46	16,997.83

* Prepaid expenses and loans to employees

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

@ Includes ₹ 480 lacs (Previous Year ₹ 480.00 Lacs) security deposit to Private companies in which director/directors of company is director and are also related parties.

13. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
Bank balance on deposit account* (Refer Note No. 16)	36.21	36.40
Others		
Upfront fee, processing charges, etc amortised over tenure of loans	139.31	80.74
	175.52	117.14

*Pledged with bank/Government Authorities as margin money/security against the borrowings and guarantees maturing after 12 months

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

(As taken, valued and certified by the management)

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
Raw Materials *	23,191.38	38,213.74
Work-in-Process	2,614.36	2,151.89
Finished Goods **	7,518.89	8,098.32
Stores and Spares	12,725.93	13,379.87
Residue Product	39.42	7.04
Scrap	7.72	5.15
Loose Tools	23.43	58.57
	46,121.13	61,914.58

*Includes in transit ₹ Nil (Previous Year ₹ 10,830.56 Lacs)

**Includes in transit ₹ 539.85 Lacs (Previous Year ₹ 463.87 Lacs)

Notes to the Accounts

15. TRADE RECEIVABLES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	543.39	542.80
- Doubtful	37.78	41.86
(b) Other (Considered good)	29,321.88	26,360.28
	29,903.05	26,944.94
Less: Provision for Doubtful debts	37.78	41.86
	29,865.27	26,903.08

16. CASH AND BANK BALANCES

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
(a) Cash and Cash equivalents		
(i) Cash in Hand	27.38	22.96
(ii) Balance with Banks		
- On Current Accounts	5,025.61	4,649.94
(iii) Cheques in hand	-	300.00
	5,052.99	4,972.90
(b) Other bank balances		
- In Fixed Deposit Accounts * - Current	6,782.09	24,496.33
- In Fixed Deposit Accounts * - Non current	36.21	36.40
- On Dividend Accounts	332.36	97.12
	12,203.65	29,602.75
Less: Amount disclosed under Other Non Current Assets (Note No 13)	36.21	36.40
	12,167.44	29,566.35

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

Notes to the Accounts

17. SHORT TERM LOANS & ADVANCES

(Unsecured, considered good unless stated otherwise)

		(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
Deposits with Non Banking Financial Institutions #		6,451.00	4,491.00
Interest receivable (Includes receivable from related parties ₹ 766.74 Lacs (Previous Year ₹ 573.99 Lacs)		1,277.80	1,930.93
Export Incentive receivable		5,565.53	6,140.49
Balance with Excise and Authorities		5,539.67	3,644.22
Deposits with Government Departments & Others		177.15	286.34
MAT Credit Entitlements		8,090.16	4,789.68
Advance Income Tax/ Tax deducted at source (net of income tax provision of ₹ 7,211.48 Lacs, Previous Year Nil)		171.63	-
Prepaid expenses		862.98	584.41
Other Advances:			
Advances recoverable in cash or in kind or for value to be received*	18,454.49		10,648.53
Doubtful advances / loans	46.61		46.61
	18,501.10		10,695.14
Less : Provision for doubtful advances / loans	(46.61)	18,454.49	(46.61) 10,648.53
		46,590.41	32,515.60

*Includes business advance of ₹ 5,080.08 Lacs (Previous Year 2,854.65 Lacs) to related parties.

Includes Deposit with a related party ₹ 1960.00 Lacs (Previous Year Nil).

18. OTHER CURRENT ASSETS

		(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
Upfront fee, processing charges, etc amortised over tenure of loans		276.32	446.40
		276.32	446.40

Notes to the Accounts

19 REVENUE FROM OPERATIONS

	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
Sales of Products		
Glycols	69,336.99	59,211.34
E.O. Derivatives	100,524.64	88,959.07
Guar Gum Powder and derivatives	74,243.30	39,564.32
Ethyl Alcohol (Potable)	66,027.36	50,168.49
Industrial Gases	3,390.01	3,144.19
Sale of traded goods		
Chemical Products	54,682.67	37,646.25
Agri Products	-	4,624.43
Export Incentive receivable	7,116.57	5,219.97
Others	6,847.11	4,602.21
	382,168.65	293,140.27
Less: Excise Duty	52,280.27	37,743.48
	329,888.38	255,396.79
Sales of Service		
Rent	1,196.19	617.41
Others	295.79	283.99
	1,491.98	901.40
Other Operating Revenue		
Provision no longer required written back	27.10	3,517.45
Sundry balances written back	-	215.56
Miscellaneous Income	1,975.73	2,378.08
	2,002.83	6,111.09
Total Revenue from operations	333,383.19	262,409.28

20 OTHER INCOME

	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
Interest Income	1,131.02	869.83
Dividend on Long term Investment	9.03	16.74
Interest on current Investment (TDS ₹ 1.90 Lacs, Previous Year Nil)	5.85	-
Dividend on current investment	6.40	5.01
Reversal of Diminution in value of current Investments	3.17	2.90
Commodity Derivative Income	24.35	3.76
Profit on sale of Current investment	82.41	-
Profit on sale of Fixed Assets	16.04	17.16
	1,278.27	915.40

Notes to the Accounts

21 COST OF MATERIALS CONSUMED

(₹ in Lacs)

	2012-13	2011-12
Raw Materials consumed		
i) Molasses	27,713.63	26,628.88
ii) Chain Starters	10,621.87	11,464.27
iii) Special Denatured Spirit	47,830.42	29,979.94
iv) Guar split and Guar seeds	50,392.72	22,768.61
v) Production Chemicals & Others	14,929.18	11,927.11
vi) Packing Material	11,674.20	9,470.36
Total	163,162.02	112,239.17
Consumption of Imported and Indigenous Raw Materials	2012-13	2011-12
	% age	Amount
Imported	17.72	28,920.34
Indigeneous	82.28	134,241.68
	100.00	163,162.02
		% age
		Amount
		20.70
		23,235.82
		79.30
		89,003.35
		100.00
		112,239.17

22 PURCHASE OF STOCK IN TRADE

(₹ in Lacs)

	2012-13	2011-12
Chemical and Oil Products	56,172.71	38,823.78
Agri products	-	4,951.08
	56,172.71	43,774.86

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

(₹ in Lacs)

	2012-13	2011-12
CLOSING STOCK		
A) Finished Goods		
- Glycols	1,564.80	2,685.15
- E.O. Derivatives	4,561.41	4,127.60
- Ethyl Alcohol (Potable)	308.72	408.47
- Guar Gum Powder and derivatives	777.50	515.55
- Guar Churi	0.18	0.13
- Industrial Gases	31.83	20.48
- Herbal Products	274.45	340.94
Total Finished Goods	7,518.89	8,098.32
Work-in-Process (Note @ below)	2,614.36	2,151.89
Residue Product	39.42	7.04
	10,172.67	10,257.25

Notes to the Accounts

(₹ in Lacs)

	2012-13	2011-12
LESS : OPENING STOCK		
Finished Goods		
- Glycols	2,685.15	403.95
- E.O. Derivatives	4,127.60	2,398.22
- Ethyl Alcohol (Potable)	408.47	440.75
- Guar Gum Powder and derivatives	515.55	81.01
- Guar Churi	0.13	0.01
- Industrial Gases	20.48	25.60
- Herbal Products	340.94	356.08
Total Finished Goods	8,098.32	3,705.62
Work-in-Process (Note @ below)	2,151.89	9,366.70
Residue Product	7.04	7.75
Stock in trade	10,257.25	13,080.07
Less: Differential Excise Duty provided on Stocks	(49.66)	557.88
	34.92	3,380.70
Note @		
Work-in-Process	31.12.2013	31.03.2012
Alcohol	1,045.08	1,132.05
EO	10.56	15.16
Guar Gum	234.16	45.55
RS/ENA	261.20	290.76
Others	1,063.36	668.37
	2,614.36	2,151.89

24 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

	2012-13	2011-12
Salaries, Wages, Allowances, etc.	6,935.30	5,828.69
Contribution to Provident and other Funds	490.46	429.64
Employees' Welfare and other Benefits	698.32	624.58
Total	8,124.08	6,882.91

25 FINANCE COSTS

(₹ in Lacs)

	2012-13	2011-12
Interest on Fixed Loans	8,755.83	7,352.18
Other Interest	4,459.38	3,768.62
Other Borrowing Cost		
Financial Charges	2,117.75	1,843.98
	15,332.96	12,964.78
Less: Interest Received on temporary deposits	2,060.50	1,645.28
	13,272.46	11,319.50

Notes to the Accounts

26 OTHER EXPENSES

			(₹ in Lacs)	
		2012-13		2011-12
Stores and spares consumed		7,758.56		5,009.82
Power and Fuel		34,943.85		32,064.44
Repairs and Maintenance				
- Buildings		401.98		395.82
- Plant and Machinery		1,825.16		1,507.56
- Others		415.51		263.00
Rent		131.83		112.79
Rates and Taxes		1,392.44		1,177.06
Travelling and Conveyance		918.16		815.84
Insurance		383.34		350.88
(Net of recovery from customers ₹ 0.71 Lacs, Previous Year ₹ 2.30 Lacs)				
Directors' sitting Fee		12.80		11.50
Commission to Non Executive Director		10.50		10.50
Donation		137.96		12.50
Commission to Selling agents		833.58		911.61
Freight forwarding and others (Net of recovery from customers / provision written back ₹ 857.99 Lacs, Previous Year ₹ 937.84 Lacs)		8,900.51		6,939.96
Exchange Fluctuation loss (Net of gain ₹ 1,652.91 lacs, Previous Year ₹ 4,366.14 Lacs).		6,505.09		10,125.86
Bad debts written off	4.08		79.71	
Less : Provision for doubtful debts written back	4.08	-	71.97	7.74
Provision for doubtful debts and advances		-		7.12
Loss on Sale / Discard of Fixed Assets		106.38		55.21
Debts/ Advances written off		5.76		-
Amortisation of Foreign Currency Monetary Item Transaction Difference		2,009.64		621.78
Wealth Tax		11.46		3.09
Printing & Stationery, Postage, Telephone, security, legal and professional and other Miscellaneous Expense		2,447.67		1,882.47
		69,152.18		62,286.55
Consumption of Imported and Indigenous Stores and spares				
	% age	Amount	% age	Amount
Imported	51.68	4,009.95	34.41	1,724.06
Indigeneous	48.32	3,748.61	65.59	3,285.76
	100.00	7,758.56	100.00	5,009.82

Notes to the Accounts

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

(i) In respect of:

(₹ in Lacs)

Particulars	As on March 31, 2013	As on March 31, 2012
Central Excise/ State Excise	10945.93	4,573.52
Customs	261.93	261.93
Service Tax	69.02	182.28
Sales Tax	32.67	31.84
Other matters	2,012.26	2,003.36
Total	13,321.81	7,052.93

(ii) Bills discounted with Banks ₹ 15,826.08 Lacs (Previous Year: ₹ 7,925.98 Lacs).

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

(₹ in Lacs)

Guarantee Given		Amount Outstanding	
31.03.2013	31.03.2012	31.03.2013	31.03.2012
31,995.00	31,995.00	12,665.42	16,997.53

(B) Custom duty saved on import of raw material under Advance License pending fulfillment of export obligation is amounting to ₹ 774.17 Lacs (Previous Year ₹ 1,617.19 Lacs).

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

28. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹1,345.05 Lacs, Previous Year ₹ 4,390.11 Lacs) are ₹ 7,238.67 Lacs (Previous Year ₹ 9,075.68 Lacs).

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

30. Advances recoverable in cash or kind includes loans and advances in the nature of Loan recoverable from the employees amounting to ₹ 239.09 Lacs (Previous Year ₹ 224.40 Lacs) where there is no interest or interest is below Section 372A of the Companies Act (Maximum Balance outstanding during the year ₹ 374.07 Lacs, Previous Year ₹ 353.14 Lacs). Out of the above ₹ 79.70 Lacs (Previous Year ₹ 59.47 Lacs) either has repayment schedule beyond seven years or there is no repayment schedule (Maximum Balance outstanding during the year ₹ 96.18 Lacs, Previous Year ₹ 75.39 Lacs).

31. Employees Benefits:

a) **Defined Contribution Plan:**

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

(₹ in Lacs)

	Current Year	Previous Year
Employer's Contribution to Provident Fund	418.33	361.30

b) **Defined Benefit Plan:**

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

Notes to the Accounts

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

(₹ in Lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Present Value of Obligation at the beginning of the year	1380.86	1149.73	365.67	324.46
Current Service Cost	153.16	122.69	48.00	60.87
Interest Cost	118.75	91.98	31.45	25.95
Actuarial (gain)/ loss on obligations	147.07	95.84	17.81	(21.81)
Benefit Paid	(65.84)	(79.38)	(23.43)	(23.80)
Present Value of Obligation as at the end of the year	1734.00	1380.86	439.50	365.67

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

(₹ in Lacs)

	Gratuity	
	31.03.2013	31.03.2012
Fair value of plan assets at the beginning of the year	1143.65	945.91
Expected Return on Plan Assets	91.49	85.13
Contributions	237.21	203.82
Actuarial gain/ (loss) on Plan assets	41.57	(11.83)
Benefit Paid	(65.84)	(79.38)
Fair value of plan assets at the end of the year	1448.08	1143.65

III. Reconciliation of fair value of assets and obligation

(₹ in Lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Fair value of plan assets at the end of the year	1448.07	1143.65	-	-
Present Value of Obligation at the end of the year	1734.00	1380.86	439.50	365.67
Funded Status [surplus/(Deficit)]	(285.93)	(237.21)	(439.50)	(365.67)
Net Assets/(Liability) Recognized in Balance Sheet	(285.93)	(237.21)	(439.50)	(365.67)

IV. Expenses recognized during the year

(₹ in Lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Current Service Cost	153.16	122.69	48.00	60.87
Interest Cost	118.75	91.98	31.45	25.95
Expected Return on Plan Assets	(91.49)	(85.13)	-	-
Actuarial (gain)/ loss	105.51	107.66	17.81	(21.81)
Net Expenses Recognized	285.93	237.20	97.26	65.01

V. Investment Detail

All Investments are made with Trust.

Notes to the Accounts

VI. Actuarial / Demographic assumptions:-

	Gratuity		Leave Encashment (Unfunded)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Mortality Table (LIC)	1994-96 (Ultimate)		1994-96 (Ultimate)	
Discount rate (Per annum)	8.00%	8.60%	8.00%	8.60%
Expected Return on Plan Assets (Per annum)	9.00%	8.00%	NA	NA
Rate of escalation in salary (per annum)	8.00%	8.00%	8.00%	8.00%
Retirement Age	58 Years		58 years	
Withdrawal Rate (All Ages)	10%		10%	

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

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

32. In the earlier years, the State Government of Uttar Pradesh (UP) had imposed a levy of license fee on transfer of alcohol from the distillery to the chemical plant. The levy was challenged by the Company in the Hon'ble Supreme Court and on October 18, 2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, Company had filed an application for refund of amount paid of ₹ 507.05 Lacs (shown as recoverable under the head Short Term Loans and Advances) with State Government of Uttarakhand, which is still pending for refund of the amount.
33. In the earlier years, the State Government of Uttarakhand had levied Export Pass Fee on ENA/RS export outside India. The matter is finally disposed of by Hon'ble High Court of Uttarakhand vide its Order dated 9th January, 2012 and has declared the levy of said fee as unsustainable and irrecoverable. Subsequently, on June 8, 2012, vide Uttarakhand Excise (Amendment) Act, 2012, Uttarakhand Government retrospectively revived old notification relating to imposition of export fee on ENA and RS. The Company filed Writ Petition challenging the above said notification and vide order dated September 12, 2012 the Hon'ble High Court of Uttarakhand has granted stay and restrained State from imposing export fee. Amount of ₹106.15 Lacs (Previous Year ₹ 68.05 Lacs) paid under protest is shown as recoverable from State Govt. of Uttarakhand, in the books of account.
34. (i) Company has investment of ₹ 5,427.50 Lacs (Previous Year ₹ 5,427.50 Lacs) in equity shares and 10% cumulative redeemable preference share capital in a subsidiary company Shakumbari Sugar and Allied Industries Limited (SSAIL) whose net worth has been fully eroded during the year and SSAIL has also been declared sick industrial undertaking as per the provision of Sick Industrial Companies Act, 1985. Considering the intrinsic value of the investee assets, long term nature of investment and direction issued by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) for preparation of revival scheme by the operating agency as appointed, no provision at this stage is considered necessary by the management against investments made in above stated subsidiary namely SSAIL.
- (ii) Loans and advances includes Inter corporate deposit with SSAIL amounting to ₹ 1,713.30 Lacs (Previous Year ₹ 1,538.48 Lacs) (including interest thereon), where management is confident about recoverability/reliability of the same (Maximum balance outstanding during the year ₹ 8,199.02 Lacs, Previous Year ₹ 10,704.45 Lacs). Accordingly considering the facts as stated in Para (i) above, amount is good and fully recoverable and no provision there against is necessary.
35. The Company has challenged the legality and the validity of the financial derivative transaction dated January 15, 2008 entered into with Standard Chartered Bank, New Delhi (SCB), which is the subject matter of civil suit (Original suit) pending before the Hon'ble High Court of Delhi (High Court) at New Delhi. Provision made in earlier year had been written back in the books of accounts (read with Note. 47) in the year 2011-12 in view of the favorable opinion of the legal consultant and the fact that DRT and DRAT did not entertain application of the SCB and pending final decision of the High Court same has been considered under contingent liability.
36. In accordance with Companies (Accounting Standards) Amendment Rules 2009 as amended by Companies (Accounting Standards) (Second Amendment) Rules 2011, the Company continued its policy, as exercised in financial year 2008-09, the option of adjusting exchange differences arising on reporting of long term foreign currency monetary items related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets and other long term monetary item in the "Foreign Currency Monetary Item Translation Difference" to be amortised over the period of loan. Accordingly: (a) Exchange differences (gain) / loss relating to long-term monetary items, in so far related to acquisition of depreciable capital assets, arising during the year amounting to ₹ 378.92 Lacs (Previous Year ₹ 809.65 Lacs) (net of depreciation ₹ 40.97 Lacs, Previous Year ₹ 101.83 Lacs) adjusted to the cost of fixed assets, and (b) relating to other long-

Notes to the Accounts

term monetary items arising during the year amounting to ₹ 824.43 Lacs (Previous Year ₹ 2,795.69 Lacs) (Net of amortization of ₹ 636.14 Lacs, Previous Year ₹ 621.78 Lacs) are adjusted to "Foreign Currency Monetary Item Translation Difference".

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

(₹ in Lacs)

S. No	Particular	2012-13	2011-12
a)	i) Principal amount remaining unpaid at the end of the accounting year	-	36.53
	ii) Interest due on above	-	-
b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is actually paid.	-	-

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

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

	2012-13	2011-12
Net profit for the year attributable to equity shareholders (₹ in Lacs)	12,093.74	10,459.38
Weighted average number of equity shares outstanding	29426218	27882500
Basic and diluted earnings per share (face value of ₹ 10 each) (Rs.)	41.10	37.51

40. 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:

(₹ in Lacs)

Particulars	2012-13	2011-12
Amount brought forward from previous year	1,281.88	3,335.45
Add : Raw Material & Chemical Consumed	13.32	2.66
Salary, wages & allowances	27.57	9.68
Contribution to Provident fund & other funds	2.47	0.77
Staff welfare expenses	15.08	9.84
Legal & Professional charges	4.85	0.02
Repair & Maintenance	49.64	11.65
Travelling and Conveyance	54.87	23.26
Interest on Fixed Loans	779.29	631.86
Exchange Fluctuation (net)	0.29	0.81
Power & Fuel	339.45	36.29
Rates & Taxes	1.68	9.22
Miscellaneous Expenses	0.99	1.87
	2,571.38	4,073.38
Less: Transferred/ Capitalised during the year	797.54	2,791.50
Balance carried forward	1,773.84	1,281.88

Notes to the Accounts

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

(i) Relationships:

A. Subsidiary Companies

- IGL Finance Limited
- Shakumbari Sugar and Allied Industries Limited
- IGLCHEM International PTE. Ltd.

B. Key Management Personnel & their Relatives

- U. S. Bhartia (Chairman and Managing Director)
- M. K. Rao (Executive Director)
- Pragya Bhartia

C. Enterprises over which Key Management Personnel have significant influence:

- Ajay Commercial Co. (P) Ltd.
- J. B. Commercial Co. (P) Ltd.
- Kashipur Holdings Limited
- Polylink Polymers (India) Ltd.
- Hindustan Wires Limited
- SupreetVyapaar (P) Ltd.
- Mayur Barter (P) Ltd.
- Facit Commosales (P) Ltd.
- J. Boseck & Co. (P) Ltd.

D. Joint Venture Enterprise

- Kashipur Infrastructure and Freight Terminal Private Limited

(ii) Detail of Transactions with related parties:

(₹ in Lacs)

Related Party Transaction Summary	Subsidiaries		Significant Influence		Joint Venture		Key Managerial Personnel				Relative of KMP	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Purchase of Material	1,914.08	3,142.92										
Purchase of Services			48.70	80.63								
Sale of Material	4,643.64	3,344.72	225.19	275.25								
Purchase of Fixed Assets	16.28	-										
ICD Given	7,058.00	28,488.03	-	54.00								
ICD Received Back	5,098.00	27,750.00	-	54.00								
Interest Income	214.17	383.60	-	1.46								
Advance Given			-	5.00								
Investment in Equity Shares	50.00	-			-	0.50						
Reimbursement of Expenses – Given	2.45	-										
Reimbursement of Expenses– Received					4.92	1.01						
ICD Received			2,010.24	9,426.00								
ICD Paid Back			5,916.50	40.00								
Interest Expense			968.48	634.33								
Rent Paid			25.08	27.04								
Salary											27.29	19.13
Managerial Remuneration							873.34	536.34	62.81	47.39		
Balance Outstanding												
Payable												
ICD Payable			8,093.74	12,000.00								
Others			2.24	30.13								
Receivable												
ICD (including interest)	1,713.30	1,538.48										
Deposit with NBFC Receivable (including interest)	1,977.92											
Security Deposit		-	480.00	480.00								
Others	5,755.64	3,599.76	4.64	82.65								

Notes to the Accounts

- (iii) Disclosure in respect of Material Related Party transactions during the year:
- a) Purchases of Material are from:
 - Shakumbari Sugar and Allied Industries Limited ₹ 1,914.08 Lacs (Previous year ₹ 3,142.92 Lacs).
 - b) Sales of Material are to:
 - IGL CHEM International Pte. Ltd. ₹ 4,640.34 Lacs(Previous Year ₹ 3,328.22 Lacs).
 - c) Inter Corporate Deposit / Other Deposits given includes to:
 - Shakumbari Sugar and Allied Industries Limited Rs. 4,398.00 Lacs (Previous year ₹ 28,488.03 Lacs)
 - Deposits with IGL Finance Ltd. ₹ 2,660.00 Lacs (Previous Year Nil).
 - d) Inter Corporate Deposit / Others Deposits received back includes from:
 - Shakumbari Sugar and Allied Industries Limited ₹ 4,398.00 Lacs (Previous year ₹ 27,750.00 Lacs)
 - IGL Finance Ltd. ₹ 700.00 Lacs (Previous Year Nil).
 - e) Inter Corporate Deposit received includes from:
 - Kashipur Holding Limited ₹ 1,738.24 Lacs (Previous Year ₹ 6,676.00 Lacs).
 - Mayur Barter (P) Ltd. Nil (Previous Year ₹ 2,000.00 Lacs).
 - f) Inter Corporate Deposit paid back includes to:
 - Kashipur Holding Limited ₹ 4,040.00 Lacs (Previous Year ₹ 10.00 Lacs).
 - Mayur Barter (P) Ltd. ₹ 1,113.00 Lacs (Previous Year Nil).
 - g) Inter Corporate Deposit Payable includes:
 - Kashipur Holding Limited ₹ 5,359.24 Lacs (Previous Year ₹ 7,661.00 Lacs).
 - Mayur Barter (P) Ltd. ₹ 1,265.00 Lacs (Previous Year ₹ 2,378 Lacs).
 - h) ICD Receivable includes:
 - Shakumbari Sugar and Allied Industries Limited ₹ 1,713.30 Lacs (Previous year ₹ 1,538.48 Lacs).
 - i) Others Receivable includes:
 - Shakumbari Sugar and Allied Industries Limited ₹ 5,077.63 Lacs (Previous year ₹ 2,849.65 Lacs).
 - IGL CHEM International Pte. Ltd. ₹ 675.56 Lacs(Previous Year ₹ 750.11 Lacs).
 - j) Deposit with NBFC Receivable includes:
 - IGL Finance Ltd. ₹ 1,977.92 Lacs (Previous Year Nil)

42. Expenditure on Research & Development:

(₹ in Lacs)

Particulars	2012-13	2011-12
Capital	188.18	704.93
Revenue	385.83	214.90
Total	574.01	919.83

43. (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 includes advance for supplies ₹ 5,077.63 Lacs (Previous Year ₹ 2,849.65 Lacs) to Shakumbari Sugar and Allied Industries Limited (Subsidiary Company) (Maximum balance outstanding during the year ₹ 8,199.02 Lacs (Previous Year ₹ 3,200.00 Lacs).
- (ii) Debtors include Rs.675.56 Lacs (Previous Year ₹ 750.11 Lacs) receivable from IGL Chem International PTE Limited (Subsidiary Company) (Maximum balance outstanding during the year ₹ 1,310.79 Lacs (Previous Year ₹ 1,151.50 Lacs).
44. Foreign exchange gain amounting to ₹312.63 Lacs (PreviousYear ₹ 32.07 Lacs), net of Loss of ₹ 4,361.19 Lacs (Previous Year ₹ 5,077.49 Lacs) has been included in the respective heads of accounts in the Statement of Profit & Loss. This has no impact on Profit / Loss for the year.
45. a) The Company has entered into a Joint Venture Agreement dated October 12, 2011 with Fourcee Infrastructure Equipments Pvt. Limited (FIEPL) for setting up a private freight terminal providing railway based logistic services and other facilities at Kashipur, Uttarakhand. The Company holds 50% stake in the Joint Venture ("the JV") and balance 50% is held by Fourcee Infrastructure Equipments Pvt. Limited. The Company has invested a total amount of ₹ 0.50 Lacs (Previous Year ₹ 0.50 Lacs) in Kashipur Infrastructure and Freight Terminal Pvt. Ltd. ("JV Company") till March 31, 2013 and also committed for total investment not exceeding of ₹ 1,490 Lacs which includes cost towards transfer of not exceeding 35 acres of land in favour of the JV.

Notes to the Accounts

- b) In compliance with Accounting Standard 27 on Financial Reporting of Interest in Joint Ventures, following disclosures are made in respect of jointly controlled entity - Kashipur Infrastructure and Freight Terminal Private Limited, in which the Company is a joint venturer:

(₹ in Lacs)

	31.03.2013	31.03.2012
Country of Incorporation	India	
Percentage of Share in Joint Venture	50%	
Assets	721.37	62.70
Liabilities	721.37	62.70
Income	-	-
Expenditure	1.67	0.19
Capital Commitment (Net of advances)	1,309.49	187.22

46. Segment Information:

A. Information about Business Segments (Primary Segments):

(₹ in Lacs)

	Business Segments				Others		Unallocable		Total		
	Industrial Chemicals		Liquor		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012							
A	REVENUE										
1	Gross Sales (External)	3,09,062.42	2,33,938.87	67,184.33	51,292.78	7,413.88	8,810.02	-	-	3,83,660.63	2,94,041.67
2	Other Income	602.70	4,975.34	913.76	901.02	486.37	234.73	1,278.27	915.40	3,281.10	7,026.49
3	Total Revenue	3,09,665.12	2,38,914.21	68,098.09	52,193.80	7,900.25	9,044.75	1,278.27	915.40	3,86,941.73	3,01,068.16
B	RESULTS										
1	Segment Result (PBIT)	37,045.59	36,940.95	3,437.26	3,892.41	612.45	(1,221.85)	(11,322.90)	(12,603.65)	29,772.40	27,007.86
2	Interest Expense (Net)									13,272.46	11,319.50
3	Profit Before Tax									16,499.94	15,688.36
4a	Provision for Current Tax (net of MAT credit)									-	-
4b	Deferred Tax									4,386.01	5,228.98
4c	Taxation provision of earlier year									20.19	-
5	Profit after Tax									12,093.74	10,459.38
C	Other Information:										
1	Segment Assets	2,03,974.88	1,99,873.64	14,245.79	13,855.34	20,898.00	17,951.67	57,270.45	59,958.48	2,96,389.12	2,91,639.13
2	Segment Liabilities	47,684.29	23,203.36	2,116.16	1,959.54	2,620.85	1,954.58	1,81,064.49	2,16,363.55	2,33,485.79	2,43,481.03
3	Capital Expenditure	16,638.06	9,112.74	307.81	425.11	1,598.56	1,016.54	94.52	110.53	18,638.95	10,664.92
4	Depreciation and Amortisation expenses	6,946.08	6,519.91	244.62	241.00	692.11	602.90	360.34	388.82	8,243.15	7,752.63

Information about Geographical Segments (Secondary Segments):

(₹ in Lacs)

		Domestic		Overseas		Total	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
1	Gross Sales (External)	2,06,464.04	1,68,585.58	1,77,196.59	1,25,456.09	3,83,660.63	2,94,041.67
2	Segment Assets	2,24,448.02	2,17,499.94	14,670.65	14,180.71	2,39,118.67	2,31,680.65

Notes:

Primary Segment reporting (by business segment)

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

Notes to the Accounts

Secondary Segment reporting (by geographical segment-customer location)

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

Reportable segments

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

Segment Composition

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

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

'**Others**' primarily includes Herbal Products and Rental.

47. Gain on write back of provision against dispute (amounting to ₹ 1,923.98 Lacs), other provisions/ creditors no longer required and exchange loss on reinstatement of outstanding foreign exchange contracts as stated in note 48(C) (d) have been included in respective head of accounts which in previous year was considered as exceptional item.

48. Additional Information:

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

		2012-13	2011-12
i)	As Auditors	15.00	13.00
ii)	In other capacity in respect of		
	a) Out of Pocket Expenses	1.49	3.54
	b) Certification	5.50	3.94
		21.99	20.48

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

		2012-13	2011-12
i)	Audit Fees	1.00	0.75
ii)	Out of Pocket Expenses	0.16	0.07
		1.16	0.82

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

Particulars		2012-13	2011-12
1.	Capital Goods	3.71	--
2.	Stores & Spares	8,006.73	7,347.25
3.	Raw Materials	18,076.25	26,979.03
4.	Traded Goods	55,988.77	40,102.79

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

Particulars		2012-13	2011-12
FOB Value of Exports – Goods		1,67,472.59	1,21,293.62

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

(a) Outstanding at the year- end as follows

Nature of Instruments	2012-13 Amount (FC in millions)	2012-13 Amount (₹ in Lacs)	2011-12 Amount (FC in millions)	2011-12 Amount (₹ in Lacs)
Open Forward Contracts - USD	-	-	48.00	24,422.40
Foreign currency options - USD	2.00	1086.00	-	-
Packing Credit Net of Export debtors -USD	46.20	25,092.00	48.20	24,526.79

Notes to the Accounts

Nature of Instruments	2012-13 Amount (FC in millions)	2012-13 Amount (₹ in Lacs)	2011-12 Amount (FC in millions)	2011-12 Amount (₹ in Lacs)
Open foreign exchange exposures:				
Loans				
- USD	58.01	31,503.07	156.07	79,406.34
- EURO	-	-	0.3	184.18
- JPY	-	-	-	-
Payable				
- USD	58.05	31,512.68	15.75	8,013.73
- EURO	0.01	5.04	0.01	4.91
- JPY	1.00	5.77	1.00	6.22
- CHF	0.01	2.50	0.01	2.47

- (b) Exchange fluctuation loss of ₹ 6,505.09 Lacs (Previous Year loss of ₹ 10,125.86 Lacs), is net of gain of ₹ 1,652.91 Lacs (Previous Year gain of ₹ 4,366.14 Lacs).
- (c) The Company uses derivative instruments for hedging possible losses and exchange fluctuation loss is ₹ 1,746.57 Lacs net off gain of ₹ 618.13 Lacs (Previous Year loss of ₹ 1,373.53 Lacs net of gain of ₹ 1361.20 Lacs) which is inclusive of gain of ₹ 60.83 Lacs (Previous Year loss of ₹ 2,473.14 Lacs) provision for mark to market gain/loss on account of all outstanding financial transactions as on 31st March 2013.
- (d) Considering the principle of prudence and announcement made by The Institute of Chartered Accountants of India 'Accounting for Derivatives' in March, 2008, the Company has provided for an amount of ₹ 6.58 Lacs included in (a) (Previous Year ₹ 2,473.14 Lacs) on outstanding contracts to the Statement of Profit & Loss, on account of foreign exchange derivative instruments. (Refer Note 47)

D. Expenditure in Foreign Currency

(₹ in Lacs)

Particulars	2012-13	2011-12
a) Travelling and other matters	96.58	142.03
b) Interest	1,219.25	1,026.49
c) Process Engineering & Technical Assistance	5.92	15.92
d) Advertisement/ Subscription/ Membership	48.13	46.22
e) Commission	414.95	614.47
f) Others	17.50	96.22

E. Remittance in Foreign Currency on Dividend Account

	2012-13	2011-12
Amount of Final Dividend Remitted*	₹ 1.35 Lacs	₹ 0.80 Lacs
Year to which the Dividend relates	Year ended 31 st March 2012	Year ended 31 st March 2011
No. of Equity Shares held by Non-resident shareholders	45200	53000
Amount of Interim Dividend Remitted*	₹ 1.76 Lacs	-
Year to which the Dividend relates	Year ended 31 st March 2013	-
No. of Equity Shares held by Non-resident shareholders	44200	-

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

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

As per our report of even date

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

U.S. Bhartia
Chairman and Managing Director

M.K. Rao
Executive Director

N.K. Lodha
Partner
M. No. 85155

Rakesh Bhartia
Chief Executive Officer

Anand Singhal
Chief Financial Officer

Place : Noida, UP
Dated : 30th May, 2013

Lalit Kumar Sharma
Company Secretary

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

1. Name of the Subsidiary Company	IGL Finance Ltd.	Shakumbari Sugar and Allied Industries Ltd	IGLChem International Pte Ltd.
2. Financial Year of the Company ended on	31.03.2013	31.03.2013	31.03.2013
3. Holding Company's Interest :			
(a) Number of Shares Fully Paid	1500000	50112100	100000
(b) Extent of holding	100%	98.89%	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:	Nil	Nil	Nil
(a) Dealt with in the accounts of Holding Company	(1.38) ₹ in Lacs	(2,596.20) ₹ in Lacs	0.84 USD in Lacs
(b) Not dealt with in the accounts of Holding Company	(14.69) ₹ in Lacs	(9734.65) ₹ in Lacs	(1.33) USD in Lacs
(ii) For the previous financial years of the Subsidiary since It became the Holding Company's Subsidiary			
5. Changes in the Holding Company's interest in the Subsidiary between the end of the subsidiary and Holding Company's Financial year	Not Applicable	Not Applicable	Not Applicable
6. Material Changes which have occurred between the end of the financial year of the subsidiary and the end of the Holding Company's financial year in respect of the subsidiary's:	Not Applicable	Not Applicable	Not Applicable
(i) Fixed Assets			
(ii) Investments			
(iii) Money lent by subsidiary			
(iv) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities			

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the accompanying Consolidated Financial Statements of India Glycols Limited, its subsidiaries and its joint venture (collectively referred to as "the Group"), which comprises the Consolidated Balance Sheet as at 31st March 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Emphasis of Matter

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

- (i) Note No. 40 regarding pending confirmation/reconciliation of balances of debtors, creditors, Loans & Advances (including capital advances), other

liabilities and provision and internal control need to be further strengthened for the reasons as stated in the said note.

- (ii) Note No.37 regarding pending verification and updation of records of fixed assets as stated in the said note.

Our opinion is not qualified in respect of above.

Opinion

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

- (a) In the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) In the case of Consolidated Statement of Profit & Loss, of the Profit of the Group for the year ended on that date; and
- (c) In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of the subsidiary company M/s IGL Finance Limited and M/s IGL CHEM INTERNATIONAL PTE LIMITED whose financial statements reflect total assets of ₹ 3,326.68 Lacs as at 31st March 2013, total revenues of ₹ 4,964.10 Lacs and net cash flows of ₹ 39.22 Lacs for the year then ended. The said financial statements have been audited by other auditor, whose report has been furnished to us by the management and our opinion, in so far as it relates to these subsidiaries is based solely on the report of their auditors.
- (b) We did not audit the financial statements of the joint venture M/s Kashipur Infrastructure and Freight Terminal Pvt. Ltd. whose financial statements reflect total assets of ₹ 1,442.74 Lacs as at 31st March 2013, total revenues of Nil and net cash flow of ₹ 82.65 Lacs for the year then ended. The said financial statements have been audited by other auditor, whose report has been furnished to us by the management and our opinion, in so far as it relates to this joint venture is based solely on the report of their auditors and further information and explanation provided to us and relied upon by us.
- (c) Financial Statements of a subsidiary company namely Shakumbari Sugar & Allied Industries Limited, whose financial statements reflect total assets of ₹ 24,226.39 Lacs as at 31st March 2013 and total revenues of ₹ 10,086.02 Lacs and net Cash Flow of amounting to ₹ 250.16 Lacs for the year then ended, have been audited by us.

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

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

Date: 30th May, 2013
Place: Noida, UP

Consolidated Balance Sheet as at 31st March, 2013

(₹ in lacs)

	Note No.	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,096.15	2,788.25
Reserves and Surplus	3	50,485.47	38,597.90
		53,581.62	41,386.15
Non-current Liabilities			
Long-term borrowings	4	71,709.14	71,596.48
Deferred tax liabilities (Net)	5	15,679.23	11,293.22
Other Long-term liabilities	6	707.14	571.44
Long-term provisions	7	321.08	263.65
		88,416.59	83,724.79
Current Liabilities			
Short-term borrowings	8	84,014.15	120,361.75
Trade payables		51,675.31	24,729.50
Other current liabilities	9	32,853.56	35,664.55
Short-term provisions	7	1,242.38	2,758.76
		169,785.40	183,514.56
TOTAL		311,783.61	308,625.50
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible assets	10	118,196.60	115,579.89
Intangible assets	10	376.66	481.39
Goodwill on Consolidation		3,039.30	3,039.30
Capital work-in-progress		20,137.73	10,484.99
Intangible assets under development		50.00	-
Non-current investments	11	188.11	188.61
Long-term loans and advances	12	9,789.38	16,764.25
Other non-current assets	13	635.53	192.86
		152,413.31	146,731.29
Current Assets			
Current Investments	11	17,192.21	1,589.71
Inventories	14	57,078.64	69,931.63
Trade receivables	15	29,588.82	29,890.24
Cash and cash equivalents	16	13,291.14	30,351.27
Short-term loans and advances	17	41,943.17	29,684.96
Other current assets	18	276.32	446.40
		159,370.30	161,894.21
TOTAL		311,783.61	308,625.50

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

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 30th May, 2013

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

Consolidated Statement of Profit & Loss for the year ended March 31, 2013 (₹ in lacs)

	Note No.	2012-13	2011-12
Revenue from operations	19	342,256.42	275,783.16
Other income	20	1,063.82	531.80
Total Revenue		343,320.24	276,314.96
Expenses:			
Cost of materials consumed	21	172,823.17	119,529.79
Purchase of Stock-in-Trade	22	56,172.71	48,474.80
Change in inventories of finished goods, work-in-progress and Stock-in-trade	23	(2,736.01)	3,089.74
Employee benefit expense	24	8,912.37	7,631.71
Finance costs	25	15,009.16	13,447.59
Depreciation and amortization expense	10	9,017.73	8,532.30
Other expenses	26	70,159.28	63,639.42
Total Expenses		329,358.41	264,345.35
Profit before exceptional items and tax		13,961.83	11,969.61
Exceptional Items (Net)		-	-
Profit before tax		13,961.83	11,969.61
Tax Expense:			
- Current Tax		3,301.56	3,135.40
- Deferred tax Charged / (Credit)		4,386.01	5,228.98
- Tax for earlier years		21.87	-
- Minimum Alternate Tax Credit entitlement		(3,300.48)	(3,135.40)
Profit for the period		9,552.87	6,740.63
Earning per Equity share basic/ diluted		32.46	24.18

Summary of significant accounting policies

1

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

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 30th May, 2013

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2013 (₹ in lacs)

	2012-13		2011-12	
A Cash Flow from Operating Activities				
Net Profit Before Tax		13,961.83		11,969.61
Adjustments For:				
Depreciation	9,017.73		8,532.30	
(Profit)/Loss on Sale of Assets	90.62		38.66	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	73.60		4,231.67	
Unrealised commodity derivative (Gain) / Loss	-		7.70	
Amortisation of Foreign Currency Monetary Item Translation Difference	2,009.64		621.78	
Effect of Exchange Difference on Translation of Foreign Currency Cash & Cash Equivalent	0.07		0.34	
Preoperative expenses written off	-		344.22	
(Profit)/Loss on Sale of Current Investments	(82.41)		-	
Reversal of Provision for Diminution in Value of Current Investments	(3.17)		(2.90)	
Bad Debts W/Off & Provision for Doubtful Debts & Advances	9.21		34.40	
Provision No Longer Required Written Back	(27.13)		(3,733.01)	
Interest / Finance Expense	17,134.30		15,149.05	
Interest/Dividend Income	(3,063.27)	25,159.19	(2,208.62)	23,015.59
Operating Profit before Working Capital Changes		39,121.02		34,985.20
Adjustments For:				
(Increase)/Decrease in Trade & Other Receivables	7,591.52		(30,653.08)	
(Increase)/Decrease in Inventories	12,852.99		(19,787.96)	
Increase / (Decrease) in Trade & Other Payables	27,025.37	47,469.88	14,855.74	(35,585.30)
Cash Generated from Operations		86,590.90		(600.10)
Income Tax Paid (Net)		(4,871.26)		(1,767.01)
Net Cash from Operating Activities		81,719.64		(2,367.11)
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	(16,834.90)		(11,482.44)	
Sale of Fixed Assets	782.53		1,270.59	
Capital Advances received back	-		607.59	
Interest / Dividend received	3,932.42		1,395.11	
ICDs given	-		(10,295.00)	
ICDs received back	4,929.55		54.00	
Investments in shares of subsidiaries/ joint venture *	0.50		(0.50)	
Sale of Current Investments	1,583.08		-	
Purchase of current investment	(17,100.00)		(1,510.67)	
Net Cash used in Investing Activities		(22,706.82)		(19,961.32)

	2012-13		2011-12	
C Cash Flow from Financing Activities				
Proceeds from Govt subsidy	5.00		5.00	
Proceeds from Issue of Share Capital	4,266.26		-	
Proceeds from Borrowings	88,936.51		139,142.29	
Repayment of Borrowings	(130,197.31)		(98,871.85)	
Interest/other Borrowing Cost	(19,036.82)		(15,787.12)	
Dividends Paid (Including Corporate Dividend Tax)	(2,176.32)		(490.57)	
Net Cash Inflow from Financing Activities		(58,202.68)		23,997.75
D Effect of Changes in Currency Fluctuation Reserve		(8.70)		(15.39)
E Effect of Exchange Differences on Translation of Foreign Currency		(0.07)		(0.34)
Cash & Cash Equivalent				
F Share of Profit / (loss) in Joint Venture related to earlier year*		(0.19)		-
Net Increase/(Decrease) in Cash & Cash Equivalents [A+B+C+D+E+F]		801.18		1,653.59
Opening Cash & Cash Equivalent (refer note 16)		5,175.88		3,522.29
Closing Cash & Cash Equivalent (refer note 16)		5,977.06		5,175.88

Note :

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

* Refer note 1 (vii) of Financial Statements

As per our report of even date

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

N.K. Lodha
Partner
M. No. 85155

Place : Noida, UP
Dated : 30th May, 2013

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

M.K. Rao
Executive Director

Anand Singhal
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

Notes to Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

- (i) The Consolidated Financial Statements (CFS) comprises the financial statements of India Glycols Limited (IGL) and its following Subsidiaries/ Joint Venture as on March 31, 2013.

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

- (ii) The Consolidated Financial Statements have been prepared using uniform accounting policies and in accordance with the generally accepted accounting policies (GAAP).
- (iii) The effects of intergroup balances and transactions are eliminated in consolidation.
- (iv) The difference between the costs to the Holding Company of its investment in the Subsidiary Companies over the Holding Company's portion of equity of the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill arisen on consolidation is shown under Fixed Assets and Capital Reserve on consolidation is shown under Reserve & Surplus.
- (v) The policy adopted by SSAIL for valuation of Inventories is enumerated below:-
- Finished Goods and Stock in Process of Sugar - At cost or at net realisable value whichever is lower, the net realizable value of sugar in case of finished goods of stock of levy sugar, levy price notified by Central Government.
 - Store and spares parts – At cost arrived at applying weighted average method.
 - Cane crop – At net realisable value determined on the basis of estimated yield per hectare.
Inventory of Molasses, Bagasse, Press mud and Bio Compost are considered at net realizable value.
- (vi) Foreign Subsidiary conversion: Operation of foreign subsidiary has been considered non integral foreign operation by the management thus all assets and liabilities are converted at the rates prevailing at the end of the year and Revenue items have been consolidated at the average rates. Exchange gain/ loss arising on translation of financial statements of foreign subsidiaries are shown under the head 'Foreign Currency Translation Reserve' in the Consolidated Balance Sheet.
- (vii) Interests in Joint Venture (KIFTPL) has been accounted by using the proportionate consolidation method as per Accounting Standard 27- "Financial Reporting of interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.
In previous year Kashipur Infrastructure and Freight Terminal Private Limited (KIFTPL), being Jointly Control Entity wherein the Company holds 50% stake, which was not significant, was not considered for the purpose of Consolidation. Investment was shown at the book value.

2. SHARE CAPITAL

(₹ in Lacs), except as otherwise stated

Particulars	As at 31.03.2013	As at 31.03.2012
Authorised :		
45,000,000 (Previous Year 30,000,000) Equity Shares of ₹ 10/- each	4,500.00	3,000.00
	4,500.00	3,000.00
Issued, Subscribed and paid up :		
30,961,500 (Previous Year 27,882,500) Equity Shares of ₹ 10/- each fully paid up	3,096.15	2,788.25
	3,096.15	2,788.25

Notes to Consolidated Financial Statements

a) Terms/rights attached to equity shares:

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

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

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

Name of Shareholder	31.03.2013 No's	31.03.2012 No's
KASHIPUR HOLDINGS LIMITED	9,869,303	7,523,800
SAJANI DEVI BHARTIA	2,100,249	2,100,249

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

Particulars	31.03.2013 No's	31.03.2012 No's
Shares outstanding as at the beginning of the year	27,882,500	27,882,500
Additions during the year	3,079,000	-
Deletion during the year	-	-
Shares outstanding as at the end of the year	30,961,500	27,882,500

3. RESERVES AND SURPLUS

(₹ in Lacs)

	As at 01.04.2012	Additions	Deductions	As at 31.03.2013
Capital Reserve	463.33	-	-	463.33
General Reserve	9,974.60	1,209.40	-	11,184.00
Statutory Reserve	0.30	-	-	0.30
Security Premium	-	3,958.36	-	3,958.36
Molasses Reserve Fund	0.80	0.84	-	1.64
Foreign Currency Translation Reserve	15.60	-	8.70	6.90
Reserve for Contingencies	200.00	-	-	200.00
Surplus in Statement of Profit & Loss [Refer footnote (a)]	30,738.96	9,552.68	3,374.08	36,917.56
Sub Total (a)	41,393.59	14,721.28	3,382.78	52,732.09
Foreign Currency Monetary Item Translation Difference (Debit Balance)	(2,795.69)	(1,460.57)	(2,009.64)	(2,246.62)
Sub Total (b)	(2,795.69)	(1,460.57)	(2,009.64)	(2,246.62)
Total (a) + (b)	38,597.90	13,260.71	1,373.14	50,485.47
Previous year	35,640.53	4,354.57	1,397.20	38,597.90

Notes to Consolidated Financial Statements

	March 31, 2013		March 31, 2012	
(a) Detail of Surplus in the Statement of Profit & Loss				
Opening balance	30,738.96		26,017.31	
Less: Share of loss in joint venture related to earlier years	(0.19)			
Add: Net Profit after tax transferred from Statement of Profit and Loss	9,552.87		6,740.63	
	40,291.64		32,757.94	
Less: Appropriations				
Proposed Dividend *	619.23		836.48	
Interim Dividend *	1,238.46		-	
Corporate Dividend Tax	306.15		135.70	
Transfer to Molasses Reserve Fund	0.84		0.80	
Transfer to general reserve	1,209.40		1,046.00	
Net Surplus in the Statement of Profit & Loss		36,917.56		30,738.96
		36,917.56		30,738.96

* The Board of Directors, proposed a final dividend of ₹ 2 (Previous year ₹ 3) per equity share. The proposal is subject to approval in the ensuing Annual General Meeting. The Board of Directors, during the year, has also declared and paid interim dividend of ₹ 4 (Previous Year Nil) per equity share. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 2163.84 Lacs (Previous Year ₹ 972.18 Lacs) including corporate dividend tax of ₹ 306.15 Lacs (Previous Year ₹ 135.70 Lacs).

4. LONG TERM BORROWINGS

(₹ in Lacs)

	Non-Current Portion		Current Maturities	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
SECURED LOANS				
Rupee Term Loans				
from Banks (Foot Note 2)	46,821.69	36,673.87	15,739.15	16,810.40
Other than Banks (Foot Note 2)	2,748.04	3,011.77	293.66	320.92
Foreign Currency Term Loans from Banks	14,045.67	19,910.84	5,122.09	6,556.03
Buyers Import Credit- Bank	-	-	-	483.97
	63,615.40	59,596.48	21,154.90	24,171.32
UNSECURED LOANS				
Fixed Deposits	-	-	-	9.00
Loan from related parties (Body Corporates)	8,093.74	12,000.00	-	-
	8,093.74	12,000.00	-	9.00
Less: Amount disclosed under the head				
“Other Current Liabilities” (Note No. 9)			21,154.90	24,180.32
	71,709.14	71,596.48	-	-

Notes to Consolidated Financial Statements

Notes:

- 1 The Term Loans (in respect of India Glycols Limited) inter-se, are secured / to be secured by mortgage of all immovable properties of the Company both present and future and hypothecation of all movable properties of the Company (save and except book debts) including movable machinery, machinery spares, tools and accessories, both present and future subject to prior charges created and / or to be created in favour of the bankers of the Company on stocks, book debts and other specified movable properties for working capital requirements / Buyers Credit.
- 2 Rupee Term Loans includes loans from Banks of ₹ 56.86 Lacs (Previous Year ₹ 33.20 Lacs) and loans from others of ₹ 45.52 Lacs (Previous Year ₹ 110.09 Lacs) secured by hypothecation of Motor Vehicles purchased there under which is repayable on different dates. Further, Rupee Term Loans from others includes ₹ 450.00 Lacs (Previous Year ₹ 350.00 Lacs) secured against bank guarantee.
- 3 Out of the above, term loan of ₹ 2,509.43 lacs (Previous Year ₹ 3,493.95 Lacs) in respect of subsidiary company are secured by a first pari passu charge created on movable (including book debts) and immovable properties both present and future of subsidiary company and term loan of ₹ 2,708.30 Lacs (Previous Year ₹ 3,541.61 Lacs) are secured by a first pari passu charge created on movable and immovable properties both present and future of subsidiary company. The above Loans are further secured by corporate guarantees of India Glycols Ltd. (The Holding Company).
- 4 Loan from Sugar Development Fund (included in Loans from others) is secured by bank guarantee, which is further secured by corporate guarantees of India Glycols Ltd. (The Holding Company)
- 5 Buyers Import Credit outstanding as at March 31, 2013 Nil (Previous Year ₹ 483.97 Lacs) is secured against non fund based facility sanctioned to the Company.
- 6 Term Loan from bank of ₹ 4,583.00 Lacs (Previous Year ₹ 5,000.00 Lacs), is repayable in 10 quarterly installments (8 installments of ₹ 417.00 Lacs each and remaining 2 installments of ₹ 623.50 Lacs each).
- 7 Term Loan from bank of ₹ 1,784.61 Lacs (USD 32.86 Lacs), (Previous Year ₹ 2,939.28 Lacs, USD 57.77 Lacs), is repayable in 8 quarterly installments (7 installments for ₹ 250.00 Lacs each and remaining 1 installments for ₹ 34.61 Lacs).
- 8 Term Loan from bank of ₹ 3,329.86 Lacs (Previous Year ₹ 5,010.64 Lacs) is repayable in 8 equal quarterly installments. It includes Foreign Currency Loan of ₹ 1656.46 Lacs (USD 30.50 Lacs) (Previous Year ₹ 1806.24 Lacs, USD 35.50 Lacs).
- 9 Term Loan from bank of Rs. 2,291.67 Lacs (Previous Year Rs. 2,500.00 Lacs), is repayable in 11 equal quarterly installments.
- 10 Term Loan from bank of ₹ 4,924.43 Lacs (USD 90.67 Lacs) (Previous Year ₹ 5,678.06 Lacs, USD 111.60 Lacs), is repayable in 13 equal quarterly installments.
- 11 Term Loan from bank of ₹ 10,802.26 Lacs (USD 198.90 Lacs) (Previous Year ₹ 11,139.67 Lacs, USD 218.94 Lacs), is repayable in 34 monthly installments (4 equal monthly installments of ₹ 108.62 Lacs, 24 equal monthly installments of ₹ 271.55 Lacs, 5 equal monthly installments of ₹ 543.10 Lacs and balance in last installment).
- 12 Term Loan from bank of ₹ 4,218.75 Lacs (Previous Year ₹ 4,500.00 Lacs), is repayable in 15 equal quarterly installments.
- 13 Term Loan from bank of ₹ 2809.00 Lacs (Previous Year ₹ 3,273.81 lacs), is repayable in 78 equal monthly installments of ₹ 35.75 Lacs each and remaining 1 installments of ₹ 20.51 Lacs.
- 14 Term Loan from bank of ₹ 5,000.00 Lacs (Previous Year ₹ 5,000.00 Lacs), is repayable in 8 equal quarterly installments commencing from June 2013.
- 15 Term Loan from bank of ₹ 2,500.00 Lacs (Previous Year ₹ 2,500.00 Lacs), is repayable in 8 equal quarterly installments commencing from August 2013.
- 16 Term Loan from bank of ₹ 2,436.50 Lacs (Previous Year ₹ 2,436.50 Lacs), is repayable in 9 equal quarterly installments commencing from February 2014.
- 17 Term Loan from bank of ₹ 2,625.00 Lacs (Previous Year ₹ 2,625.00 Lacs), is repayable in 9 equal quarterly installments commencing from November 2013.
- 18 Term Loan from bank of ₹ 4,978.47 Lacs (Previous Year Nil), is repayable in 11 equal quarterly installments of ₹ 417.00 Lacs and 1 installment of ₹ 391.47 lacs commencing from September 2014.
- 19 Term Loan from bank of ₹ 7,500.00 Lacs (Previous Year Nil), is repayable in 16 equal quarterly installments commencing from April 2014.
- 20 Term Loan from bank of ₹ 2,500.00 Lacs (Previous Year Nil), is repayable in 12 equal quarterly installments commencing from May 2015.
- 21 Term Loan from bank of ₹ 5,000.00 Lacs (Previous Year Nil), is repayable in 8 equal quarterly installments commencing from April 2013.
- 22 Term Loan from bank of ₹ 5,000.00 Lacs (Previous Year Nil), is repayable in 8 equal quarterly installments commencing from January 2014.
- 23 Term Loan from bank of ₹ 3,982.96 Lacs (Previous Year Nil), is repayable in 16 equal quarterly installments commencing from September 2013.
- 24 Term Loan from bank of ₹ 187.50 Lacs (Previous Year ₹ 937.50 Lacs), is repayable in May 2013.
- 25 Term Loan from DBT Bihorama ₹ 450.00 Lacs (Previous Year ₹ 350.00 Lacs) is repayable in 10 equal half yearly installment after completion of the project.
- 26 Term loan from Banks of ₹ 2,490.58 Lacs (Previous year ₹ 3,202.20 Lacs) is repayable in 14 equal quarterly installments of ₹ 177.90 Lacs each.
- 27 Term loan from Banks of ₹ 2,708.30 Lacs (Previous year ₹ 3,541.61 Lacs) is repayable in 13 equal quarterly installments of ₹ 208.33 Lacs each.
- 28 Term loan from Banks of ₹ Nil (Previous year ₹ 194.22 Lacs).
- 29 Term loan from Banks of ₹ 18.85 Lacs (Previous year ₹ 59.28 Lacs) is repayable in 2 quarterly installment 1st of ₹ 10.11 Lacs and 2nd quarterly installment of ₹ 8.73 Lacs.
- 30 Term loan from Banks of ₹ Nil (Previous year ₹ 31.11 Lacs).
- 31 Term loan from Banks of ₹ Nil (Previous year ₹ 7.14 Lacs).
- 32 Term Loan from Sugar Development Fund of ₹ 77.50 Lacs (Previous year ₹ 155.00 Lacs) is repayable in 1 yearly installments of ₹ 77.50 Lacs each.
- 33 Term Loan from Sugar Development Fund of ₹ 462.76 Lacs (Previous year ₹ 647.86 Lacs) is repayable in 5 half yearly installments of ₹ 92.55 Lacs each.
- 34 Term Loan from Sugar Development Fund of ₹ 1,740.42 Lacs (Previous year ₹ 1,804.24 Lacs) is repayable in 5 equal yearly installments of ₹ 348.08 Lacs each started from year 2017.
- 35 Term Loan from Sugar Development Fund of ₹ 265.50 Lacs (Previous year ₹ 265.50 Lacs) is repayable in 4 equal yearly installments of ₹ 66.38 Lacs each started from year 2016.
- 36 Loan from related parties of ₹ 8,093.74 Lacs (Previous Year 12,000.00 Lacs) is payable after a period of 3 years from the respective date of loans. Amount payable in FY 2014-15 ₹ 5,751.00, FY 2015-16 ₹ 1,438.24 Lacs and FY 2016-17 ₹ 904.50 Lacs.
- 37 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 300.00 Lacs).
- 38 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 554.25 Lacs, USD 10.89 Lacs).
- 39 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 1,625.00 Lacs).
- 40 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 1,360.00 Lacs).
- 41 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 3,200.00 Lacs).
- 42 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 1605.29. lacs, USD 31.55 Lacs).
- 43 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 3,550.00 Lacs).
- 44 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 515.16 Lacs, USD 10.125 Lacs).
- 45 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 2,228.92 Lacs, USD 43.81 Lacs).
- 46 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 2,400.00 Lacs).
- 47 Term Loan from bank outstanding as at 31st March 2013 Nil (Previous Year ₹ 2,003.30 Lacs).

Notes to Consolidated Financial Statements

5. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
Pursuant to the Accounting Standard on “ Accounting for taxes on Income “ (AS-22) deferred tax liability/assets are as :		
Deferred Tax Assets :-		
Amount covered U/S 43B	303.97	241.82
Provision for doubtful debts / advances	28.68	28.70
Unabsorbed Depreciation	-	621.94
Others	91.73	895.15
Gross Deferred tax Assets	424.38	1,787.61
Deferred Tax Liabilities :-		
Accelerated depreciation	15,042.88	12,173.77
Others	1,060.73	907.06
Gross Deferred tax Liability	16,103.61	13,080.83
Net Deferred Tax Liability	15,679.23	11,293.22

6. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
Interest accrued but not due on borrowings	166.89	80.78
Retention Money	14.11	-
Security deposits- Real Estate	526.14	490.66
	707.14	571.44

7. PROVISIONS

(₹ in Lacs)

	Long - Term		Short - Term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Provision for employee benefits				
Provision for Gratuity	-	-	356.08	283.35
Provision for Leave Encashment	321.08	263.65	153.17	129.47
	321.08	263.65	509.25	412.82
Others:				
Proposed equity dividend	-	-	619.23	836.48
Provision for tax on proposed equity dividend	-	-	105.24	135.70
Provision for Income Tax (Net of advance tax Nil, Previous Year Rs 3,013.33 Lacs)	-	-	-	1,369.95
Provision for Fringe Benefit Tax (Net of advance tax Rs. 38.65 Lacs, Previous Year Rs. 38.65 Lacs)	-	-	0.26	0.26
Provision for Wealth Tax	-	-	8.40	3.55
	-	-	733.13	2,345.94
	321.08	263.65	1,242.38	2,758.76

Notes to Consolidated Financial Statements

8. SHORT TERM BORROWINGS

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
SECURED LOANS		
Loans repayable on demand from Banks:		
Buyers Import Credit*	23,247.35	53,784.48
Working Capital Loans*	53,278.18	66,575.39
	76,525.53	120,359.87
UNSECURED LOANS		
Short Term Loans from Banks	7,488.62	1.88
	7,488.62	1.88
	84,014.15	120,361.75

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

Further Packing credit facility of Nil (Previous Year ₹ 15,115.27 Lacs) (included in working capital loans) are specifically secured by pledge of deposit.

Out of the above, working capital facility of ₹ 4727.44 Lacs (Previous Year ₹ 6,927.66 Lacs) is also secured by the corporate guarantees of India Glycols Limited (The Holding Company).

9. OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
Current maturities of long term borrowings (Note No 4)	21,154.90	24,180.32
Interest accrued but not due on borrowings	296.14	467.42
Duties, taxes and other statutory dues	2,040.75	1,906.45
Capital Payables	2,328.18	2,147.32
Advance from Customers	4,301.95	2,529.28
Retention money	381.40	385.25
Expenses payable (Including MTM on derivative contracts)	543.13	3,027.52
Other Payables	1,465.67	907.52
Investor education & protection fund shall be credited by the following amounts when due:		
(i) Unclaimed Dividends	332.36	97.12
(ii) Unclaimed matured deposits	6.86	12.71
(iii) Unclaimed interest on above (ii)	2.22	3.64
	32,853.56	35,664.55

Notes to Consolidated Financial Statements

10. Consolidated Fixed Assets Schedule

(₹ in Lacs)

Description	Gross Carrying Amount				Depreciation/ Amortization				Net Carrying Amount	
	As at 01.04.2012	Additions*	Sales/ Other Adjust- ments	As at 31.03.2013	As at 01.04.2012	For the year \$	Sales/ Other Adjust- ments	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible assets										
Freehold Land	2,078.79	11.76	-	2,090.55	-	-	-	-	2,090.55	2,078.79
Leasehold Land	1,410.97	7.21	-	1,418.18	135.18	16.66	-	151.84	1,266.34	1,275.79
Buildings	18,605.39	26.81	-	18,632.20	2,126.34	366.13	-	2,492.47	16,139.73	16,479.05
Plant and Machinery	149,943.82	10,685.03	1,455.56	159,173.29	57,467.95	8,060.78	658.14	64,870.59	94,302.70	92,475.87
Office Equipment	2,216.12	119.20	17.67	2,317.65	1,202.05	159.20	11.15	1,350.10	967.55	1,014.07
Furniture and Fixtures	2,025.83	1,321.09	23.03	3,323.89	545.67	163.52	14.02	695.17	2,628.72	1,480.16
Vehicles #	1,213.36	206.18	134.11	1,285.43	437.20	121.13	73.91	484.42	801.01	776.16
Total (A)	177,494.28	12,377.28	1,630.37	188,241.19	61,914.39	8,887.42	757.22	70,044.59	118,196.60	115,579.89
Intangible assets										
Computer software	1,038.10	25.82	-	1,063.92	556.71	130.55	-	687.26	376.66	481.39
Total (B)	1,038.10	25.82	-	1,063.92	556.71	130.55	-	687.26	376.66	481.39
Grand Total (A) + (B)	178,532.38	12,403.10	1,630.37	189,305.11	62,471.10	9,017.97	757.22	70,731.85	118,573.26	116,061.28
Previous year	168,689.03	10,135.97	292.62	178,532.38	54,112.17	8,532.30	173.37	62,471.10		

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

* (ii) Includes capitalisation of:

(a) Finance cost: Plant & Machinery ₹ 584.51 Lacs (Previous Year ₹ 1,380.43 Lacs).

(b) Exchange difference: Plant and Machinery ₹ 419.89 Lacs (Previous Year ₹ 911.48 Lacs).

Gross block includes ₹ 367.58 Lacs (Previous Year ₹ 311.30 Lacs) secured by hypothecation against loan

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

Note:

Opening Gross Block & Accumulated depreciation of Foreign Subsidiary, IGL Chem PTE LIMITED, Singapore, as on 31st March, 2013 is reinstated as per AS-11 and amount of ₹ 0.12 Lacs (Net of depreciation of ₹ 0.17 lacs) is adjusted in Foreign Currency Translation Reserve.

Notes to Consolidated Financial Statements

11. INVESTMENTS

(₹ in Lacs), except as otherwise stated

Particulars	Nominal Value	As at	
		31.03.2013	31.03.2012
Non-Current Investments			
Long Term, Non-Trade Investment - At Cost less provision			
Investment in Equity Instruments			
Unquoted, Fully paid up - Joint Venture			
5,000 (Previous Year 5,000) Equity Shares of Kashipur Infrastructure and Freight Terminal Private Limited [Refer Note 1 (vii)]		-	0.50
		-	0.50
Quoted, fully paid up - Others			
211,360 (Previous Year 211,360) Equity Shares of IDBI Bank Ltd	₹ 10	105.00	105.00
34,000 (Previous Year 34,000) Equity Shares of Axis Bank Ltd.	₹ 10	7.14	7.14
2,500 (Previous Year 2,500) Equity Shares of ICICI Bank Ltd.	₹ 10	1.97	1.97
		114.11	114.11
		114.11	114.61
Investment in Preference Share (Unquoted, fully paid up)			
4,68,000 (Previous year 4,68,000) 15% Redemable Non-cumulative Preference Shares of Hindustan Wires Ltd	₹ 100	468.00	
Less: Provision for diminution		397.32	70.68
22,000 15% Redemable Non-cumulative Preference Shares of Hindustan Wires Ltd	₹ 100	22.00	
Less: Provision for diminution		18.68	3.32
		74.00	74.00
Total Non - Current investments		188.11	188.61
Aggregated book value of unquoted investment		74.00	74.50
Aggregated book value of quoted investment		114.11	114.11
Market value of quoted investments		704.46	633.26
Aggregate provision made for diminution in value of investments		416.00	416.00
Current Investments - at the lower of cost and fair value			
Others- Quoted, fully paid up (Non- Trade Investment)			
Investments in Mutual funds			
5000000 (Previous Year Nil) Birla Sun Life Fixed Term Plan Series FK Growth	₹ 10	500.00	-
5000000 (Previous Year Nil) ICICI Prudential FMP Series 64-367 days Plan D Cumulative	₹ 10	# 500.00	-
10000000 (Previous Year Nil) ICICI Prudential FMP Series 64-367 days Plan B Cumulative	₹ 10	# 1,000.00	-
		2,000.00	-

Notes to Consolidated Financial Statements

11. INVESTMENTS (Contd..)

(₹ in Lacs), except as otherwise stated

Particulars	Nominal Value		As at 31.03.2013	As at 31.03.2012
Others- Unquoted, fully paid up (Non- Trade Investment)				
Investments in Mutual funds				
668,518 (Previous Year 668,518) UTI Bonds Fund - Dividend Plan	₹ 10		82.21	79.04
1510779 (Previous Year Nil) Kotak Bond Plan A- Growth	₹ 10	#	500.00	-
28200859 (Previous Year Nil) SBI Dynamic Bond Fund- Growth	₹ 10	#	4,000.00	-
16531658 (Previous Year Nil) Reliance Dynamic Bond Fund- Growth	₹ 10	#	2,500.00	-
12261453 (Previous Year Nil) DWS Short Maturity Fund Reg- Growth	₹ 10	#	2,500.00	-
1949367 (Previous Year Nil) Birla Sun Life Income Plus- Growth	₹ 10	#	1,000.00	-
100,000 (Previous Year 100,000) SBI Gold Fund- growth	₹ 10		10.00	10.00
Nil (Previous Year 29,863) SBI Magnum Insta Cash - Daily Dividend	₹ 1,000		-	500.22
Nil (Previous Year 99,721) SBI PLF - SI - Daily Dividend	₹ 1,000		-	1,000.45
5276047 (Previous Year Nil) Reliance Income Fund- Growth	₹ 10	#	2,000.00	-
7232227 (Previous Year Nil) IDFC Dynamic Bond Plan B- Growth (regular)	₹ 10	#	1,000.00	-
7192434 (Previous Year Nil) IDFC Dynamic Bond Plan B- Growth (Direct)	₹ 10	#	1,000.00	-
552614 (Previous Year Nil) IDFC Money Manager - Growth	₹ 10	#	100.00	-
Investments in Pass Through Certificates (PTCs)			-	-
500 (Previous Year Nil) Gold Loan Receivable Trust -II, by IDBI Trusteeship Services Ltd.	₹100000		500.00	-
			15,192.21	1,589.71
Total Current Investments			17,192.21	1,589.71
Aggregated book value of Unquoted investment			15,192.21	1,589.71
Aggregated book value of Quoted investment			2,000.00	-
Aggregated Market Value of Quoted investment			2,180.41	-
Aggregate provision made for Diminution in value of Investments			-	3.17

Pledged with banks as security against borrowings.

Notes to Consolidated Financial Statements

12. LONG TERM LOANS & ADVANCES

(Unsecured, considered good unless stated otherwise)

	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
Capital Advances	2,267.00	5,121.01
Security Deposits @	2,190.35	1,893.05
Balance with Excise and Authorities	3,426.44	2,869.03
Inter Corporate Deposits	1,695.45	6,625.00
Other Loans & advances *	210.14	256.16
(Includes ₹1.41 Lacs (Previous Year ₹ 2.11 Lacs) due from a director)	9,789.38	16,764.25

* Prepaid expenses and loans to employees

@ Includes ₹ 480 Lacs (Previous Year ₹ 480.00 Lacs) security deposit to Private companies in which director/directors of company is director and are also related parties.

13. OTHER NON-CURRENT ASSETS

	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
Bank balance on deposit account* (Refer Note No. 16)	461.19	108.28
Accrued Interest	19.28	3.84
Others		
Upfront fee, processing charges, etc amortised over tenure of loans	155.06	80.74
	635.53	192.86

* Pledged with bank/Government Authorities as margin money/security against the borrowings and guarantees maturing after 12 months

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

(As taken, valued and certified by the management)

	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
Raw Materials *	23,273.93	38,161.60
Work-in-Process	2,936.60	2,301.93
Finished Goods **	17,871.07	15,786.71
Stores and Spares	12,926.47	13,611.58
Residue Product	39.42	6.09
Scrap	7.72	5.15
Loose Tools	23.43	58.57
	57,078.64	69,931.63

*Includes in transit Nil (Previous Year ₹ 10,830.56 Lacs)

**Includes in transit ₹ 640.29 Lacs (Previous Year ₹ 463.87 Lacs)

Notes to Consolidated Financial Statements

15. TRADE RECEIVABLES

(Unsecured, considered good unless stated otherwise)

	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	606.55	610.50
- Doubtful	64.67	64.22
(b) Other (Considered good)	28,982.27	29,279.74
	29,653.49	29,954.46
Less: Provision for Doubtful debts	64.67	64.22
	29,588.82	29,890.24

16. CASH AND BANK BALANCES

	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
(a) Cash and Cash equivalents		
(i) Cash in Hand	32.21	31.27
(ii) Balance with Banks		
- On Current Accounts	5,944.85	4,844.61
(iii) Cheques in hand	-	300.00
	5,977.06	5,175.88
(b) Other bank balances		
- In Fixed Deposit Accounts * - Current	6,981.72	25,078.27
- In Fixed Deposit Accounts * - Non current	461.19	108.28
- On Dividend Accounts	332.36	97.12
	13,752.33	30,459.55
Less: Amount disclosed under Other Non Current Assets (Note No 13)	461.19	108.28
	13,291.14	30,351.27

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

Notes to Consolidated Financial Statements

17. SHORT TERM LOANS & ADVANCES

(Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

		As at 31.03.2013		As at 31.03.2012
Deposits with Non Banking Financial Institutions		4,491.00		4,491.00
Interest receivable		518.92		1,403.51
Export Incentive receivable		5,565.53		6,140.49
Balance with Excise and Authorities		5,843.24		3,920.53
Deposits with Government Departments & Others		182.81		287.87
MAT Credit Entitlements		8,090.16		4,789.68
Advance Income Tax/ Tax deducted at source (net of income tax provision of ₹ 7,212.50 Lacs, Previous Year Nil)		177.88		-
Prepaid expenses		1,021.19		734.08
Other Advances:				
Advances recoverable in cash or in kind or for value to be received	16,052.44		7,917.80	
Doubtful advances / loans	73.59		73.59	
	16,126.03		7,991.39	
Less : Provision for doubtful advances / loans	(73.59)	16,052.44	(73.59)	7,917.80
		41,943.17		29,684.96

18. OTHER CURRENT ASSETS

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
Upfront fee, processing charges, etc amortised over tenure of loans	276.32	446.40
	276.32	446.40

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

Notes to Consolidated Financial Statements

19. REVENUE FROM OPERATIONS

	(₹ in Lacs)	
	2012-13	2011-12
Sales of Products		
Glycols	69,336.99	59,211.34
E.O. Derivatives	96,113.60	85,630.94
Guar Gum Powder and derivatives	74,243.30	39,564.32
Ethyl Alcohol (Potable)	66,027.36	50,168.49
Industrial Gases	3,390.01	3,144.19
Sugar	8,150.51	8,133.20
Sale of traded goods		
Chemical Products	59,619.52	41,170.08
Agri Products	-	9,835.73
Export Incentive receivable	7,116.57	5,219.97
Others	7,399.24	4,856.37
	391,397.10	306,934.63
Less: Excise Duty	52,838.34	38,409.44
	338,558.76	268,525.19
Sales of Service		
Rent	1,197.84	619.00
Others	295.79	283.99
	1,493.63	902.99
Other Operating Revenue		
Provision no longer required written back	27.13	3,517.45
Sundry balances written back	-	215.56
Provision for doubtful debts/Advances written back	-	2.37
Miscellaneous Income	2,176.90	2,619.60
	2,204.03	6,354.98
Total Revenue from operations	342,256.42	275,783.16

20. OTHER INCOME

	(₹ in Lacs)	
	2012-13	2011-12
Interest Income	916.85	486.23
Dividend on Long term Investment	9.03	16.74
Interest on current Investment (TDS Rs. 1.90 Lacs, Previous Year Nil)	5.85	-
Dividend on current investment	6.40	5.01
Reversal of Diminution in value of current Investments	3.17	2.90
Commodity Derivative Income	24.35	3.76
Profit on sale of Current investment	82.41	-
Profit on sale of Fixed Assets	15.76	17.16
	1,063.82	531.80

Notes to Consolidated Financial Statements

21. COST OF MATERIALS CONSUMED

	(₹ in Lacs)	
	2012-13	2011-12
Raw Materials consumed		
i) Molasses	28,378.41	27,401.65
ii) Chain Starters	10,621.87	11,464.27
iii) Special Denatured Spirit	47,778.28	27,151.67
iv) Guar split and Guar seeds	50,392.72	22,768.61
v) Production Chemicals & Others	13,402.57	12,140.81
vi) Cane	10,456.98	9,024.39
vii) Packing Material	11,792.34	9,578.39
Total	172,823.17	119,529.79

22. PURCHASE OF STOCK IN TRADE

	(₹ in Lacs)	
	2012-13	2011-12
Chemical and Oil Products	56,172.71	38,823.78
Agri products	-	9,651.02
	56,172.71	48,474.80

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

	(₹ in Lacs)	
	2012-13	2011-12
CLOSING STOCK		
A) Finished Goods		
- Glycols	1,564.80	2,685.15
- E.O. Derivatives	4,789.98	4,426.07
- Ethyl Alcohol (Potable)	423.00	522.75
- Guar Gum Powder and derivatives	777.50	515.55
- Guar Churi	0.18	0.13
- Industrial Gases	31.83	20.48
- Sugar	9,204.74	6,590.80
- Molasses & Bagasse	765.93	645.93
- Anhydrous Alcohol and Rectified Sprit	16.78	17.45
- Bio compost & Press mud	21.88	21.46
- Herbal Products	274.45	340.94
Total Finished Goods	17,871.07	15,786.71
Work-in-Process	2,936.60	2,301.93
Residue Product	39.42	6.09
	20,847.09	18,094.73

Notes to Consolidated Financial Statements

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

	(₹ in Lacs)	
	2012-13	2011-12
LESS : OPENING STOCK		
Finished Goods		
- Glycols	2,685.15	403.95
- E.O. Derivatives	4,426.07	2,566.65
- Ethyl Alcohol (Potable)	522.75	553.84
- Guar Gum Powder and derivatives	515.55	81.01
- Guar Churi	0.13	0.01
- Industrial Gases	20.48	25.60
- Sugar	6,590.80	6,402.37
- Molasses & Bagasse	645.93	602.63
- Rectified Sprit & Anhydrous Alcohol & SDS	17.45	111.25
- Bio compost & Press mud	21.46	20.95
- Herbal Products	340.94	356.08
Total Finished Goods	15,786.71	11,124.34
Work-in-Process	2,301.93	9,481.50
Residue Product	6.09	7.75
	18,094.73	20,613.59
Less: Differential Excise Duty provided on Stocks	16.35	570.88
	(2,736.01)	3,089.74

24. EMPLOYEE BENEFITS EXPENSE

	(₹ in Lacs)	
	2012-13	2011-12
Salaries, Wages, Allowances, etc.	7,642.73	6,492.46
Contribution to Provident and other Funds	555.42	490.45
Employees' Welfare and other Benefits	714.22	648.80
Total	8,912.37	7,631.71

25. FINANCE COSTS

	(₹ in Lacs)	
	2012-13	2011-12
Interest on Fixed Loans	10,445.25	8,629.42
Other Interest	4,459.55	4,625.13
Other Borrowing Cost	-	-
Financial Charges	2,229.50	1,894.50
	17,134.30	15,149.05
Less: Interest Received on temporary deposits	2,125.14	1,701.46
	15,009.16	13,447.59

Notes to Consolidated Financial Statements

26. OTHER EXPENSES

	(₹ in Lacs)	
	2012-13	2011-12
Stores and spares Consumed	7,858.90	5,113.41
Power and Fuel	35,097.90	32,185.89
Repairs and Maintenance		
- Buildings	476.02	452.26
- Plant and Machinery	2,056.90	1,787.23
- Others	451.23	285.51
Rent	145.52	125.00
Rates and Taxes	1,396.83	1,179.20
Travelling and Conveyance	935.64	845.54
Insurance	411.30	366.09
(Net of recovery from customers ₹ 0.71 Lacs, Previous year ₹ 2.30 Lacs)		
Directors' sitting Fee	12.80	11.50
Commission to Non Executive Director	10.50	10.50
Donation	138.05	12.63
Commission to Selling agents	902.90	962.69
Freight forwarding and others (Net of recovery from customers / provision written back ₹ 857.99 Lacs, Previous Year ₹ 937.84 Lacs)	8,950.80	6,954.58
Exchange Fluctuation loss (Net of gain ₹ 1,652.91 lacs, Previous Year ₹ 4,366.14 Lacs).	6,505.29	10,128.80
Bad debts written off	7.53	93.21
Less : Provision for doubtful debts written back	4.08	71.97
Provision for doubtful debts and advances	-	15.53
Loss on Sale / Discard of Fixed Assets	106.38	55.82
Debts/ Advances written off	5.76	11.08
Amortisation of Foreign Currency Monetary Item		
Transaction Difference	2,009.64	621.78
Wealth Tax	11.46	3.09
Printing & Stationery, Postage, Telephone, security, legal and professional and other Miscellaneous Expense	2,672.01	2,490.05
	70,159.28	63,639.42

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

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

(i) In Respect of :

(₹ in Lacs)

Particulars	As on 31.03.2013	As on 31.03.2012
Central Excise/ State Excise	11,013.09	4,633.55
Customs	261.93	261.93
Service Tax	69.02	182.28
Sales Tax	3,321.92	3,322.73
Other matters	2,012.26	2,003.36
Total	16,678.22	10,403.85

(ii) Claims against the Company not acknowledged as debts ₹ 96.73 Lacs (Previous Year: ₹ 97.25 Lacs)

(iii) Bills discounted with Banks ₹ 15,826.08 Lacs (Previous Year: ₹ 7,925.98 Lacs).

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

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

(B) Custom duty saved on import of raw material under Advance License pending fulfillment of export obligation is amounting to ₹ 774.17 Lacs (Previous Year ₹ 1,617.19 Lacs).

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

29. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 2,267.00 Lacs, (Previous Year ₹ 5,121.01 Lacs) are ₹ 12,090.67 Lacs (Previous Year ₹ 12,820.10 Lacs).

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

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

32. In the earlier years, the State Government of Uttarakhand had levied Export Pass Fee on ENA/RS export outside India. The matter is finally disposed of by Hon'ble High Court of Uttarakhand vide its Order dated 9th January, 2012 and has declared the levy of said fee as unsustainable and irrecoverable. Subsequently, on June 8, 2012, vide Uttarakhand Excise (Amendment) Act, 2012, Uttarakhand Government retrospectively revived old notification relating to imposition of export fee on ENA and RS. The Company filed Writ Petition challenging the above said notification and vide order dated September 12, 2012 the Hon'ble High Court of Uttarakhand has granted stay and restrained State from imposing export fee. Amount of ₹ 106.15 Lacs (Previous Year ₹ 68.05 Lacs) paid under protest is shown as recoverable from State Govt. of Uttarakhand, in the books of account.

33. The Company has challenged the legality and the validity of the financial derivative transaction dated January 15, 2008 entered into with Standard Chartered Bank, New Delhi (SCB), which is the subject matter of civil suit (Original suit) pending before the Hon'ble High Court of Delhi (High Court) at New Delhi. Provision made in earlier year had been written back in the books of accounts (read with Note. 35) in the year 2011-12 in view of the favorable opinion of the legal consultant and the fact that DRT and DRAT did not entertain application of the SCB and pending final

decision of the High Court same has been considered under contingent liability.

34. In accordance with Companies (Accounting Standards) Amendment Rules 2009 as amended by Companies (Accounting Standards) (Second Amendment) Rules 2011, the Company continued its policy, as exercised in financial year 2008-09, the option of adjusting exchange differences arising on reporting of long term foreign currency monetary items related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets and other long term monetary item in the "Foreign Currency Monetary Item Translation Difference" to be amortise over the period of loan. Accordingly: (a) Exchange differences (gain)/ loss relating to long-term monetary items, in so far related to acquisition of depreciable capital assets, arising during the year amounting to ₹ 378.92 Lacs (Previous Year ₹ 809.65 Lacs) (net of depreciation ₹ 40.97 Lacs, Previous Year ₹ 101.83 Lacs) adjusted to the cost of fixed assets, and (b) relating to other long-term monetary items arising during the year amounting to ₹ 824.43 Lacs (Previous Year ₹ 2795.69 Lacs) (Net of amortization ₹ 636.14 Lacs, Previous Year ₹ 621.78 Lacs) are adjusted to "Foreign Currency Monetary Item Translation Difference".
35. Gain on write back of provision against dispute (amounting to ₹ 1,923.98 Lacs), other provisions/ creditors no longer required, exchange loss on reinstatement of outstanding foreign exchange contracts and cane price revision amount (amounting to ₹ 569.91 Lacs in respect of subsidiary company) have been included in respective head of account which in previous year were considered as exceptional item.
36. (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.
37. SSAIL is in the process of updating the fixed assets records and physical verification of certain Fixed Assets is in progress. In view of the adequate security arrangements, management is of the view that there will not be any material discrepancies between book and physical stock of fixed assets on completion of physical verification.
38. Net worth of SSAIL as per audited accounts for the year ended March 31, 2013 has been fully eroded. It has also been declared sick industrial undertaking as per the provision of Sick Industrial Companies Act, 1985. Consolidated financial statements have been prepared considering the current financial position of the subsidiary companies.
39. In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, in view of the management with respect to SSAIL, no impairment loss on its Fixed Assets/ Cash Generating Units (CGU) is considered necessary at this stage, as its expected recoverable value is more than its carrying value.
40. In respect of a subsidiary company (SSAIL), balances of certain debtors, creditors, other liabilities, loans and advances (including capital advance) and provisions are in process of confirmation and/or reconciliation. Management is confident that on final recoverability/ confirmation of these, there will not be any material adjustment.
41. Foreign exchange gain amounting to ₹ 312.63 Lacs (Previous Year ₹ 32.07 Lacs), net of Loss of ₹ 4,361.19 Lacs (Previous Year ₹ 5,077.49 Lacs) has been included in the respective heads of accounts in the Statement of Profit & Loss. This has no impact on Profit / Loss for the year.
42. **Related Parties Disclosure** (As identified by the management):
 - (i) Relationships:
 - A. Key Management Personnel & their Relatives
 - U. S. Bhartia (Chairman and Managing Director)
 - M. K. Rao (Executive Director)
 - Pragya Bhartia
 - B. Enterprises over which Key Management Personnel have significant influence:
 - Ajay Commercial Co. (P) Ltd.
 - J. B. Commercial Co. (P) Ltd.
 - Kashipur Holdings Limited
 - Polylink Polymers (India) Ltd.
 - Hindustan Wires Limited
 - Supreet Vyapaar (P) Ltd.
 - Mayur Barter (P) Ltd.
 - Facit Commosales (P) Ltd.
 - J. Boseck & Co. (P) Ltd.

(ii) Detail of Transactions with related parties:

(₹ in Lacs)

Related Party Transaction Summary	Significant Influence		Key Managerial Personnel				Relative of KMP	
			CMD		ED		2013	2012
	2013	2012	2013	2012	2013	2012		
Purchase Of Services	48.70	80.63						
Sale of Material	225.19	275.25						
ICD Given	-	54.00						
ICD Received Back	-	54.00						
Interest Income	-	1.46						
Advance Given	-	5.00						
ICD Received	2,010.24	9,426.00						
ICD Paid Back	5,916.50	40.00						
Interest Expense	968.48	634.33						
Rent Paid	25.08	27.04						
Salary							27.29	19.13
Managerial Remuneration			873.34	536.34	62.81	47.39		
Balance Outstanding								
Payable								
ICD Payable	8,093.74	12,000.00						
Others	2.24	30.13						
Receivable								
Security Deposit	480.00	480.00						
Others	4.64	82.65						

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

- a) Inter Corporate Deposit received includes from:
 - Kashipur Holding Limited ₹ 1,738.24 Lacs (Previous Year ₹ 6,676.00 Lacs).
 - Mayur Barter Nil (Previous Year ₹ 2,000.00 Lacs).
- b) Inter Corporate Deposit paid back includes to:
 - Kashipur Holding Limited ₹ 4,040.00 Lacs (Previous Year ₹ 10.00 Lacs).
 - Mayur Barter (P) Ltd. ₹ 1,113.00 Lacs (Previous Year Nil).
- c) Inter Corporate Deposit Payable includes:
 - Kashipur Holding Limited ₹ 5,359.24 Lacs (Previous Year ₹ 7,661.00 Lacs).
 - Mayur Barter (P) Ltd. ₹ 1,265.00 Lacs (Previous Year ₹ 2,378 Lacs).

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

Name of the Subsidiary/ Joint Venture	Shakumbari Sugar & Allied Industries Limited	IGL Chem International PTE. LTD.	IGL Finance Limited	Kashipur Infrastructure and Freight Terminal Private Limited
	(₹ in Lacs)	(USD in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Capital	6,067.71	0.79	150.00	0.50
Reserves (net of debit balance of Profit and Loss Account)	(12,131.72)	(0.49)	(12.84)	(1.87)
Total Assets	24,226.39	12.89	2,626.17	721.37
Total Liabilities	24,226.39	12.89	2,626.17	721.37
Investments (Net of Provision for Diminution if any)	-	-	74.00	-
Revenue from Operations (Net)	10,062.47	91.28	24.03	-
Profit / (loss) before tax	(2,625.47)	0.88	2.14	(1.67)
Provision for Taxation	-	(0.04)	(0.78)	-
Profit / (loss) after Taxation	(2,625.47)	0.84	1.36	(1.67)
Proposed Dividend	-	-	-	-

44. Segment Information:

A. Information about Business Segments (Primary Segments):

(₹ in Lacs)

		Business Segments				Others		Unallocable		Total	
		Chemicals		Liquor		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
		31.03.2013	31.03.2012	31.03.2013	31.03.2012						
A	REVENUE										
1	Gross Sales (External)	3,10,140.30	2,34,388.71	67,184.39	51,292.80	15,566.04	22,156.11	-	-	3,92,890.73	3,07,837.62
2	Other Income	611.88	5,003.12	913.76	901.02	396.30	395.47	1,345.91	587.17	3,267.85	6,886.78
3	Total Revenue	3,10,752.18	2,39,391.83	68,098.15	52,193.82	15,962.34	22,551.58	1,345.91	587.17	3,96,158.58	3,14,724.40
B	RESULTS										
1	Segment Result (PBIT)	37,404.56	37,232.09	3,428.42	3,872.59	(346.62)	(2,701.37)	(11,515.37)	(12,986.11)	28,970.99	25,417.20
2	Interest Expense (Net)									15,009.16	13,447.59
3	Profit Before Tax									13,961.83	11,969.61
4a	Provision for Current Tax (net of MAT credit)									1.08	-
4b	Deferred Tax									4,386.01	5,228.98
4c	Taxation provision of earlier year									21.87	-
5	Profit after Tax									9,552.87	6,740.63
C	Other Information:										
1	Segment Assets	2,03,440.87	2,00,575.06	14,599.92	14,217.74	38,647.19	36,090.92	55,095.63	57,741.78	3,11,783.61	3,08,625.50
2	Segment Liabilities	47,974.12	23,516.32	2,211.21	2,054.59	13,996.78	9,070.35	1,94,019.88	2,32,598.09	2,58,201.99	2,67,239.35
3	Capital Expenditure	16,642.16	7,272.00	307.81	425.11	1,602.57	1,028.17	699.29	112.39	19,251.83	8,837.67
4	Depreciation and Amortisation expenses	7,090.41	6,661.42	253.46	260.82	1,273.86	1,179.68	400.00	430.38	9,017.73	8,532.30

B. Information about Geographical Segments (Secondary Segments)

(₹ in Lacs)

		Domestic		Overseas		Total	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
1	Gross Sales (External)	215,168.33	181,727.23	177,722.40	126,110.39	3,92,890.73	3,07,837.62
2	Segment Assets	242,143.22	2,36,795.19	14,544.76	14,088.53	2,56,687.98	2,50,883.72

Notes:

Primary Segment reporting (by business segment)

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

Secondary Segment reporting (by geographical segment-customer location)

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

Reportable segments

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

Segment Composition

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

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

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

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

Particulars	Amount ₹ in Lacs
Liabilities	
Other Long-term liabilities	14.11
Other current liabilities	708.63
Assets	
Tangible assets	1.77
Intangible assets	0.13
Capital work-in-progress	354.48
Intangible assets under development*	50.00
Long-term loans and advances	246.74
Other non-current assets	15.75
Cash and cash equivalents	49.40
Short-term loans and advances	3.10
Expenses	
Rates and taxes	1.67

* Share in Railway License Fee

46. Earnings per share (EPS):

	2012-13	2011-12
Net profit for the year attributable to equity shareholders (₹ in Lacs)	9,552.87	6740.63
Weighted average number of equity shares outstanding	29426218	27882500
Basic and diluted earnings per share (face value of ₹ 10 each) (₹)	32.46	24.18

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

(a) Outstanding at the year- end as follows

Nature of Instruments	2012-13 Amount (FC in millions)	2012-13 Amount (₹ in Lacs)	2011-12 Amount (FC in millions)	2011-12 Amount (₹ in Lacs)
Open Forward Contracts - USD	-	-	48.00	24,422.40
Foreign currency options - USD	2.00	1,086.00	-	-
Packing Credit Net of Export debtors - USD	46.20	25,092.00	48.20	24,526.79
Open foreign exchange exposures:				
Loans				
- USD	58.01	31,503.07	156.07	79,406.34
- EURO	-	-	0.3	184.18
- JPY	-	-	-	-
Payable				
- USD	58.05	31,512.68	15.75	8,013.73
- EURO	0.01	5.04	0.01	4.91
- JPY	1.00	5.77	1.00	6.22
- CHF	0.01	2.50	0.01	2.47

(b) Exchange fluctuation loss of ₹ 6,505.29 Lacs (Previous Year loss of ₹ 10,128.80 Lacs), is net of gain of ₹ 1,652.91 Lacs (Previous Year gain of ₹ 4,366.14 Lacs).

(c) The Company uses derivative instruments for hedging possible losses and exchange fluctuation loss is ₹ 1,746.57 Lacs net off gain of ₹ 618.13 Lacs (Previous Year loss of ₹ 1,373.53 Lacs net of gain of ₹ 1,361.20 Lacs) which is inclusive of gain of ₹ 60.83 Lacs (Previous Year loss of ₹ 2,473.14 Lacs) provision for mark to market gain/ loss on account of all outstanding financial transactions as on 31st March 2013.

(d) Considering the principle of prudence and announcement made by The Institute of Chartered Accountants of India 'Accounting for Derivatives' in March, 2008, the Company has provided an amount of ₹ 6.58 Lacs included in (a) (Previous Year ₹ 2,473.14 Lacs) on outstanding contracts to the Statement of Profit & Loss, account of foreign exchange derivative instruments and the same shown as part of exceptional item.

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

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 30th May, 2013

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary



INDIA GLYCOLS LIMITED

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

TWENTY NINTH 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 NINTH 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 18th day of September, 2013 at 12.30 p.m. and at any adjournment thereof.

Affix Revenue Stamo

Signed this _____ day of _____ 2013

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





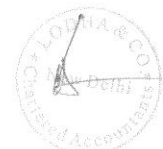
FORM B
Format of covering letter of the annual audit report to be filed with the stock exchanges
(Pursuant to Clause 31(a) of Listing Agreement)

1.	Name of the Company	INDIA GLYCOLS LIMITED
2.	Annual standalone financial statements for the year ended	March 31, 2013
3.	Type of Audit qualification	<p>Qualified:</p> <p>Qualification on page no. 36 of enclosed Annual Report</p> <p>We draw attention to note 34 of the financial statements regarding non-provision against investment and loans & advances in subsidiary company Shakumbari Sugar and Allied Industries Limited (SSAIL) amounting to Rs.5,427.50 Lacs and Rs.1,713.30 Lacs (including interest accrued thereon) respectively, where, in the opinion of management no provision is necessary considering the long term in nature, the intrinsic value of assets of subsidiary company and for the reasons as stated in the said notes.</p> <p>Further company have also extended corporate guarantee on behalf of SSAIL against outstanding amount of Financial Institution and Banks (as stated in the note no. 27(A)(iii))</p>
4.	Frequency of qualification	<p>This qualification w.r.t. investment in subsidiary is appearing since 2008-09.</p> <p>This qualification w.r.t. Loans & advances in subsidiary is appearing since 2010-11.</p> <p>This qualification w.r.t. Corporate Guarantee given on behalf of SSAIL against outstanding amount of Financial Institution and Banks in subsidiary is appearing since 2011-12.</p>
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	<p>Refer note 34 to notes to the financial statements (page no. 61 of enclosed Annual Report).</p> <p>Company has investment of Rs.5,427.50 Lacs in equity shares and 10% cumulative redeemable preference share capital in a subsidiary company Shakumbari Sugar and Allied Industries Limited (SSAIL) whose net worth</p>



		<p>has been fully eroded. SSAIL has also been declared sick industrial undertaking as per the provision of Sick Industrial Companies Act, 1985.</p> <p>However, considering the intrinsic value of the investee assets, long term nature of investment and direction issued by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) for preparation of revival scheme by the operating agency as appointed, no provision at this stage is considered necessary by the management against investments made in above stated subsidiary namely SSAIL.</p> <p>Loans and advances includes Inter corporate deposit with SSAIL amounting to Rs.1,713.30 Lacs (including interest thereon), where management is confident about recoverability /reliability of the same. Accordingly considering the facts as stated above, amount is good and fully recoverable and no provision there against is necessary.</p> <p>Clarification on above in Director's report (page no. 17 of enclosed Annual Report).</p> <p>Considering the intrinsic value of the assets of SSAIL & long term nature of the investment and directions issued by BIFR for preparation of revival scheme by the Operating Agency, the management is confident of the recoverability/realisability of the value of Investment and loans provided to SSAIL, therefore, no provision in the opinion of the Management at this stage is considered necessary.</p>
6.	Additional comments from the board/audit committee chair	<p>In the books of SSAIL assets are appearing at cost less depreciation. However, based on the valuation done by an independent valuer fair value of the fixed assets as assessed is significantly higher than as stated in the financial statements.</p> <p>Further, as per the information made available, there was no default made by SSAIL in past in payment of dues to Banks and Financial Institutions.</p> <p>Also, most of the Sugar Companies have been affected in past due to the levy sugar quota and price control over sale of sugar as well as exorbitantly high purchase price of sugar cane. Post removal of levy quota prices of sugar recently have started looking up.</p>



		<p>In view of the above, it is not feasible and practicable to ascertain the quantum of provision, if any, that should be made against total exposure of the Company in SSAIL.</p>
	<p>To be signed by:</p> <ul style="list-style-type: none"> • Chairman and Managing Director • Chief Financial Officer • Chairman (Audit Committee) • Auditor of the Company 	<div style="text-align: center;">  <hr/> <p>(Uma Shankar Bhartia)</p> </div> <div style="text-align: center;">  <hr/> <p>(Anand Singhal)</p> </div> <div style="text-align: center;">  <hr/> <p>(R C. Misra)</p> </div> <p>Refer our audit report dated May 30, 2013 on the Standalone Financial Statements of the Company For Lodha & Co. Chartered Accountants (Firm Registration No. 301051E)</p> <div style="text-align: center;">  <hr/> <p>(N. K. Lodha) Partner (Membership No. 85155) May 30, 2013 Noida, UP.</p> </div> <div style="text-align: right;">  </div>